CoST
Infrastructure
Transparency
Initiative

CoST International Secretariat

2019
Annual Report

DEDICATION

In memory of CoST Board member
and champion of transparency and accountability

Alfredo Cantero (1973 – 2019)

CONTENTS

FOREWORD

Last year will be remembered above all as the prelude to the coronavirus pandemic and the deepest economic recession since the Second World War. The first case of Covid-19 was identified in December and by July this year, there had been 14.5 million infections and more than 600,000 deaths. The economic impact of the pandemic will be similarly devastating.

The global economy is likely to shrink by 5.2% this year and per capita incomes to decline by 3.6%. This will push millions of people into poverty and with just 10 years to go, further setback efforts to achieve the Sustainable Development Goals. It will also jeopardise the target of restricting global warming to 1.5°C as some governments are tempted to reduce the impact of the recession over maintaining climate commitments.

But 2019 didn't just see a convergence of global challenges, it also saw the emergence of a growing awareness of the potential of global collective action. This was evident in the 'Me Too' movement and the 'School strike for climate' campaign and subsequently, after the death of George Floyd, with the emergence of the 'Black Lives Matter' movement.

This upswell of global collective action could represent a historic turning point. As proponents of collective action, CoST welcomes this development and we would like to add our strength to efforts to improve the resilience of infrastructure, by putting our approach at the heart of addressing future challenges. We were provided an opportunity to reflect on our progress in 2019 and it convinced us we are well positioned to do this.

CoST underwent an independent external review last year, as part of preparations for developing a new Business Plan. It reported significant financial costs savings, fundamental institutional reforms, a growth in membership and an impressive increase in the volume and quality of data disclosed. It also identified areas that could be further strengthened and concluded by pointing out that even more could have been achieved over the period of our previous Business Plan, had we been better resourced.

The review formed the basis of our new Business Plan 2020-2025 'Strengthening Economies and Improving Lives'. It sets out an ambitious programme aimed at refining our approach, growing our membership and deepening impact. The achievement of this ambition will take place in circumstances very different to those which existed when the Business Plan was developed, but the strategic direction remains relevant, even if the tactical approaches to delivery will require some modification.

The world has entered a period of great uncertainty, but it is not one without hope. Our role in relation to infrastructure is to nourish that hope by helping governments to become more open, supporting informed citizens to influence the critical decisions that affect their lives and ensuring that sufficient good quality infrastructure is available to tackle the unprecedented global challenges that confront us.

Executive Director:
Petter Matthews

Chair:
Christiaan J Poortman

HIGHLIGHTS

GLOBAL ACHIEVEMENTS

By the end of 2019, CoST promoted the disclosure of over **11,700** infrastructure projects in line with the CoST Infrastructure Data Standard (CoST IDS), bringing the global cumulative total to **38,514**

5209 representatives trained in 2019

1434 government

3203 civil society

572 private sector

UKRAINE
launched innovative analytical dashboards which provide real-time analysis of road data on its disclosure portal

GUATEMALA
our latest tool – the Infrastructure Transparency Index – completed beta testing in Guatemala (and Honduras) and led to an increase in data disclosure

AFGHANISTAN
recommendations from CoST Afghanistan's First Assurance Report led to the creation of the Design Review Unit which helped saved over US $8 million through increased design oversight

HONDURAS
claimed first prize at the Presidential Taiwan Hackathon organised by the Open Contracting Partnership with a new tool, INFRAS, to promote environmentally sustainable infrastructure

THAILAND
savings of US $360 million have been reported by the Thai government as a result of the deterrent effect of the CoST approach

EL SALVADOR
became the seventh CoST member to establish a legal mandate, requiring all procuring entities to now disclose data according the CoST IDS

UGANDA
developed a 'media team' of 45 journalists who support the programme by promoting its research findings and engaging local communities in key issues

ETHIOPIA
a regional workshop hosted by CoST Ethiopia brought together teams from across Africa together to share lessons and develop strategies

CoST
saw rapid global expansion, welcoming seven new members from:
Buenos Aires (Argentina), **Ecuador, Jalisco State** (Mexico), **Mozambique, Sekondi-Takoradi** (Ghana), **Timor-Leste** and **West Lombok** (Indonesia)

COSTA RICA
nine members held high-level events for our second CoST Assurance Week, including in Costa Rica where First Lady, Claudia Camargo addressed attendees

PANAMA
trained over 430 government representatives on the newly launched disclosure platform "Panamá en Obras"

MALAWI
held a community engagement meeting which drew around 450 participants to debate local infrastructure delivery

STORY OF CHANGE

CoST impact continued to deepen during 2019 with stories of change told at both the sectoral and project level in CoST countries. This resulted in five long-term sector reforms introduced by governments and key project issues addressed on 14 projects.

THAILAND: Transparency helps save US $360 million

In 2019 several public statements highlighted significant cost savings resulting from the deterrent effect of the CoST approach. Later clarified by the Thai Ministry of Finance as US $360 million, this saving followed heightened disclosed data on infrastructure projects which, through its deterrent effect, inhibited misbehaviour in procurement, strengthening bidding competition and leading to a more efficient use of public budget. Since 2015 CoST Thailand has been working to enhance transparency by increasing the level of data in the public domain, using the CoST Infrastructure Data Standard (CoST IDS) to do so. The increase in data published on CoST Thailand's disclosure portal reflects the programme's success: just two projects were published in 2015, rising to 317 in March 2020.

The resulting cost savings we have seen from this change can be reallocated to other critical infrastructure or public services.
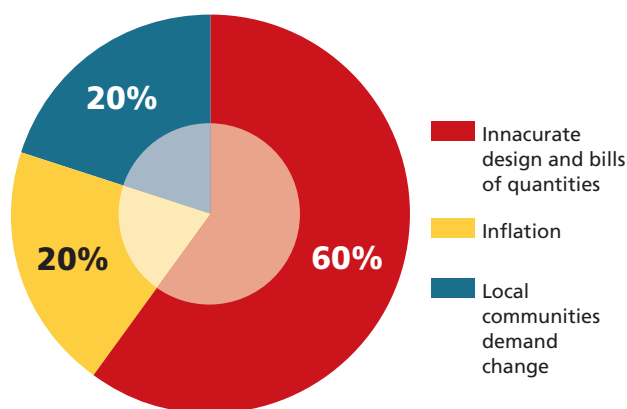
AFGHANISTAN: US $8.3 million saved after major overhaul of design process

CoST Afghanistan's First Assurance Report in 2018 identified major problems in the preparation stage of the project cycle, particularly relating to inaccurate surveys and inconsistent designs. A Design Review Unit was established to counter these issues and saved US $8.3 million between 2018-2019 alone, after reviewing 101 projects.

The idea behind the Unit was simple: a team of independent engineering experts would serve as a second pair of eyes on project designs, ensuring that projected costs, estimated schedules and technical details were in order before the contract was signed. In a country where infrastructure needs far exceed available resources – and where the impact of climate change is taking its toll on already fragile structures – this money can now be reinvested in critical areas such as schools, highways and water infrastructure.

- **60%** Innacurate design and bills of quantities
- **20%** Inflation
- **20%** Local communities demand change

Causes of cost overruns as identified in CoST Afghanistan's First Assurance Report

According to the Minister of Public Works (2017–2020) HE Yama Yari:

" *If we had these sorts of safeguards [including CoST] in place in 2003, then we would have saved hundreds of millions of dollars on public infrastructure… without them it has been difficult to take any company to arbitration.* **"**

Regional coordinator Olha Nos with community members on a site visit

UKRAINE: Roads repaired after CSO network fills critical gaps in local road monitoring

CoST Ukraine's project 'Transparency and Accountability in Local Road Works' supports local authorities as they take the reins of the recently decentralised road sector.

Decentralisation has not been plain sailing: local authorities suffer from a lack of experience, untrained staff and limited up-to-date information about the roads themselves. To fill this gap, CoST Ukraine created a network of civil society organisations (CSOs) across six regions to monitor safety and quality issues on road works, and relay information back to the authorities.
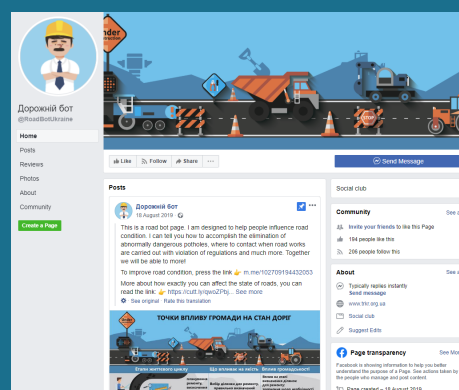
During the year the network's regional coordinators made eight on-site visits and inspected more than 20 roads and 10 bridges, with alarming findings concerning the state and safety of repair projects. Representatives from the CSO network called the authorities' attention to these findings and prompted direct action. Authorities carried out repairs in Sumy, Kyiv and Cherkasy regions on three hazardous road sections and ring-fenced a further six roads to be repaired in 2020. In one instance, after identifying project defects including cracks and potholes during a visit, coordinator Myroslav Simka helped the procuring entity take action to ensure the contractor repaired the defects at their own expense.

Engaging citizens with Road Bot

The regional coordinator for the regions of Sumska and Kyivska, Olha Nos, created an innovative tool to facilitate civic monitoring called Road Bot. Road Bot is a Facebook 'chat bot' which helps to identify and connect citizens with the authorities responsible for local road management. It provides key information – such as request forms for road repairs - in order to flag defects. Since its launch, more than 100 citizens have used the bot and it has delivered tangible results in the form of repaired roads in Kyiv and Zhytomyr. CoST Ukraine plans to help publicise the bot by promoting an advanced version of it on its online disclosure platform in 2020.

GROWING IN DEPTH AND BREADTH

After adopting a more flexible and innovative approach to joining CoST, CoST membership increased last year to cover 19 countries across four continents.

CoST membership competition offers opportunity to demand better infrastructure

In 2019 CoST launched a new membership criterion, offering a limited number of spaces to any government, megaproject or procuring entity wanting to change 'business as usual' in their infrastructure sectors. The applications we received showed the strength of appetite around the world to do this, and by the end of 2019 we gained five new national and sub-national members from Ecuador, Jalisco State (Mexico), Mozambique, Timor-Leste and West Lombok (Indonesia). Following Jalisco State's

membership announcement in November, our remaining new programmes were announced on International Anti-Corruption Day, marking the role played by CoST in enhancing transparency – and reducing opportunities for corruption – throughout the infrastructure cycle.

Speaking at CoST Mozambique's launch, CoST Board Deputy Chair George Ofori said:

" Today we see the CoST competitive process come to fruition as we welcome four new members into the CoST fold. Whilst these members face a variety of challenges in their local contexts, they share a common desire to improve public infrastructure through open data, accountability and multi-stakeholder working. "

CoST Mozambique's launch

Flexible and adaptable membership options prove a hit

After adopting a more flexible membership model in 2018, we were delighted to welcome two new sub-national members in 2019: Sekondi-Takoradi (Ghana) and the Province of Buenos Aries (Argentina), which joined as a member and affiliate respectively. The 'affiliate' category is aimed at entities who can adapt the most useful and appropriate aspects of the CoST approach to reform efforts already underway.

" *We have always been pushing for CoST to be in Ghana, not because it is a panacea to the solution of anti-corruption, but because we believe in can have additional impact on the work that we are doing.* **"**

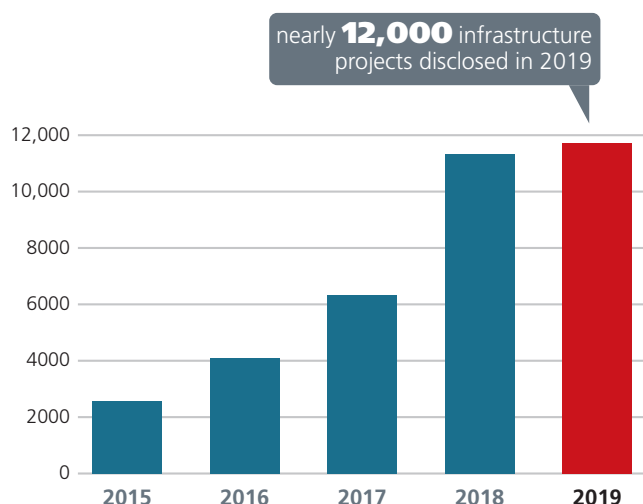Mrs Beauty Emefa Narteh, Executive Secretary of the Ghana Anti-Corruption Coalition

CoST research illustrates value of infrastructure transparency in high-income contexts

CoST published the concluding report in its series 'Infrastructure Governance in High-Income Countries', drawing together findings of its three previous studies from Argentina, Lithuania and Scotland with additional research from the UK and Denmark to delve into common issues. The comprehensive study provides recommendations which indicate how the CoST core features, most powerful when applied together, can help resolve these issues to deliver better quality infrastructure, on time and to budget.

INNOVATION

CoST tools boost disclosure and oversight

nearly **12,000** infrastructure projects disclosed in 2019

By the end of 2019, CoST promoted the disclosure of over 11,700 projects in line with the CoST Infrastructure Data Standard (CoST IDS), bringing the cumulative total to **38,514** infrastructure projects globally over the last five years. A growing trend this year has been an increase in disclosure levels in countries where the functionality of online platforms has improved: for instance, CoST Ukraine facilitated disclosure on over 3600 projects during 2019 and CoST Afghanistan on over 2200. The success in both countries is due to improvements to their disclosure platforms which, through considerable technical expertise and new CoST tools, have become more accessible and responsive to the needs of procuring entities.

Joining the dots with the OC4IDS

In partnership with Open Contracting Partnership (OCP), CoST launched the Open Contracting for Infrastructure Data Standard (OC4IDS). The OC4IDS spearheads guidance on what - and how - to disclose data at each stage of the project cycle. It utilises CoST and OCP expertise on project and contract-level disclosure, connecting previously siloed information to show the 'whole picture' of infrastructure investment and delivery. After its launch at the OECD Infrastructure Governance Forum in March (see Influencing section), both CoST and OCP have been working to support CoST members – along with any willing and interested public entity - to integrate the OC4IDS into their disclosure systems.

Analytics take CoST data to the next level

As mentioned above, CoST members continued to innovate with online tools throughout 2019. CoST Ukraine boosted the functionality of its open-data portal with new, interactive dashboards which provide a real-time analysis of the portal's road data, bolstering efforts to reform highway development in Ukraine. The dashboards provide key information including who is winning contracts, time and cost overruns and variations in infrastructure investment regionally. This information can be used by stakeholders across the spectrum, offering the private sector highly useful commercial insight, whilst also raising red flags relating to competition, efficiency and corruption to civil society, the media and public.

More broadly, the tool marks a new milestone in the CoST open data journey. What started with paper-based systems of disclosure has progressed to using tools such as the OC4IDS to disclose data on online platforms. The analytical tool takes this to the next level, providing context to the facts.

Sharing innovation between CoST members

The success of CoST Ukraine's analytical tool has emphasised the value of CoST members sharing innovation with the wider CoST network. As such, we are working with CoST Ukraine to develop an English version of the analytical tool to be adapted by other CoST members. We will also shortly be publishing SISOCS-APP: a public-private partnership (PPP) platform developed by CoST Honduras, the World Bank and the Government of Honduras in open source format. This means it can be adapted by CoST members and others to facilitate PPP disclosure globally.

The ITI: The first index to measure infrastructure transparency

Meanwhile, testing began on the Infrastructure Transparency Index (ITI) this year – a first of its kind innovation - dedicated to measuring and comparing levels of transparency in public infrastructure. The ITI scores procuring entities on key transparency indicators including disclosure practices and citizen participation, allowing results to be compared in order to promote better performance over time. The beta version - tested

in Guatemala and Honduras – demonstrated the value of the tool in comparing performance and increasing disclosure levels as a result. This was evidenced in Guatemala, where disclosure levels increased after procuring entities were engaged throughout the testing process.

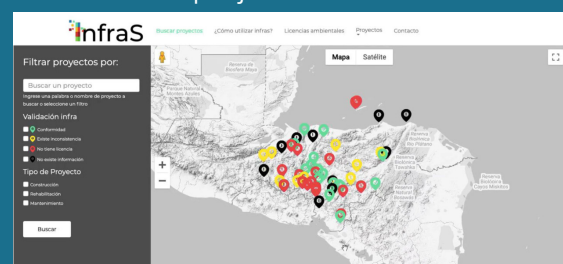## Legal mandates highlight government resolve to increase transparency

Legal mandates on disclosure oblige procuring entities to publish infrastructure data and are powerful tools to increase disclosure compliance. El Salvador became the seventh CoST country to establish a legal mandate in 2019, and all procuring entities from government institutions and municipalities are now required to disclose information according to CoST El Salvador's adaptation of the CoST IDS. Thailand is moving towards a similar legal requirement, with the government adopting legal changes to institutionalise disclosure in line with the CoST IDS for projects included in the CoST programme. A next step will be to expand this legal requirement across the entirety of the public infrastructure sector.

CoST Honduras showcases ground-breaking tool for sustainable infrastructure

CoST Honduras claimed first prize at the Presidential Taiwan Hackathon in partnership with the Open Contracting Partnership with a new tool, INFRAS, to promote environmentally sustainable infrastructure. It was pitched within the context of Honduras's vulnerability to climate change, which is exacerbated by the country's unclear criteria for environmental impact assessments.

INFRAS was developed to counteract this. The platform collects data on the sustainability of infrastructure projects from a variety of sources, including the online platform SISOCS, and presents it in an accessible map format. Users can see whether a project has an environment licence, if there are discrepancies regarding planning regulations as well as projects which failed to disclose environmental data altogether.

INFRAS will now be used to create a comprehensive platform for infrastructure projects in environmentally vulnerable and protected areas in Honduras.
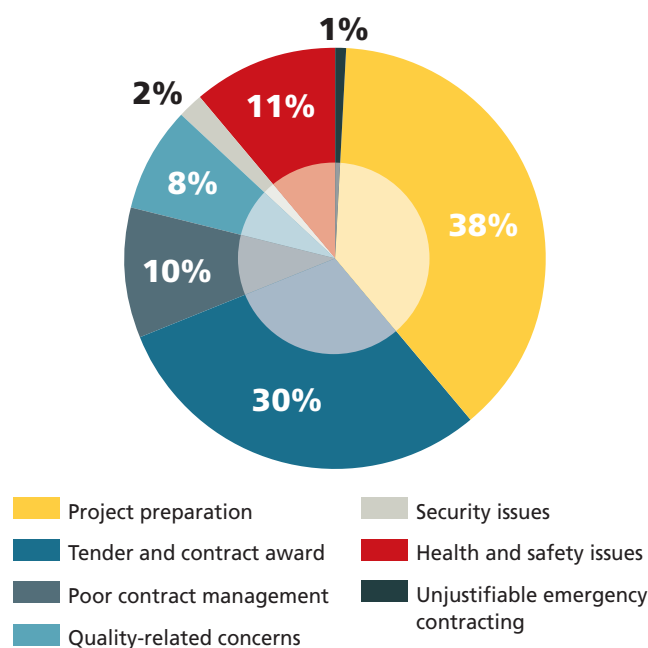
SPOTLIGHT ON INFRASTRUCTURE

CoST assurance promotes greater understanding of infrastructure delivery by turning the data disclosed on projects (see Innovation section) into compelling information. It highlights concerns, good practice and recommendations in assurance reports which are produced by independent teams. By using these recommendations CoST members can call on key infrastructure delivery actors to take action.

CoST assurance analysis illuminates the key issues in global infrastructure delivery

Through a recent analysis of nine CoST member assurance reports[1] published in 2019 a fascinating insight into key global issues has been provided. Taken together, the analysis covers 100 projects worth over US$ 4 billion demonstrating the significance of CoST assurance and its subsequent potential to see cost savings of great magnitude. The projects include those essential to build strong economies and improve lives – with a large portion comprising roads alongside mega-airport expansions, public-private partnership (PPP) schemes, ports, water systems, schools, health facilities and urban development projects. Whilst variances exist across these members two key issues have come to the fore. The first indicates that the majority of projects are being poorly planned and the second raises alarm bells at the tender and contract-award stages, particularly related a lack of transparency and low competition.

Thirty-eight percent of the projects showed project preparation as an issue, with common concerns including incomplete or outdated project designs and a lack of feasibility studies. And in a sample of the projects assessed, only 43% stated that an environment impact report had been published[2]. Ultimately when projects are poorly planned severe issues occur later on in the infrastructure cycle, with projects more likely to encounter disruption and less likely to be delivered on time and to budget.

KEY ISSUES IN PROJECT DELIVERY

- Project preparation 38%
- Tender and contract award 30%
- Poor contract management 10%
- Quality-related concerns 8%
- Security issues 2%
- Health and safety issues 11%
- Unjustifiable emergency contracting 1%

Concerning a lack of fair competition, one example demonstrates the issue explicitly: in CoST Malawi's assurance report, three out of the four road projects assessed had been awarded to the same international contractor, Mota Engil – an issue raised in prior reports.

[1] The analysis includes Afghanistan, Costa Rica, El Salvador, Ethiopia, Guatemala, Honduras, Malawi, Thailand and Ukraine

[2] Excluding projects in Thailand where this data was not available

How can we put these issues in the past?

To fight these trends CoST members continually aim to enhance the scrutiny of the procuring entities linked to the red flags. For example, when it comes to deciding which projects should be included in forthcoming processes, the projects of underperforming entities are often included. Not only does this send a strong message to the entities in question but to others that they will be held to account to ensure quality projects are delivered, shortcuts avoided and taxpayer's money is well spent. It requires persistence as results aren't always seen straight away but as the following example shows, the facts are increasingly prompting necessary and immediate action.

Recommendations in Ukraine result in new department to rectify planning issues

Following CoST Ukraine's assurance recommendations, Kiev's municipal authority, Kyivavtodor has created an entire department to improve the quality of designs and verify project documentation, which should have great impact on improving the preparation of its future projects. Further, Kyivavtodor also responded to assurance recommendations by taking steps to reduce noise pollution in cities, by building quieter tram-systems with new technology. For more on how assurance is driving action see our Story of change section.

In **Ukraine**, Kiev City Mayor Vitaly Klychko commended the programme in his address, stating "I hope all roads in Kiev will be built under (CoST) control".

CoST El Salvador's assurance report shone a light on the gender gap in infrastructure project employment, where female workers accounted for just 6.2% of project workers. CoST El Salvador can now explore how to close the gap through future assurance and advocacy. More broadly, the forthcoming CoST Business Plan 2020-2025 will outline how CoST seeks to respond to the challenges of gender disparity in infrastructure.

CoST assurance events deepen influence

To give our assurance reports not only the due attention they deserve but the attention likely to solicit action, CoST members bring together prominent members of government, private sector, civil society and the media at assurance report launches. In November, for the second year we held 'CoST Assurance Week' where nine members took to different fora to publish their reports, helping to catalyse action and gaining wide media coverage and commendations from senior figures.

First Lady of Costa Rica and CoST champion, Claudia Dobles Camargo was keynote speaker at Costa Rica's launch, while in Afghanistan ministers from across the energy, transport and economy sectors addressed over 200 participants in attendance. In Honduras, entities responsible for the PPP projects included in its assurance report spoke of their commitment to continue improving, and in El Salvador and Malawi CoST manager press interviews were featured in key national outlets - Canal 33 TV and the renowned Malawi Nation.

Every year we see larger and more influential events take place across our member countries, marking an increase in the support we are receiving from key reformers in government and the private sector in particular.

ENGAGING CITIZENS

The CoST core feature of social accountability recognises the crucial role played by civil society, the media and public in ensuring decision-makers respond to key issues in infrastructure. Over the past year, CoST members have engaged these stakeholders through a variety of methods and platforms relevant to their contexts.

Working with the media to increase public engagement

73.5% of Ugandans not satisfied with the quality of infrastructure projects

By Ronald Mugabe   Added 10th July 2019 07:20 PM

The study aimed at identifying key concerns of the citizens on infrastructure projects; good practices in relation to infrastructure transparency and accountability.

UNRA Executive Director Allen Kagina flanked by the Project Manager Lawrence Pario and Engineer Morris Odoch inspecting remedial works on the Source of the Nile Bridge.

CoST Uganda has developed a 'media team' of 45 journalists who support the programme by promoting its research findings and engaging local communities in key issues. The benefits of this approach have quickly come to fruition.

After the media team was engaged on the findings of CoST Uganda's 2019 Citizen Survey on Infrastructure, it gained extensive coverage across five TV networks, three newspapers and three radios stations. In his article for New Vision, journalist Ronald Mugabe dived deep into the findings of the Citizen Survey, leading with the striking headline '' 73.5% of Ugandans not satisfied with the quality of infrastructure projects''.

Featuring commentary from CoST Uganda Programme Manager Olive Kabatwairwe and responses from the Ministry of Works and Transport, the piece is a clear example of balanced and informed reporting on public infrastructure. CoST Uganda will also run training sessions for its 'media team' to ensure technical capacity is raised – a common issue for journalists who are new to the data-heavy world of infrastructure transparency.

An unprecedented approach to community relations in Thailand

Increasingly, CoST programmes are developing new methods to enable more direct civic engagement in infrastructure delivery. In Thailand for instance, CoST facilitated meaningful interaction between local communities and those who deliver infrastructure projects. At public gatherings held throughout 2019, a space has been created for communities to convey how poor-quality infrastructure and its construction affects their everyday lives.

A community engagement session in Krabi, Thailand

This new approach is unprecedented in Thailand and has increased trust between citizens and decision-makers. In turn, we've seen tangible positive impact on how projects have been carried out, from speeding up delivery to ensuring critical health and safety concerns are addressed (for more, see Story of change section). This had led to households gaining access to drainage systems, measures to reduce disruptive flooding and the installation of new pipes to resolve water shortages: all at the request of community members themselves.

Meanwhile, CoST Malawi drew inspiration from Uganda's grassroots community meetings ('barazas') for its own approach to community engagement. At a CoST public forum, approximately 450 participants came to have their voices heard on issues including a lack of participation in planning and calls for a more bottom-up governance approach.

Strengthening civil society in Balkh province, Afghanistan

In Balkh province, northern Afghanistan, CoST Afghanistan held a civil society training session on the key tenets of project monitoring, an important tool to help citizens ensure public funds are utilised correctly. The event drew over 30 female and male activists from Integrity Watch Afghanistan's Community-Based Monitoring of Infrastructure (CBM-I) project and the Provincial Integrity Network (PIN).

Capacity building at Kabul Polytechnic University

The event provided practical advice on using information from online data portals to support the CSO aims and had clear impact on their activities since. CBM-I members used project information - published on the National Procurement Authority's AGEOPS platform - to monitor 28 infrastructure projects, increasing accountability in their delivery from the bottom-up. CoST Afghanistan's extensive public outreach on disclosure throughout 2019 - which also included university events in Balkh, Kabul, Herat and Nangarhar provinces (see Learning and sharing) - galvanised public interest in the AGEOPS platform, contributing to an increase in visitors throughout the year from around 9600 to over 15,500.
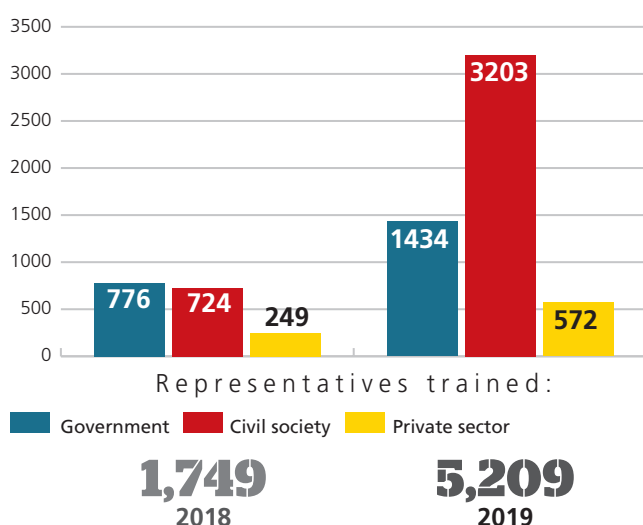
CoST Honduras deepens relationship with Citizen Transparency Commissioners

As of January 2020, CoST Honduras has established partnerships with almost 250 Citizen Transparency Commissioners (CTCs) across the country, supporting citizens to use disclosed data to monitor complex infrastructure projects. To strengthen the capacity of CTC members, CoST Honduras's School of Social Accountability provides training on project monitoring and the process of conducting 'social audits' to measure a project's social impact. As their experience develops, the CTCs are playing an increasingly important role in highlighting which projects should be included in CoST assurance. In 2019 for example, information gathered through a social audit of the Lenca Corridor project resulted in its inclusion in the sixth CoST Honduras assurance report.

LEARNING AND SHARING

Over 5200 people from government, civil society and the private sector have been trained to use infrastructure data in 2019 – almost triple the amount trained in 2018.

Representatives trained:
- Government
- Civil society
- Private sector

1,749
2018

5,209
2019

CoST training has rapidly developed over the past years, casting a wider net to include different strata of society to deliver better infrastructure. And last year was no exception, with CoST programmes working closely with citizen monitors right up to government officials.

CoST Panama's outreach to over 430 government representatives is particularly notable, illustrating how CoST teams are laying the groundwork for governments to take charge of disclosure practises internally. The training, held during an important year for transparency in

CoST Panama MSG member Angélica Maytín Justiniani at the launch of Panamá en Obras

Panama, centred around the newly launched disclosure platform Panamá en Obras, ensuring officials understand both how to use the platform and the importance of doing so.

The platform's launch was bolstered by a Government resolution passed in 2019, which strengthens a 2018 Formal Disclosure Requirement that all procuring entities should publish information in line with the CoST Infrastructure Data Standard (CoST IDS). The combination of legal obligations, a comprehensive online disclosure platform and bespoke training highlights the breadth of CoST Panama's work in the country.

Our achievements in 2019 also include:

- The launch of a wide-ranging training programme by CoST Ukraine as part of the Transparency and Accountability in Local Road Works project (see Story of change). The programme empowers government, civil society, the media and private sector to combat corruption in the road sector by providing skills to oversee procurement, analyse the quality of construction and recognise discrepancies.

- During events throughout 2019 CoST Afghanistan targeted university students in provinces across the country. At one event in Balkh University, over 300 students were trained on using information disclosed on the AGEOPS database to monitor projects (see Engaging citizens). Fuelled by knowledge and an appetite for change, these events are training the next generation of citizen monitors in Afghanistan.

Engaging MSG members to lead reform

CoST Multi-Stakeholder Group (MSG) members have a key role to play in not only leading the development of CoST programmes, but - through their senior positions in government, the private sector and civil society - influencing decision makers on assurance recommendations.

Regional workshops for MSG representatives are an excellent opportunity for members to come together to share lessons, create action plans and build long-term strategies. Three such workshops for MSGs from Latin America, Africa and Asia-Europe were held in 2019, training 63 CoST representatives in total.

CoST Sekondi-Takoradi (Ghana) MSG Chairperson, Eugene Fredua Ofori-Atta, shares his experiences from the CoST Africa Regional Workshop held in Addis Ababa, Ethiopia.

Was it helpful to learn and share with other teams at the CoST Africa regional workshop?

Yes. The workshop enabled members to learn, share and build synergies with each other and with partner organisations. As a young member of the CoST fraternity, CoST Sekondi-Takoradi benefitted enormously from the engagements and was buoyed by the various inputs and experiences from leading CoST implementors on the continent. I was particularly excited by the tremendous strides made by CoST members in Ethiopia and Uganda in reducing corruption associated with public infrastructure delivery and ensuring lives are bettered through reforms.

What were the key lessons which you have applied to CoST Sekondi-Takoradi's approach?

One of the key lessons was from Malawi's online disclosure portal (Infrastructure Portal for Public Infrastructure), created to increase access to project data for the general public using the CoST IDS. What interests me most is how the portal can capture projects from each district in the country (using an interactive map), which citizens can use to find out about local project implementation. The challenge is then to get the procuring entities to disclose the data, ensuring there is capacity, regulations and political will to make it happen.

Other lessons include how programmes can obtain legal status in their countries to ensure smoother operations and fundraising. CoST Sekondi-Takoradi is now a legal entity - the CoST Sekondi-Takoradi Foundation - after the MSG agreed to its registration under Ghana's company law.

How did the workshop help you develop your longer-term strategy?

CoST Sekondi-Takoradi drew inspiration from various experiences at the workshop when developing our five-year strategic plan during an extensive two-day planning session.This included how the strategic plan will promote CoST tools and standards, institutionalise transparency and accountability, and enhance stakeholder capacity to disclose and use data.

So far, significant progress has been made on our action plan including in the development of our online disclosure platform which will integrate the Open Contracting for Infrastructure Data Standard, training with government, private sector, civil society, the media and citizens, and becoming the first local government member to launch a CoST assurance report (in January 2020). We look forward to taking forward other key areas of the plan over the next 12 months.

INFLUENCING

Over the last year CoST has continued to deepen its influence across key players intrinsic to delivering better infrastructure globally. The value of the CoST product has been further appreciated among the construction industry, we have showcased our tools to influencers working in the infrastructure governance arena, and we entered into more strategic collaboration with our open government allies. We have been cited and endorsed, invited to debate, share lessons and technical experience on international stages, and we have explored the alignment of CoST tools and standards within internationally recognised frameworks.

Other highlights:

• In addition to its global conference, CoST also took part in FIDIC-GAMA, an Africa region event, presenting a paper on the role of the engineer in Uganda which received special recognition from event organisers.

• CoST strengthened its engagement with the UNDP, participating in regional events in Uzbekistan and Thailand where it outlined private sector opportunities through procurement reform.

Appreciation of CoST spreads among the construction industry

On International Anti-Corruption Day our work was endorsed by the Federation of International Consulting Engineers (FIDIC). In its public statement such was the appreciation of our shared synergies and aligned values, that FIDIC's 102 member associations were urged to consider how the CoST approach can help improve practices in their countries.

❝ I'm delighted that FIDIC has decided to endorse CoST and work together in the global fight against corruption. ❞
FIDIC President, Bill Howard

Ahead of this CoST had highlighted these shared synergies to the FIDIC Board and participants at 'FIDIC Mexico', the federation's annual conference. Themed around the use of technology to revolutionise industry, CoST was able to emphasise how its tools – particularly the Open Contracting for Infrastructure Data

Standard (OC4IDS) and analytical dashboard - could be of immense value to the private sector (see the Innovation section).

CoST deepened its influence with the Road World Association (PIARC) and took part in its 26th Congress in Abu Dhabi. Here we demonstrated how CoST and similar initiatives are key to enhancing integrity in the road sector. And with estimates that just half of the global need for transport infrastructure is expected to be delivered by 2040, this message is nevermore pertinent. Events such as these allow CoST to share demonstrable examples of its impact with those making the key decisions – in this case those instrumental to better road-sector delivery worldwide. We presented our work in Ukraine where through innovation and close collaboration with the State Road Agency, 6800 road contracts have been made open and subject to scrutiny on the CoST Ukraine e-platform and accompanying analytical tool.

CoST influences global leaders

In mid-2019 the CoST approach was officially recognised by the G20. At the 2019 G20 Leader's Summit in Osaka, Japan the Leaders'

Other highlights:

• Not only did CoST receive endorsement from the G20, but our latest tool, the OC4IDS, was recognised in the **2019 C20 policy pack**.

• CoST explored how its approach and tools can be incorporated into the widely recognised World Bank Method for Assessing Procurement Systems and in the Inter-American Development Bank (IADB) e-platform MapaInversiones.

• CoST presented at the Latin American Development Bank (CAF) conference, 'Governance, Institutions and Integrity in Public Policy', in Ecuador with 400 participants in attendance, and at an IADB and civil society event in Barbados.

Declaration recognised CoST in a compendium on good practices in infrastructure whilst outlining how fighting corruption is a key requisite for achieving high-quality infrastructure.

CoST's Executive Director, Petter Matthews has since been re-appointed for the second year as Chair of C20 Infrastructure Working Group alongside a new leadership role as a member of the C20 Steering Group. As Chair of the group, CoST organises the contribution of eminent civil society members to have a say in G20 priorities on infrastructure and as the aforementioned endorsement demonstrates, the C20 voice is being heard by global leaders.

CoST has also deepened its outreach across the Organisation for Economic Co-operation and Development (OECD) which continues to provide a key platform to raise the profile of CoST across the infrastructure governance community. This extends to working with increasingly influential departments of the OECD such as those centred on innovation and open government, which allows CoST to demonstrate how its latest technology can be of value to OECD countries.

In the same vein, CoST and the Open Contracting Partnership (OCP) launched the OC4IDS at the organisation's renowned 'Infrastructure Governance Forum'. As a

CoST Executive Director, Petter Matthews on a G20 panel promoting public sector integrity. (Image credit: C20)

precursor to its launch, CoST and OCP jointly emphasised the role and impact of open data to the sector during the Forum's expert discussion – a message also relayed by CoST at an OECD and World Bank roundtable held shortly thereafter in South Korea.

A key benefit of engaging with large influencers such as the OECD is that it allows the value of infrastructure transparency and accountability to be more widely recognised across the governance community. Early engagement in 2019 led to CoST being invited to speak at events later in the year, such as at the OECD's Public Procurement Forum (October, France), and regional events such as OECD-SIGMA (November, Georgia), and an event OECD co-hosted with the Asian Development Bank and United Nations Development Programme on anti-corruption in infrastructure (December, Vietnam).

CoST avoids silos to enhance open government

Among our activities working with open government colleagues, in 2019 we worked strategically with the Open Government Partnership (OGP) to engage governments looking to take their open government

Other highlights:

• In addition to our side event at the OGP Summit, CoST and Hivos organised a series of lightning talks, where we highlighted how our work engaging citizens in Uganda and Honduras has led to impact (see Engaging Citizens section).

• CoST furthered its breadth of influence with the open data community, presenting its experience at data centric conferences 'OGP LATAM' and at 'Open Data LATAM'.

commitments to new levels. In this respect CoST and OGP showcased their complementarities at the renowned OGP Summit 2019 attended by some 2000 plus participants. At a CoST workshop key personnel from sub and national governments heard from CoST advocates, HE Alfredo Cantero, Minister of Transparency, Honduras and HE Yama Yari, Minister of Transport, Afghanistan who told their experiences of the CoST effect, including how with initiatives such as CoST help to save millions (see Story of change). The workshop and partnership with OGP played a pivotal role in welcoming five new members to the initiative by the end of the year as explained on the following pages.
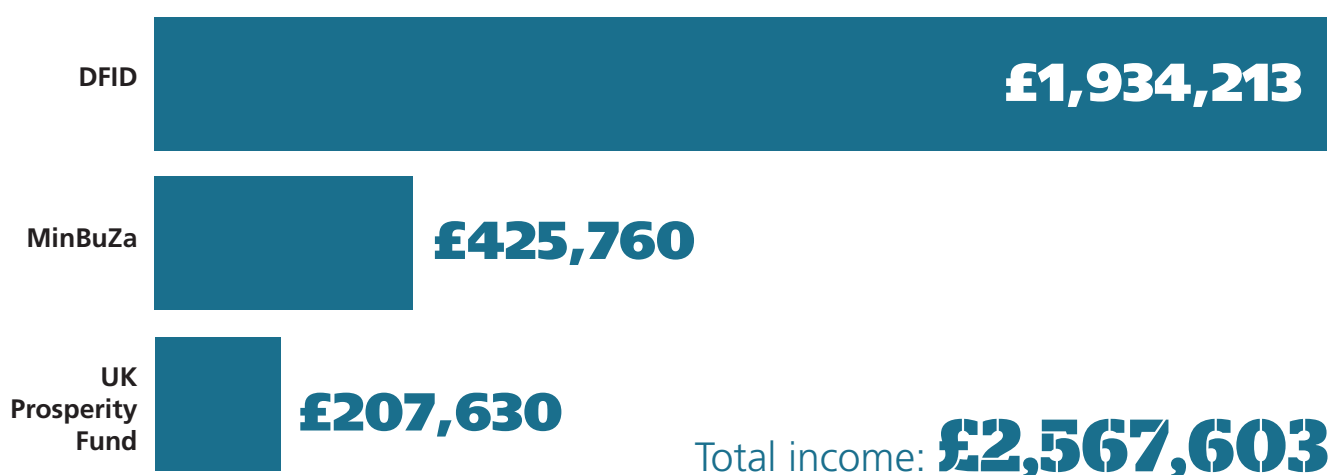
CoST Head of Members and Affiliates, Evelyn Hernandez presenting at the annual CAF conference in Ecuador
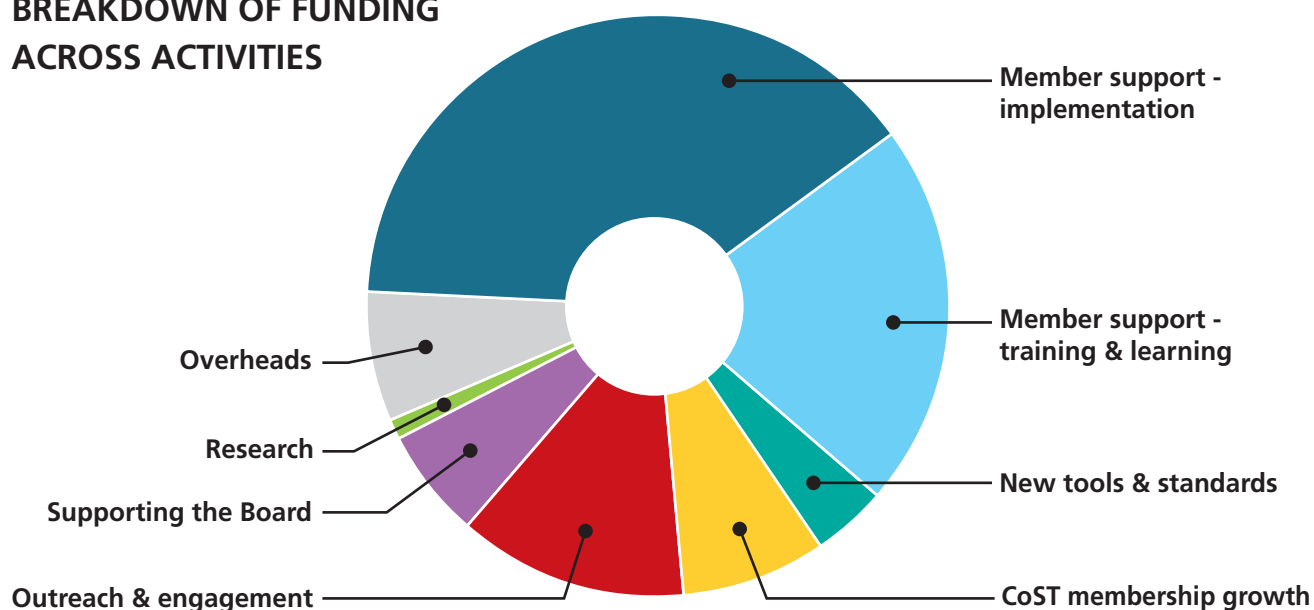
FINANCIAL SUMMARY

OVERVIEW OF SUPPORT TO THE CoST INTERNATIONAL SECRETARIAT AND TO CoST MEMBERS

In **2019** we received funding from the **Department for International Development (DFID)**, **Dutch Ministry of Foreign Affairs (MinBuZa)** and the UK Prosperity Fund ASEAN Economic Reform Programme (supported by **UNDP**).

DFID	£1,934,213
MinBuZa	£425,760
UK Prosperity Fund	£207,630

Total income: **£2,567,603**

BREAKDOWN OF FUNDING ACROSS ACTIVITIES

- Member support - implementation
- Member support - training & learning
- New tools & standards
- CoST membership growth
- Outreach & engagement
- Supporting the Board
- Research
- Overheads

Total expenditure: **£2,204,290**

These figures have not been subject to audit.
The audited accounts will be made available in late 2020.

CONCLUSION

As this report has shown, many of our member programmes have matured to achieve a real depth of impact with emerging patterns of cost savings, sector reform and meaningful citizen engagement in CoST countries globally. Disclosure rates continue to increase, and the innovative tools being developed by members mean we can move beyond simply disclosing data to gleaning real insight through it. And, as procuring entities become increasingly responsive to assurance recommendations, the decisive action being taken is creating tangible benefits for governments and civilians alike.

More broadly, the success of the CoST competitive process shows there is reason to be optimistic regarding the appetite for change amongst infrastructure decision-makers. This appetite is also apparent amongst our partners: CoST has established a firm reputation with the construction industry, open-government and infrastructure governance communities, three diverse communities with a shared mission to promote infrastructure transparency. With the

launch of innovative tools and standards such the Open Contracting for Infrastructure Data Standard (OC4IDS), we are contributing valuable tools to fill key gaps in the sector.

We have also taken stock of lessons over the course of the year. For instance, the support of partners such as the Open Government Partnership was instrumental in the success of the CoST competitive process, pinpointing the need to continue expanding and strengthening our network. This approach to collaboration and knowledge sharing also extends to our member teams, for whom some of the most valuable insight can come from other CoST members around the globe. Going into 2020, we will take these lessons with us to ensure our successes are replicated and augmented, helping us achieve our mission of better lives from better infrastructure.

In our next annual report, we look forward to reporting on our progress and achievements relating to:

- The launch of a new strategic plan for 2020-2025, outlining our ambitious programme of growth
- Working closely with CoST members to incorporate the OC4IDS and analytical tool into their disclosure platforms
- Publicising our latest innovative tools including the Infrastructure Transparency Index and SISOCS-PPPs open source
- Producing a robust guidance package for members on our features of disclosure, assurance, multi-stakeholder working and social accountability and pressing global issues such as gender inclusion and the applicability of CoST in crises
- Continued engagement with key influencers such as the C20/G20 and OECD
- More stories of change demonstrating the impact of our work on building stronger economies and improving lives
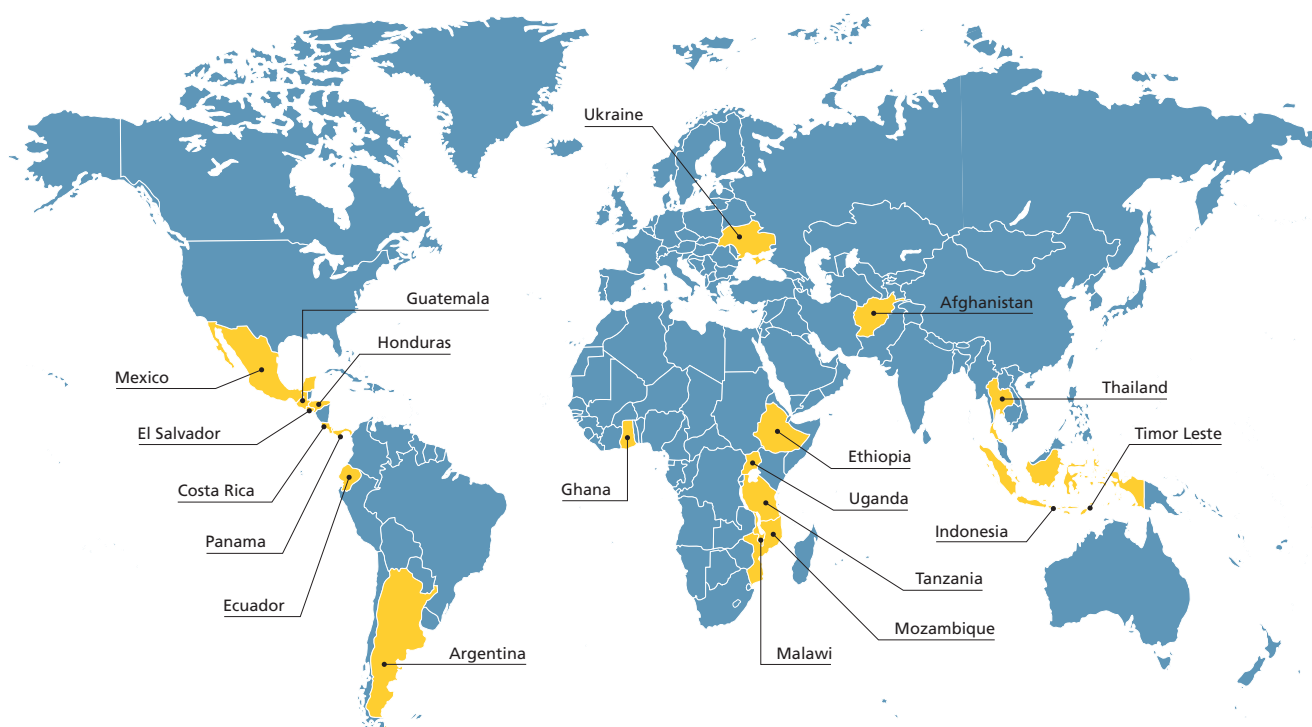
We look forward to reporting back next year!

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