Minutes of CoST Board Meeting No.26
24 to 26 September 2018

Participants	
Board: Chrik Poortman (Chair) George Ofori (GO) (items 2, 5 to 7, 10, 11 and 14 to 16) Alfredo Cantero (AC) Petter Matthews (PM) Frank Kehlenbach (FK) Vincent Lazatin (VL)	**Observers:** Hayley Sharp (HS), DFID (Items 1 to 7) Rory Moody (RM) DFID (Items 1 to 7 and 10 to 16) **In attendance** John Hawkins (JH) International Secretariat Elizabeth Dykstra-McCarthy (EDM) International Secretariat Soren Jensen (SJ) International Secretariat Sean Henderson (SH) International Secretariat (Items 1 to 3) Hamish Goldie Scott (HGS), International Secretariat (Items 5 to 9)

	Discussion & Decisions	Responsible	Deadline
Item 1. Chairman's Welcome and Opening Remarks			
1.1	The Chair welcomed Board Members and Observers to the meeting remarking that there were some substantives issues for discussion over the next three days. Particular thanks were expressed to HS and RM for joining the meeting.	N/A	N/A
Item 2. Approval of the Minutes of meeting 25 and Matters Arising			
2.1	The minutes from meeting 25 were approved as an accurate record with the changes agreed below.	N/A	N/A
2.2	New Minute 6.5 – it was agreed to add a sentence on the meeting with the Ukraine Minister of Infrastructure and the donor meeting.	JH	Oct 2018
2.3	Minute 8.1 requires some clarification. Minute 8.2 – delete full stop.	JH	Oct 2018
2.4	Minute 11.3 – clarify the final sentence about the type of support DFID can offer.	JH	Oct 2018
2.5	The minutes should be edited to ensure the consistent use of International Secretariat and IS.	JH	Oct 2018
2.6	Minute 2.8 - The EAP Anniversary Event on 26th September 2018 includes several high-profile speakers including Yama Yari, Afghanistan Minister of Public Works and Rachel Turner, DFID Director for Economic Development.	N/A	N/A
2.7	Minute 5.2 – FK spoke to the Vice Presidents of contractor associations in Bulgaria and Romania. He was advised that it was not the right time in Romania	FK	Dec 2018

	due to the current political turmoil. Bulgaria requested additional information, which FK provided to which there has been no response. FK to follow-up.		
2.8	Minute 10.2 – there were no further responses from MSGs to the consultation on constituting the CoST Board.	N/A	N/A
2.9	Minute 13.1 – Mexico City Airport Authority (MCAA) has withdrawn its application following the Board's request for additional information. It is understood that they are considering re-applying as an Affiliate.	N/A	N/A
Item 3. Financial Report and Annual General Meeting			
3.1	Please refer to papers Ci, Cii and Ciii for the financial report. SH clarified that the budgeted income from MinBuZA has been reduced by 50% due to the delay in finalising the new funding agreement. The first payment has been further delayed due to internal administrative procedural issues within MinBuZA. JH is following up.	JH	Oct 2018
3.2	It was reported that EAP has made an in-kind contribution equal to approximately £30k since the last Board meeting. The contribution was principally related to supporting the high-income study.	N/A	N/A
3.3	Further discussion is required on how CoST can develop a financial reserve.	PM	Next Board meeting
3.4	Papers C iv and C v formed the basis of a presentation and discussion on the 2017 audit report and KDD report respectively.	N/A	N/A
3.5	It was agreed that the risk register should be reviewed and updated. The current version was developed for the business plan but may not capture all of the risks. Magma have offered to peer review the updated version. The risk register should better understand the risks associated with the current relationship between CoST and EAP.	SH	Nov 2018
3.6	It was agreed that support costs should be allocated proportionally against the different financial supporters. The only current support cost is the audit fee.	SH	Dec 2018
3.7	It was agreed that the management accounts should be reconciled and approved by a trustee on a quarterly basis.	SH	Dec 2018
3.8	The Board approved the annual audit and KDD. It also agreed to re-appoint Magma as the auditor for 2019.	SH	Immediate
Item 4.	**Potential new members**		
4.1	Paper R provides an update on current engagement with governments interested in CoST.	N/A	N/A
4.2	It was agreed that after a period of consolidating existing members programmes, we need encourage	JH, CB	Dec 2018

Infrastructure Transparency Initiative

	applications from potential new members. The Board agreed that a competitive process should be launched with a limited number of places to join as a Members or Affiliate Members in 2019. JH and CB to develop the application process and timeline and communications plan.		
4.3	Consideration will be given to holding regional events, like those held previously in Latin America and SE Asia, to help promote CoST. These meetings could be tagged onto regional and international events.	JH & CB	December 2018
4.4	DFID will continue to provide support to introduce CoST into its priority countries. It was reported that MinBuZa is potentially interested in helping to introduce CoST into the MENA region.	N/A	Ongoing
Item 5.	**Constituting the CoST Board**		
5.1	The Articles of Association are being updated to reflect how the Board will be constituted in the future. The Board reviewed recommendations proposed by the legal advisor who will make the changes.	PM	March 2019
5.2	The Board agreed to develop a separate set of regulations. The regulations should include a timeline for rotating Members on and off on to the Board. They will be developed for the next physical Board meeting along with a timeline for electing the Board. It was agreed that: Article 25 - agreed to change Chairman to Chair IS should be a voting member. Article 36 – A third term could be considered in exceptional circumstances and with the unanimous decision of the Board. Article 38.1 - The Board should be able to co-opt a Member to fill any vacancy among the representatives until the end of that term.	PM	March 2019
Item 6.	**EAP & CoST Agreement**		
6.1	The relationship between EAP and CoST needs to be formalised into an MoU. The current draft requires further work by the IS before it is circulated to the Board for review.	PM & JH	Dec 2018
Item 7.	**FIDIC Annual Conference**		
7.1	HGS participated at the FIDIC Annual International Conference to help promote CoST and made a presentation to the Integrity Management Committee. The Committee intend to propose a more active endorsement of CoST to FIDIC. FIDIC have previously given a statement of support, but it is somewhat out of date.	N/A	N/A
7.2	HGS met with about 80 participants and there were opportunities to contribute during the plenary. The	HGS	Ongoing

	strongest interest has come from the Mali Council of the Order of the Engineers who have sent the CoST presentation across to all their members in Mali. HGS will continue to follow-up		4
7.3	CoST should look to secure higher level of participation at the next FIDIC Africa conference (GAMA) in Uganda in May, the Asia conference in Delhi, and the 2019 International Conference in Mexico. The respective regional managers have been informed and will follow up.	Regional Managers	Ongoing
Item 8.	**Disclosure & Assurance**		
8.1	An update was given on the alignment of the OCDS and the IDS and the current work in progress. The alignment will create an open data standard for infrastructure projects. It will include three final products; an alignment report, an open data schema for developers and an open-source data platform based on SISOCs. A consultation on the initial work was taking place later in the week at the International Open Data Conference in Buenos Aries. The open data schema will remain flexible. But any additional data points a government or MSG agree will then need to codify the type of data e.g. number, date, pull down menu etc. that is required into the schema. The Open Contracting Partnership and CoST still have to agree the name for the new open data standard.	JH	Ongoing
8.2	Paper H was developed following the last Board meeting. It sets out a protocol for an assurance team, MSG and or national secretariat visiting a construction site and how they observe the quality of the infrastructure. This protocol will assist CoST members to observe and report on the quality of infrastructure in line with the boundaries the Board has set. The Board approved the protocol for publishing. The IS will consider if it is published as a standalone document or as part of the update Guidance Note or new Assurance Manual.	JH	Early 2019
8.3	Paper I set out how we can communicate the added value of assurance including how it differs from a technical audit. Due to the confusion between assurance and audit it was agreed that we should be cautious in recommending that a government audit institution undertakes the assurance process. There is some concern about the quality of assurance reports and on occasion the Assurance Team being unwilling to fully report what had been identified. The IS considering developing regional capacity which could lead to a regional peer review process and assurance professionals being employed to undertake the assurance process in a different country within the region.	JH, HGS & CB	Nov 2018

	The Board approved the proposed recommendations in the paper. It was also agreed to reiterate to MSGs that they should take responsibility for the quality of a published assurance report.		
8.4	An update was given to the Board on the Infrastructure Transparency Index. CoST Guatemala has been testing the Index, but their approach appears to conflate the Index with evaluating a CoST programme. The CoST Honduras version of the Index needs testing before it could be published. The Board is concerned to avoid further delays in completing the Index. Bill Paterson and a data specialist to be indemnified will be asked to review the work in progress.	JH	Oct 2018
Item 9.	**Operational Procedures**		
9.1	The Board instructed the IS to update operational policies and procedures.	JH, SH	Dec 2018
9.2	The Board agreed to raise the travel allowance for MSG Members to attend a meeting from $25 to $30. JH to update Grant Agreements to reflect this change.	JH	
Item 10.	**Programme Report – International Programme**		
10.1	**Advocacy** The IS updated the Board on the international events it has participated at in recent months. **OGP Summit, Tbilisi, Georgia** - CoST co-hosted a panel discussion with OCP at the Summit. It also published a Guidance Note on how CoST aligns with the OGP principles. The IS will discuss a potential MoU with OGP to strengthen this relationship.	CB JH	Ongoing
10.2	**World Bank Infrastructure Governance Roundtable, Abidjan, Cote D'Ivoire –** The Chair participated on a Panel and meetings were held with a Vice President from the African Development Bank (AfDB). It is likley that A CoST delegation will visit Abidjan in early 2019. The World Bank is developing a White Paper on Infrastructure Governance based on the meeting. It will include CoST case studies from Malawi and Uganda.	PM	Early 2019
10.3	**OECD Seminar on Quality Infrastructure Investment, Tokyo, Japan** – PM was invited to participate at this event. It provided a good opportunity to understand the G20 agenda and its focus on Quality Infrastructure; in 2019.	N/A	N/A
10.4	**Professionalism and Ethics in Construction Conference, 21-22 November London South Bank University** - GO is organising this event and CoST is an event supporter.	JH, GO	Oct 2018

10.5	It was agreed that a new advocacy strategy is needed.	CB, JH & PM	January 2019
10.6	**Fundraising** The IS is looking to organise a meeting with DANIDA in October to coincide with the IACC in Copenhagen. The Board considered re-engaging with the EU and will look into obtaining support from MinBuZa.	PM	Oct 2018
10.7	The Transparency and Accountability Initiative is providing advice on engaging with Foundations. It has suggested a one-pager explaining potential alignment with Foundation priorities.	PM	Jan 2019
10.8	CoST Malawi have obtained funding from Hivos, CoST Afghanistan from GIZ, CoST Ukraine from USAID and that CoST Honduras has funding from MCC. The new match funding arrangements with CoST Members who receive grant funding from the IS has helped to stimulate MSG interest in fundraising.	N/A	N/A
10.9	**Priorities** The IS updated on the priority projects which had been raised at Meeting 25. The annual report had been published, the website launched in July and the Regional and National Managers workshop was delivered in August. Good progress has been made on the data standard and high-income study. The new tools, manuals and guidelines will be commissioned before Christmas and the FCO funded South East Asia programme will start shortly.		
Item 11.	**Partnerships Strategy**		
11.1	Building partnerships will continue to be a priority. The Board suggested prioritising the Clean Contracting Manifesto group which includes OCP, Hivos, Transparency International and Article 19 and FIDIC and EIC for engaging the private sector.	JH, PM	Ongoing
11.2	We will continue to develop positive relationships with World Bank and the OECD The Board also emphasised the importance of developing a research partnership with an academic partner who would be interested in using the data generated by Member programmes. These relationships would be part of the updated advocacy strategy.	CB, JH & PM	Jan 2019
Item 12.	**Safeguarding for Trustees**		
12.1	An updated Safeguarding Policy was approved, The Board needs clarity about who is responsible for managing a complaint about an EAP employee working on CoST.	ED	Nov 2018

12.2	RM to check if the FCO are applying the same safeguarding requirements as DFID.	RM	Next meeting
12.3	VL agreed in principle to take on responsibility for monitoring the implementation of the policy on behalf of the Board.	VL	Ongoing
12.4	The Policy is included as an annex to grant agreements between CoST members and the IS. The host organisations and MSGs are then required to adopt the policy or incorporate the relevant sections into their existing operational policies.	N/A	N/A
12.5	Safeguarding training for the Board will take place via a webinar. ED to organise.	ED	Ongoing
Item 13.	**Programme Report - Member Programmes**		
13.1	A new value for money framework has been developed following a request from DFID. It was agreed to review the logframe and VFM indicators at the next Board meeting.	JH	March 2019
13.2	Some initial data from the 2018 assurance reports was also presented to the Board. The IS will be analysing this data in the coming months and looking back at reports from the last two years. It was suggested that someone might be hired for the purpose of analysing the data	JH	Dec 2018
13.3	It was reported that the Regional and National Managers Workshop held in August in London was very successful. Key to the workshop was the regional managers and technical advisors leading most of the sessions. The responsibilities within the IS are now divided between the London based team (strategy, policy, communications, finance, M&E etc.) the regional managers (supporting Members and Affiliates and engaging potential Members) and the technical advisors (supporting the regional managers and providing policy and technical advice).	N/A	N/A
13.4	GO attended part of the workshop and reported on the excellent camaraderie between the participants.	N/A	N/A
13.5	The report also reflected on the growing trend for web-based information portals with half of CoST members now hosting them and the trend for sharing good practice amongst Members such as initiating media awards.	N/A	N/A
13.6	There has been no response from the Government of Botswana concerning their inactive status. The Board reiterated the importance of attracting new Members and Affiliates especially with Botswana inactive.	N/A	N/A
Item 14.	**The Added Value of CoST in High Income Countries**		

14.1	It was reported that the Scotland Case Study has been published with feedback on the report expected shortly from the OGP lead for the Scottish Government. The Lithuania Case Study is expected to be published in November.	SJ	Ongoing
14.2	The Board was content with the emerging policy themes. Further research may be required after completion of the report to develop the emerging policy themes into technical guidance such as the potential options for multi-stakeholder working. The IS will consider the options following completion of the report.	IS	March 2019
14.3	GO suggested that the draft study is developed into a paper for the LSBU conference in November and that consideration is given to incorporating the CoST IDS into an ISO.	JH & SJ	Nov 2018
14.4	The draft study will be finalised with a strong executive summary as a draft for peer review by external experts. The draft will then be updated based on the feedback for Board approval. The Board thanked SJ for the draft study and the policy paper.	SJ	Jan 2019
Item 15.	**Any other business including date of next meeting**		
15.1	FK informed the Board that he will be stepping down as a Member and that this would be his last meeting. The Board thanked FK for his contribution to the Board. FK informed the Board that whilst EIC would no longer would be represented on the Board it remained an active supporter of CoST.	N/A	N/A
15.2	The Board agreed to approach FIDIC to nominate a private sector Board representative. PM and HGS to discuss how to approach FIDIC.	PM, HGS	Dec 2018
15.3	Consideration should be given to how CoST can best maintain links with former Board members. This should include thinking about establishing an advisory group.		
15.4	It was agreed that a review of options for delivering the IS function is needed. EAP will manage the process, but if a consultant is appointed, that individual should report to the Board (or a committee established by the Board) to avoid a conflict of interest.	PM & JH	First quarter 2019
15.5	The next physical Board meeting will take place week commencing 25th March 2018 in either Thailand, Costa Rica or Panama. It would focus on the process for electing the new Board Members. A conference call will be organised for January 2019.	All	March 2019 January 2019
Item 16	**Closing remarks**		
16.1	The Chair thanked Board Members for their contribution and the IS for preparing a detailed set of papers.	N/A	N/A

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

23 January 2019

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Christiaan J. Poortman   Date
Chair