CoST
Infrastructure Transparency Initiative

December 2020

BUSINESS PLAN
2021–2025:
Strengthening economies and improving lives

Business Plan 2021–2025: Strengthening economies and improving lives
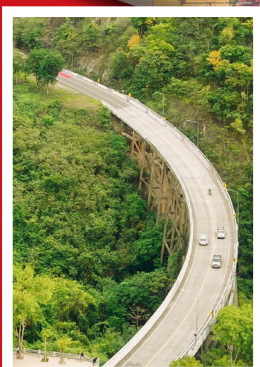
LIST OF ABBREVIATIONS

CoST	CoST – the Infrastructure Transparency Initiative
CoST IDS	CoST Infrastructure Data Standard
ITI	Infrastructure Transparency Index
CoST IS	CoST International Secretariat
DFID	UK Department for International Development
EAP	Engineers Against Poverty
FIDIC	International Federation of Consulting Engineers
G20	Group of Twenty
GDP	Gross domestic product
MSG	Multi-stakeholder group
OC4IDS	Open Contracting for Infrastructure Data Standard
OCP	Open Contracting Partnership
OGP	Open Government Partnership
SDG	Sustainable Development Goal

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FOREWORD

We are pleased to introduce the CoST Business Plan 2021–2025. It is the most ambitious plan we have ever produced. It is also the most thoroughly researched and the most widely consulted on. The thoroughness of this process and the robustness of the final product belies the challenging circumstances in which it was developed.

The planning process began with an independent review that reported positively on progress during the period of our previous business plan. It concluded that while improvements to the CoST approach were possible, the principal challenges related to obtaining the support required to scale up the programme and achieve its latent potential. However, soon after these findings became available, the far-reaching impact of the coronavirus pandemic became apparent.

Covid-19 has exposed fundamental weaknesses in governance. Vast sums were spent in response to the public health emergency, but in many cases without the normal controls intended to ensure integrity. This created the conditions for waste and corruption on a grand scale.

We understood these dangers immediately. Delivery systems and institutions that are opaque and unaccountable are prone to corruption and mismanagement, even in normal circumstances. These risks are inevitably magnified in times of crisis. These were the challenges that CoST was established to tackle and that we have been working on with our partners since 2012.

A consensus began to emerge, across the institutional spectrum, around the need for more transparency, participation and accountability in infrastructure investment. They were increasingly seen as being important to safeguard public investment in the current crisis, but also as part of building resilience against similar crises in the future. These developments appeared to validate our approach, but we did not want to take anything for granted.

The pandemic prompted a searching reappraisal of all aspects of our approach. We involved our members in 19 countries and stakeholders from government, private sector and civil society. The process involved drawing out lessons from the past, envisaging the future and refining our approach to ensure CoST remained relevant. This Business Plan is the culmination of that process.

Recognition of the need for more transparency, participation and accountability has moved from the margins to the mainstream. All leading international institutions are now committing to do more. While these pledges are welcome, committing to these principles is not the same as being able to achieve them in practice. This is where CoST comes in.

This strategic plan sets out how we will achieve a step change in impact, build a more expansive network of international supporters and secure additional financial resources from a more diverse group of funders. We invite new partners to work with us on its implementation.

Chair:
Christiaan J. Poortman

Executive Director:
Petter Matthews

ACKNOWLEDGEMENT

CoST is grateful to the multitude of contributors who were involved in the consultation of this plan. The diverse input from international institutions, the private sector, government, civil society, data experts, donors and others offered invaluable insight to ensure the step-change in impact outlined within is based on a realistic, robust and crises-relevant approach.

Business Plan 2021–2025: Strengthening economies and improving lives

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EXECUTIVE SUMMARY

CoST – the Infrastructure Transparency Initiative (CoST) is now established as one of the leading global initiatives to improve transparency and accountability in public infrastructure. In the last five years, CoST's membership has grown to 19 national and sub-national members and affiliates spanning four continents. These members have disclosed data on more than 38,000 investments involving billions of dollars. CoST tools and standards are now recognised as best practice in their field and have received endorsement from the Group of Twenty (G20), the European Investment Bank, Global Infrastructure Basel, the International Federation of Consulting Engineers, the European International Contractors, Transparency International and the Open Government Partnership.

CoST has also grown in terms of depth, as demonstrated by the rapid growth in the number of projects where data has been disclosed by its members. This has been driven by institutionalising the CoST approach through legal or policy mandates. At the same time, thousands of government officials have been trained on how to comply with these mandates and new open-data platforms have been established and, where practicable, aligned with existing e-procurement systems. CoST has also trained thousands of citizens, journalists and civil society activists to use the disclosed data. They have obtained a platform they would not have previously had to raise issues with public officials about the infrastructure that affects their daily lives.

This CoST Business Plan for 2021–2025 builds on these achievements and the recommendations of an independent review (Crown Agents, 2020), which acknowledged the successes of CoST in increasing its impact, strengthening its approach and providing value for money. It retains a focus on CoST's core features of disclosure, assurance, multi-stakeholder working and social accountability, while also outlining how they will be further strengthened. At the same time, the flexibility that characterises the CoST approach remains a central principle, allowing members to adapt the core features to their specific circumstances.

This adaptive approach has helped deliver the increase in impact identified in the independent review. Examples include:

■ contributing to financial cost savings of more than US$360 million by the Thai Ministry of Finance, resulting from the deterrent effect of increased transparency and public scrutiny

■ saving US$8.3 million after the evidence from an assurance report was used to justify establishment a project review function in the Afghan Ministry of Transport

■ catalysing the closure of a corrupt institution in the Honduran roads sector after evidence from an assurance report was used to launch an investigation

■ a contractor correcting serious defects in a recently constructed bridge in Ukraine following evidence highlighted in an assurance report

■ expanding the scope of works to include vital road-safety measures on a major highway rehabilitation in Thailand following consultation with the local community as part of the assurance process.

This plan builds on this success, seeking to further strengthen the CoST approach, respond to latent demand and achieve the step change in impact that its members and supporters consider it capable of. The external environment is conducive to this scale of ambition.

A growing need for CoST

Infrastructure is a vital component of efforts to meet the most pressing global challenges. Unless society can accelerate the delivery of good quality infrastructure and services, its ability to meet the United Nations' Sustainable Development Goals, deal with the effects of climate change, improve livelihoods and deliver inclusive economic growth will be seriously undermined.

The G20 Global Infrastructure Hub (2020) estimates that US$94 trillion of investment is required by 2040. It also points out that on current trends, there will be a US$15 trillion "investment gap".

"There's a growing realisation that if you get the governance aspects right, the finance will follow. Get it wrong and the investment will dry up."

Chris Heathcote, Chief Executive Officer, G20 Global Infrastructure Hub

There is an urgent need therefore to both increase the quantity and quality of investment and to reduce losses through inefficiencies, which are estimated by the International Monetary Fund to be 30% on average. These losses are a result of weak institutions, poor governance and a lack of transparency (International Monetary Fund, 2015). There is also an urgent need to establish inclusive approaches to delivering infrastructure that benefit all people, including the poorest and most marginalised.

In addition, the Covid-19 pandemic has magnified the importance of transparency, participation and accountability, with the rapid procurement of emergency health facilities increasing the risk of corruption, mismanagement and inefficiency. The economic consequences of the pandemic put governments under considerable fiscal pressure with rising levels of debt to gross domestic product further exacerbating the infrastructure financing gap.

CoST has developed an approach that will help stakeholders to address these challenges in diverse settings and add value to existing reform efforts. This perspective is reflected in CoST's vision and mission, its theory of change (see page 16) and its strategic priorities.

Vision and mission

Vision	Mission
"Quality infrastructure, stronger economies and better lives"	"Enable a multi-stakeholder approach in the disclosure, validation and use of infrastructure data. This improves transparency, participation and accountability and contributes to quality infrastructure that meets people's needs"

Strategic priorities

Over the next five years, CoST will focus on the following strategic priorities:

- increase its impact with a growing number of CoST members and affiliates

- increase international support for improving transparency, participation and accountability in infrastructure investment

- improve learning and knowledge sharing

- ensure efficient use of resources to maximise impact.

These strategic priorities seek to maintain a balance between strengthening the CoST approach, continuing to offer quality support for existing members and increasing the membership.

In addition, capturing CoST's impact, learning from what works and does not work, and offering opportunities for learning are important to ensure the organisation continues to deliver programmes that are high quality and fit for purpose. Given a projected growth in membership of 12 new members, CoST's priority must be to ensure resources are in place to deliver this growth and maximise the impact of current members.

Measuring progress

CoST has set itself the following eight ambitious targets that it will aim to achieve over the next five years.

1. Up to 12 national or sub-national governments to join CoST as a member or affiliate.

2. Data from at least 50,000 infrastructure projects to be disclosed using the Open Contracting for Infrastructure Data Standard (OC4IDS) or CoST Infrastructure Data Standard (CoST IDS).

3. At least 150 health facilities to be independently reviewed as part of the CoST assurance process.

4. At least 10 CoST members to establish policy, regulatory or legal instruments that mandate disclosure of infrastructure data based on theOC4IDS or CoST IDS at national, sub-national or sector level.

5. Procuring entities act to improve the quality, effectiveness and efficiency of at least 40 infrastructure projects in response to evidence and issues raised i) in an assurance report or ii) by citizens or journalists at or following a CoST member event.

6. Governments to introduce at least 20 policy, regulatory or legal reforms that aim to improve the quality, effectiveness and efficiency from infrastructure investment in response to the evidence and issues raised i) in an assurance report or ii) by citizens or journalists during or following a CoST member forum.

7. Over 5,000 women from government, civil society and the private sector to be trained to disclose, validate or use infrastructure data.

8. At least six international organisations to publicly endorse CoST and/or incorporate CoST tools and standards into their frameworks.
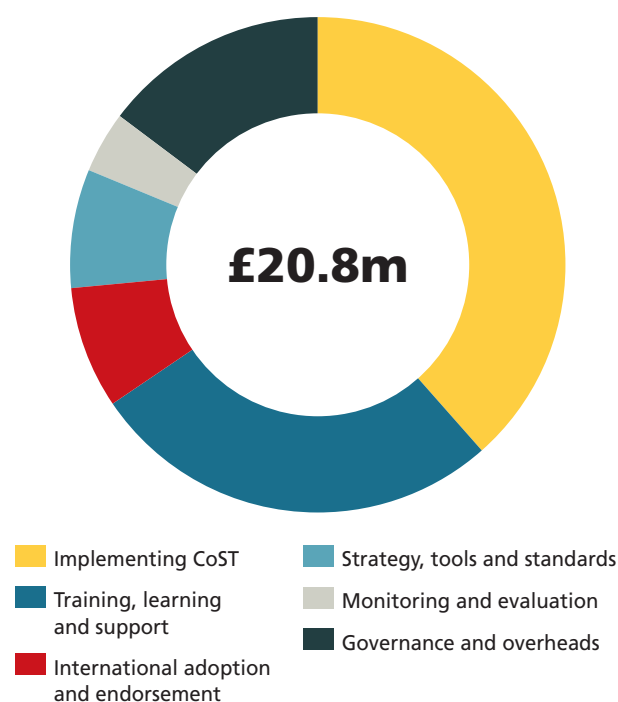
Governance

CoST is registered as a charity and a not-for-profit company in the UK. It is governed by a Board of Directors comprising six (and in due course nine) members, and its day-to-day operations are carried out by an International Secretariat and three small regional offices. The Board meets four times per year and its responsibilities include developing strategy and policy, approving budgets, admitting new CoST members and monitoring finances and operations. Board meetings are also attended by Observers representing financial and strategic supporters.

Finance plan

Delivering this Business Plan will require an investment in CoST of almost £20.8 million. Nearly two-thirds (65% from 2021 - 2025) of this will support the implementation of CoST by members and affiliates, either directly or through training, learning and support. The chart on the right shows how the budget will be allocated. Financial contributions can either support the overall Business Plan or be targeted at specific interventions.

BUDGET ALLOCATION

£20.8m

- Implementing CoST
- Training, learning and support
- International adoption and endorsement
- Strategy, tools and standards
- Monitoring and evaluation
- Governance and overheads

Conclusion

CoST is working and has proven the effectiveness of its approach. This was borne out by the recently completed independent review (Crown Agents, 2020). It showed that while there is still much that can be done to improve the implementation of the CoST approach, the principal challenges relate to scaling up and responding to latent demand to deliver a step change in impact. More recently, CoST has shown how it can respond and adapt to the Covid-19 pandemic, demonstrating that transparency, participation and accountability have never been so important. This Business Plan outlines four ambitious strategic priorities that will enable CoST to meet these challenges.

A network of supporters is in place and ready to deliver these strategic priorities. At the global level this includes bilateral and multilateral donors and other international agencies. Equally important is the support provided at national level by heads of state, ministers, officials, grassroots organisations, the media, leaders in civil society and business, and numerous individual citizens. This support is arguably CoST's greatest resource and the product of more than a decade of trust-building efforts.

This Business Plan can be seen by current and potential new partners not as a fixed proposal, but as a statement of intent, an illustration of ambition and the basis for a strategic discussion about future collaboration.

1. INTRODUCTION

CoST – the Infrastructure Transparency Initiative is now established as one of the leading global initiatives to improve transparency and accountability in public infrastructure. It works with governments, private sector and civil society in member countries across the world to promote the disclosure, validation and use of data from infrastructure projects. This helps to inform and empower citizens, enabling them to hold decision makers to account and drive reforms that reduce mismanagement, inefficiency, corruption and the risks posed to the public from poor quality infrastructure.

According to the Group of Twenty (G20) Global Infrastructure Hub (2020), the world spends around US$2.7 trillion a year on infrastructure, while the International Monetary Fund has estimated an average efficiency gap of around 30% of public investment (International Monetary Fund, 2015).[1] Losses due to inefficiency affect all countries but are highest in low-income developing countries (40%), followed by emerging markets (27%) and advanced economies (13%). The inefficiencies are caused by weaknesses in public investment management institutions, which increases the risk of rent-seeking and corruption, resulting in major losses to ongoing spending on public infrastructure across the globe.

Following a successful three-year pilot funded by the UK Department for International Development (DFID), CoST was established as a UK-based charity in 2012 with financial support from the World Bank. It received a further five-year grant from DFID in 2015 and a four-year grant from the Dutch Ministry of Foreign Affairs in 2014 and again in 2018. The CoST Board currently outsources the management of the programme to UK charity Engineers Against Poverty, which provides the CoST International Secretariat.

CoST's membership has grown to 19 national and sub-national members and affiliates spanning four continents. These members have disclosed data on more than 38,000 investments involving billions of dollars. In addition, CoST tools and standards are now recognised as being among best practice in their field. They have received endorsements from the Group of Twenty (G20), the European Investment Bank and the International Federation of Consulting Engineers.

"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."

HE Yama Yari, Minister of Public Works, Afghanistan (2016 - 2020)

In the same period, the impact of CoST has increased by an order of magnitude. Examples include: evidence produced by CoST being used to close down corrupt public institutions in Honduras; triggering institutional reforms that reduced waste and inefficiency in Afghanistan; and having a deterrent effect contributing to savings of US$360 million in Thailand.

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[1] The efficiency of public investment is the relationship between the value of the public capital stock and the measured coverage and quality of infrastructure assets.

CoST's progress and achievements were acknowledged in the recently completed independent review (Crown Agents, 2020). It showed that the past five years were a period of transformation, continuous improvement and growing international recognition achieved through efficient use of resources.

However, the review also pointed out that the transformation is incomplete, with several areas needing further strengthening. These include: a more robust monitoring, evaluation, accountability and learning framework; a more diverse funding base; a significant increase in income; recognition for CoST members and individual reformers who drive success; and prioritising the development and roll-out of the Infrastructure Transparency Index (ITI) (see **p.35**).

> *Initiatives which contribute to better governance ... like CoST, are more relevant than ever."*
>
> *Crown Agents*

This Business Plan for the period 2021–2025 describes how CoST intends to address the issues raised in the independent review and meet other key challenges. It draws on the feedback from a consultation process based on discussions with CoST members, current and potential funders and other supporters and stakeholders. This has led to a plan that is robust, achievable and relevant.

1.1 INFRASTRUCTURE IS CRITICAL TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

Infrastructure is a vital component of efforts to meet the most pressing global challenges, including the United Nations' Sustainable Development Goals (SDGs). This includes "building resilient infrastructure" (goal 9) and several other goals and targets related to cities and human settlements, where infrastructure

> *Strategic infrastructure delivery that is on time, within budget, and provided in a manner commanding the confidence of all stakeholders, including markets and civil society, is essential to tackling the widening infrastructure gap."*
>
> *Martin Rama, Senior Economic Adviser of the World Bank*

is critical to the equitable and sustainable provision of energy, water and sanitation (goals 6 and 7). Unless society can accelerate the delivery of such quality infrastructure and services, its ability to meet the SDGs, deal with the effects of climate change, improve gender equality, livelihoods and deliver inclusive economic growth will be seriously undermined.

However, the Global Infrastructure Hub (2020) estimates that US$94 trillion of investment is required up to 2040 and that on current trends there will be a US$15 trillion "investment gap". Therefore, there is an urgent need to increase the volume and quality of investment and to reduce the average 30% of investment lost through inefficiency, corruption and mismanagement. It is also essential that this investment is informed by purposeful consideration of inclusive approaches that benefit all people. A consensus has emerged that improving governance is fundamental to meeting the SDGs and reducing the investment gap.

Recognition of the importance of governance, and the critical role of transparency, participation and accountability, helps to explain the growing demand for CoST services, tools and standards from governments and international agencies.

"Poor governance is a major reason why infrastructure projects fail to meet their timeframe, budget and service delivery objectives."

OECD

Globally, infrastructure delivery has long been characterised by political expediency and limited engagement of citizens in decision making. This is exacerbated in many countries by the shrinking space for public discourse, which further limits the scope for greater transparency and citizen participation. Multi-stakeholder working, a defining feature of the CoST approach, has proved to be effective in managing the tensions and building consensus around a programme of reform that helps to generate benefits for all stakeholders. In the next five years, CoST will continue to promote multi-stakeholder working, but will also seek to refine and adapt its approach to different circumstances. Associated with this is the need continually to update CoST's political economy analysis of its members and to ensure the technical assistance it provides is politically astute.

Infrastructure investment is increasingly being delivered through international initiatives backed by national governments and intended among other things to secure geopolitical influence. Prominent among them is China's Belt and Road Initiative, which has triggered a range of responses including the European Union's Asia Connectivity Strategy, the US-led Blue Dot Network and Japan's Indo Pacific Strategy.

These initiatives have the potential to help meet the backlog of investment, but have also prompted concerns about indebtedness, foreign control of strategic infrastructure assets, and the dangers of new investment fuelling corruption and mismanagement.

1.2 COVID-19 HAS MAGNIFIED THE IMPORTANCE OF TRANSPARENCY, PARTICIPATION AND ACCOUNTABILITY

The Covid-19 pandemic has magnified the importance of transparency, participation and accountability. Governments have responded to the chronic under-investment in health services by rapidly boosting public spending on critical equipment such as protective equipment, medicine and temporary health infrastructure, often using emergency procurement measures to accelerate delivery. This has led to concerns that the principles of transparency, participation and accountability have been compromised in the pursuit of speeding up delivery. It risks becoming the norm, resulting in less scrutiny of public spending and increasing the potential for corruption, mismanagement and inefficiency.

While there is still great uncertainty about the future, recovering and building resilience against similar crises will require massive investment in infrastructure and services. At the same time, the economic consequences of the pandemic mean that governments will be under huge fiscal pressure with rising levels of debt to gross domestic product (GDP). While interest rates remain low, it is likely that risk aversion among private investors may increase further, complicating efforts to mobilise investments of private capital in public infrastructure. This may lead to governments re-evaluating their infrastructure investment strategies. Some will accelerate public investment as part of expansionary fiscal policy to stimulate the economy and create jobs. Others might opt for austerity measures and reduce their planned investment or stretch it over a longer period. It may also lead to funding cuts in the operation and maintenance of infrastructure assets, which has the potential to compromise resilience and long-term economic development.

CoST Jalisco convenes stakeholders during Covid-19.

The challenges will affect all countries, but the poorer and more vulnerable economies with high existing debt to GDP ratios will be most adversely affected. This emphasises the need to embrace innovative approaches to get more value for money from public investments to overcome the infrastructure investment gap referred to earlier. This is particularly pertinent in the health sector, where analysis from the reports produced as part of CoST's assurance process (CoST assurance reports) demonstrate that health infrastructure is often characterised by low levels of transparency, weak market competition and poor financial planning.[2]

The challenges are complex, global and defy easy solutions. CoST's principles of transparency, participation and accountability have taken on increased relevance and are critical to helping stakeholders address these challenges. CoST will continue to monitor these and other developments to ensure the initiative remains relevant and that its tools and approaches continue to be effective.

1.3 STRUCTURE OF THIS BUSINESS PLAN

Section 1 of this Business Plan introduces and frames CoST's strategy for the next five years and briefly examines the international context in which CoST operates. Section 2 summarises the initiative's successes and challenges, and how CoST intends to scale up its impact. Section 3 sets out a revised vision, mission and theory of change. Section 4 introduces a set of ambitious strategic priorities that will structure and guide CoST's activities in the period covered by this plan. Section 5 sets out the parameters for a new value-for-money framework that will be developed during the early implementation stages of the plan. Section 6 describes the governance arrangements of CoST, including the risks that are likely to affect the delivery of this plan and the measures that will be adopted to reduce or eliminate them. The plan is completed with concluding remarks in Section 7.

[2] This is based on a limited sample of 18 healthcare facilities from seven countries with a total value exceeding US$400 million that have been independently reviewed as part of the CoST assurance process.

2. SUCCESSES, CHALLENGES AND FUTURE PRIORITIES

As indicated in **Section 1**, this Business Plan responds directly to a recently completed independent review of CoST (Crown Agents, 2020). CoST has reflected on the findings of the review and conducted additional analysis to help absorb lessons from the past and improve what it does in the future. This section plots a way forward to achieving its ambitions over the next five years.

2.1 SUCCESSES

Citizens have access to data from thousands of infrastructure projects

CoST has grown both in terms of breadth, with seven new members and affiliates joining since the beginning of 2019, and in terms of depth, as demonstrated by the rapid growth in the number of projects where data has been disclosed by CoST members – see **Figure 2.1**. This growth has been driven by legal or policy mandates for disclosing data based on the CoST Infrastructure Data Standard, training thousands of government officials on how they comply with this mandate and enhancing existing e-procurement systems or by establishing new open data platforms.

nearly **12,000** infrastructure projects disclosed in 2019
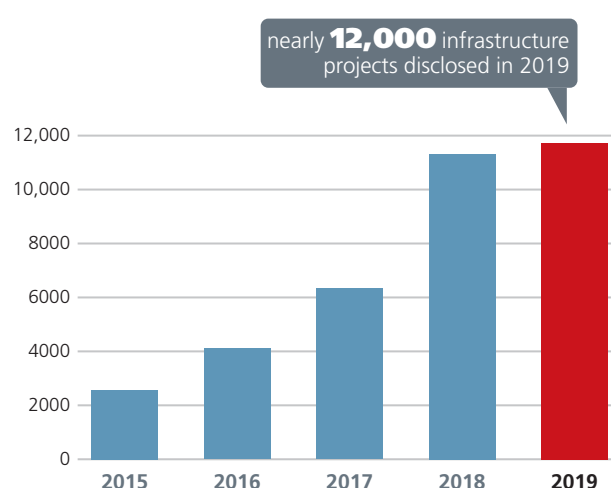
Figure 2.1 Annual number of infrastructure projects where data has been disclosed based on the CoST Infrastructure Data Standard by CoST members.

Improving infrastructure quality, reducing waste and saving lives

There are over 30 examples of governments having used the evidence generated by a CoST assurance report to make positive changes. These include the following.

- Saving US$8.3 million after the evidence from an assurance report was used to justify the establishment an oversight unit in the Afghanistan Ministry of Transport that identified savings following a review of over 100 transport projects.

- Closing a corrupt institution in the Honduras roads sector after the evidence from an assurance report was used to a launch a further investigation.

- A contractor correcting serious defects in a recently constructed bridge in Ukraine based on evidence presented in a CoST assurance report.

■ Expanding the scope of works to include vital road safety measures on a major highway rehabilitation in Thailand following consultation with local communities as part of the assurance process.

"I have always been a firm believer in CoST, I understand its value because I work on these issues. But now I am also a beneficiary – I am from Makindye-Sagabago – the area around Kitiiko Road which was a hazard to all residents. I was affected by these deaths and I was there when they put in safety measures. We were so happy to see them!"

Doreen Kyazze Mulema, Public Procurement and Disposal of Public Assets Authority, Uganda

In addition, through CoST citizens' voices have been heard in Wakiso District in Uganda. They were able to raise their concern about a dangerous road where five deaths had occurred in the three months since the road had been paved. CoST facilitated collaborative processes that not only shone a light on the problem, but also helped to identify shortcomings in the design process and scope for cost savings. As a result, the District Council was able to construct speed bumps and no further deaths have been reported.

Greater transparency is a deterrent saving over US$300 million in Thailand

Globally, dozens of politicians and thousands of public officials know that their decisions are subject to a greater level of scrutiny, and that the likelihood of problems arising from those decisions being identified has dramatically increased. The private sector responds by submitting more competitive prices knowing that contracts are more likely to be awarded fairly. But it is difficult to produce empirical evidence of these types of savings.

However, the Thailand Ministry of Finance has reported that CoST has helped save over U$360 million due to its deterrent effect. It is understood that the higher levels of transparency and scrutiny brought about by CoST inhibited misbehaviour in procurement, strengthening bidding competition and leading to a more efficient use of the public budget. It is anticipated that more of these stories will emerge as the amount of disclosed data grows.

CoST Thailand at a road project site visit

Responding and adapting to the Covid-19 pandemic

The Covid-19 pandemic has demonstrated the responsiveness of CoST members and the adaptability of the CoST approach. This includes CoST Uganda developing a dashboard system connected to the government e-procurement portal that has been adjusted to track projects implemented during the pandemic. It produced insight reports every two months with relevant findings based on data gathered from the dashboard. This type of system allows investors to monitor their investment in health infrastructure remotely, track expenditure, identify who is benefitting and potentially work with established partners on the ground.

There has also been request from governments that CoST monitors their health infrastructure programmes. This includes Honduras, where the President of the Republic requested that CoST

Honduras monitor the construction of 93 new health facilities, and Malawi, where the authorities have requested that an assurance team reviews the construction of a new cancer treatment centre. CoST programmes in Afghanistan, Guatemala, Honduras and Uganda have all convened webinars aimed at civil society and the private sector, ensuring that these stakeholders have the opportunity to raise their concerns with government counterparts.

Working in partnership

Working with partners both at a national and international level is critical to CoST's success. For example, partners such as the Open Government Partnership (OGP), Transparency International, the International Labour Organization, the World Bank, the United Nations Development Programme and the German Corporation for International Cooperation were critical to building relationships with key government contacts and encouraging them to apply to join CoST as members.

CoST's partnership with the Open Contracting Partnership (OCP) has been critical to the technical development of the programme with the development the Open Contracting for Infrastructure Data Standard (OC4IDS). This collaboration combines CoST's knowledge of the infrastructure sector with the cutting-edge expertise of OCP in publishing open data. The two organisations now work in partnership to support the implementation of the OC4IDS. In addition, Hivos has supported CoST programmes in Guatemala and Malawi, and CoST has worked closely with OGP to develop guidance on how CoST can be included in OGP action plans.

2.2 THE CHALLENGES

Data quality

Whereas the amount of infrastructure data disclosed has grown rapidly, there are some questions about its quality. The adoption of the OC4IDS and the data analytic tool developed by CoST Ukraine as described below will help facilitate this improvement. However, the pace and route that CoST members take on the data journey, from paper-based systems to disclosing and analysing open data at scale, will vary depending on political will, technical capacity, the level of digitisation in public administration and resources. Procuring entities in some national and sub-national CoST members are not yet ready for this transition and it will take time to build the systems and capacity to move through these steps.

Assurance to data analytics

CoST assurance reports provide indicative evidence on the state of infrastructure investment. However, they only validate and use data from a sample of infrastructure projects, representing a
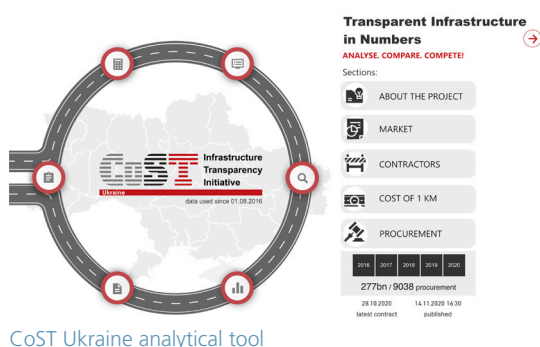
CoST Ukraine analytical tool

relatively small percentage of overall investment. Web-based analytical tools such as that developed by CoST Ukraine can enable stakeholder analysis of the OC4IDS data on thousands of infrastructure projects in real time. They can identify which companies are winning the contracts in a region, the level of investment in that region and the price per kilometre of specific categories of intervention.

Capture of multi-stakeholder groups

Multi-stakeholder groups are an invaluable part of the CoST approach in helping to create a forum for dialogue and to build trust between the government, the private sector and civil society, and to influence improvements in transparency, participation and accountability. However, they are perceived as having power and influence and can be subject to capture by self-interested individuals and factions. CoST will strengthen procedures and the support provided to multi-stakeholder groups to prevent this.

Government uptake of assurance recommendations

Assurance reports consistently identify problems and diagnose their underlying causes. But experience shows that governments and particularly procuring entities often need encouragement to ensure they respond to the recommendations. Government action is critical to improving the outcomes from their investment in public infrastructure. Multi-stakeholder groups are in a good position to persuade governments to do this.

2.3 FUTURE PRIORITIES

CoST aspires to expand the initiative to include 12 new members and affiliates and disclose data on over 50,000 infrastructure projects in the next five years. To achieve this, it will focus on CoST's core business: developing high-quality tools and standards and supporting members and other stakeholders with implementation. A dynamic and successful programme is the best way to attract new members, including those from high-income countries.

The growth will require a substantial increase in CoST's overall income, which will also need to be from a more diverse range of sources. The CoST International Secretariat (CoST IS) will continue to encourage bilateral donors to support the initiative directly, while also seeking the support of foundations. There is a clear synergy between CoST's objectives and the objectives of various donors. The CoST IS will continue to highlight these synergies in its engagement with bilateral donors, foundations and others in the pursuit of a common goal to strengthen societies and build better infrastructure.

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The CoST IS will provide improved guidance and greater clarity on the role of multi-stakeholder groups and identify alternative models of multi-stakeholder working that offer a more flexible approach. It will invest further in the initiative's approach to monitoring, evaluation, accountability and learning – with a particular focus on measuring outcomes, gathering evidence of impact and delivering value for money. It will also respond directly to the global challenges of climate change; gender and social inclusion; civic participation; and beneficial ownership.

3. VISION, MISSION AND THEORY OF CHANGE

Vision	Mission
"Quality infrastructure, stronger economies and better lives"	"Enable a multi-stakeholder approach in the disclosure, validation and use of infrastructure data. This improves transparency, participation and accountability and contributes to quality infrastructure that meets people's needs"

3.1 CONCEPTUAL FRAMEWORK

CoST's vision is founded on the principle that quality infrastructure is essential to well-functioning economies, and that it supports the delivery of good quality services to citizens and businesses. Delivering quality infrastructure means maximising the positive economic, environmental, climate, social and development impact of infrastructure, ensuring it meets people's needs. Achieving this requires a sound governance framework throughout the project cycle, based on the building blocks of transparency, participation and accountability. When this is achieved, quality infrastructure that is relevant and fit for purpose generates economic growth by catalysing productivity, jobs and development, and creating a stronger economy. It then improves people's lives by furthering access to: markets; schools; hospitals; energy; transport services; and other public services.

The conceptual framework in **Figure 3.1** overleaf illustrates that CoST's mission of disclosing, validating and using infrastructure data is achieved by using four core features: multi-stakeholder working; disclosure; assurance; and social accountability (**see box**). These are founded on the central building blocks of good governance.

While the link between disclosure and transparency is the most obvious, multi-

CoST core features

MULTI-STAKEHOLDER WORKING

Multi-stakeholder working brings together government, private sector and civil society in a concerted effort to pursue a shared goal of improving transparency and accountability in public infrastructure. This is typically achieved through a multi-stakeholder group where each stakeholder group has an equal voice in leading a CoST programme.

DISCLOSURE

Disclosure is the publication of data from infrastructure projects. Data is disclosed by procuring entities at key stages throughout the entire project cycle in OC4IDS or CoST IDS format.

ASSURANCE

Assurance is an independent review that validates the accuracy and completeness of the disclosed data and uses the data by turning it into compelling information highlighting issues of concern and areas of good practice.

SOCIAL ACCOUNTABILITY

Social accountability refers to efforts made to ensure that the disclosed data and assurance reports are taken up and used by stakeholders – especially civil society and the private sector – to strengthen accountability and deliver practical improvements.

stakeholder working is a form of participation where stakeholders are engaged in an ongoing, structured and systematic dialogue. It can build trust and enable collective decision making on key issues that strengthens the influence of a CoST programme.

Strengthening accountability is directly linked to the validation and use of infrastructure data and the core features of assurance and social accountability. Uptake by formal oversight and audit institutions, such as national audit offices or parliamentary accounting committees, as well as the public, civil society organisations, media, academics and other stakeholders strengthens accountability, leading governments and their supply chains to take action that delivers practical improvements.

MISSION	CORE FEATURE	BUILDING BLOCKS OF GOOD GOVERNANCE
Data disclosure	Disclosure	Transparency
Multi-stakeholder working	Multi-stakeholder working	Participation
Data validation and use	Assurance	Accountability
	Social accountability	

Figure 3.1 CoST conceptual framework

3.2 THEORY OF CHANGE

CoST's theory of change in **Figure 3.2** is organised around its conceptual framework and sets out non-linear and interconnected pathways through which CoST achieves its mission. The pathways to change are not straightforward and it is important to see the initiative as part of a broader process of complex and systemic change involving many actors. It is also important to consider the social, economic and political factors that can shape the impact of CoST's work and over which it has little control. The theory of change provides an adaptive framework which can be applied, tested and refined in different contexts according to what is learned.

CoST provides an adaptable delivery model that can be swiftly adopted to support implementation of its four core features across diverse political, economic and social contexts. CoST members at the national and sub-national level decide how the core features will be adjusted to address their specific priorities. These adjustments are typically informed by the results of a scoping exercise completed in the early stages of a programme, complemented by ongoing research and analysis conducted by the member secretariats and supported by the CoST IS.

Approach and outputs

The CoST IS uses its knowledge, resources and capacity in a programme that delivers a set of outputs that can strengthen and improve the CoST approach and core features. Current outputs are focused on:

- developing and improving CoST tools and standards
- increasing the initiative's capacity, influence and mobilisation
- strengthening CoST's partnerships and collaboration
- enhancing learning and knowledge sharing to strengthen the potential contribution of the initiative to long-term change.

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CoST Theory of Change

APPROACH

Disclosure validation and use of infrastructure data

DISCLOSURE

ASSURANCE

MULTI-STAKEHOLDER WORKING

SOCIAL ACCOUNTABILITY

Collaboration and participation in multi-stakeholder working, planning and decision making

OUTPUTS

Tools and standards

Capacity building and awareness raising

Stakeholder engagement

Networking and influencing

Learning and knowledge sharing

OUTCOMES

Improved influence and pressure

Accurate data and improved evidence

Participation

Transparency

Improved systems and environment

Accountability

Better monitoring and scrutiny

Improved trust among stakeholders

Increased engagement and mobilisation

IMPACTS

Improved governance, integrity and social accountability in infrastructure

Increased infrastructure investment and market competition in infrastructure

Improved quality, effectiveness and efficiency of infrastructure

Contribution to broader impact
accessible, inclusive, reliable, affordable and sustainable infrastructure that meets people's needs

VISION:
Quality infrastructure, stronger economies and better lives
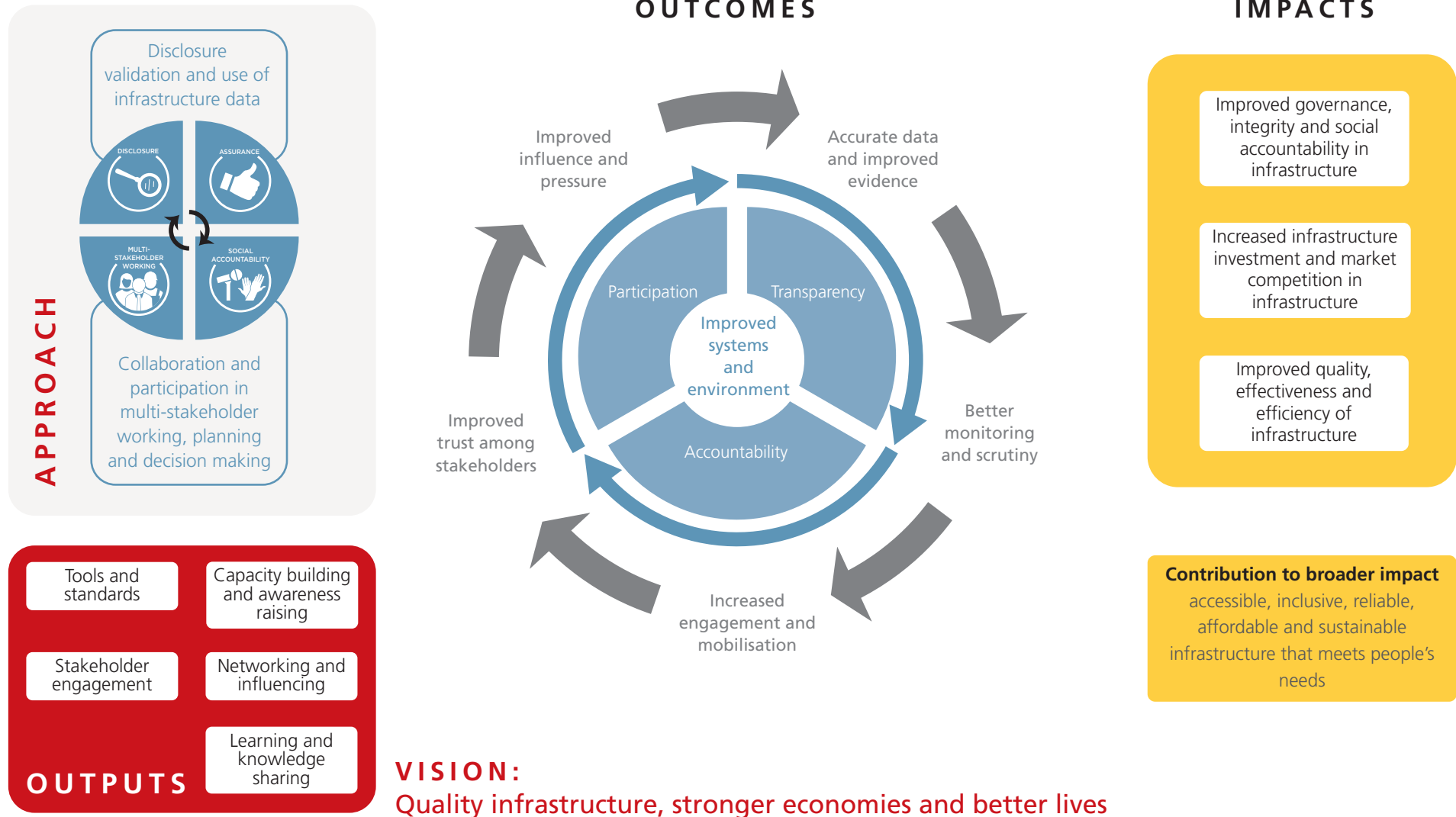
Figure 3.2 CoST theory of change

CoST members sign up to the core features when they join the programme. This allows them to receive support from the CoST IS to adapt the core features to their specific needs. This means that the CoST IS activities may change over time and respond to lessons from implementation. This flexible approach increases the potential for improving systems of accountability and transparency in the medium term through improved policies, processes and participation.

Outcomes

The activities and multifaceted approach focus on improving the disclosure, validation and use of data on public infrastructure, together with improving the collaboration, participation and capacity of stakeholders. When combined as evidence and action, they can generate an enabling environment through: more accurate data and evidence, increased engagement and mobilisation of civil society; better monitoring and scrutiny of public infrastructure; and increasing influence and pressure on governments to improve their transparency, participation and accountability systems. Evidence of this may include a new legal or policy instrument that mandates disclosure infrastructure data using the OC4IDS, or a new or enhanced open data platform that facilitates disclosure. Improved transparency, participation and accountability systems that help to create a more conducive enabling environment.

Impacts

The CoST IS has gathered significant evidence of impacts over the years. This shows some of the ways that change happens to improve the quality of public infrastructure (meaning it is built to the required specification and meets the needs of the end user), its effectiveness (it delivers the expected service) and delivery efficiency (it was delivered on time and budget). However, there is still much to learn about pathways of change and the relationships between activities, outcomes and impacts. Achieving medium-term outcomes typically involves a government responding to evidence generated by a CoST member programme. For example, a government may improve a specific infrastructure project or introduce a broader sector reform that will improve the outcomes of new investments based on:

■ seeing evidence in a CoST assurance report

■ responding to issues raised by citizens in community meetings, public radio debates or similar forums

■ using disclosed data directly to identify areas for potential improvement.

Government responses may also be influenced by the informal dialogue with the multi-stakeholder group and/or due to the external pressure of the media, private sector and or civil society. These stakeholders will typically raise concerns with a government after attending the launch of an assurance report, community meeting, training session or other CoST activity.

It is possible that some limited change can occur quite quickly, with examples of improvements to specific projects within 1 to 2 years of a typical CoST programme. In contrast, the impact of introducing broader sector reforms is likely to take a much longer time period to realise.

New to CoST's thinking is how the behaviour of government officials and especially private sector firms may change as a result of the deterrent effect of improved transparency, participation and accountability, as evidenced by the cost saving in Thailand (**see box on page 16**). As well as lower bid prices, it is anticipated that the improved enabling environment will lead to: increased investment; improved public financial management and procurement systems; greater market competition; and increased investment.

Enabling conditions and assumptions

CoST understands that the achievement of its vision and its contribution to long-term change is complex and subject to many contributing factors. The enabling conditions required to attribute CoST activities to medium- and long-term change are shown in **Figure 3.3**, and can be enhanced due to the catalysing effect of the CoST approach. They inform CoST IS thinking and analysis about how CoST works and the relationship between its activities and outcomes. The CoST theory of change and approach are also based on a set of assumptions shown in the box overleaf and that need to be in place to maximise the potential outcomes and impacts. The enabling conditions and their assumptions may change and need to be continually tested and validated with the theory of change in different contexts.

Figure 3.3 Enabling conditions

The following assumptions have been made when identifying the relationship between CoST activities and outcomes.

- Governments commit to implementing the core features, introducing the necessary reforms that improve transparency, participation and accountability and follows through by using the disclosed data and evidence to improve infrastructure governance and the quality, effectiveness and efficiency of infrastructure.

- The CoST approach can be adjusted to specific social, economic and political contexts and address different challenges.

- Multi-stakeholder working ensures that all members have a voice and participate, which improves collaboration, strategies and solutions as they are collectively agreed and so more sustainable.

- Building the capacity of stakeholders will enable them to use disclosed data and create evidence that can improve accountability.

- Improved disclosure, validation and use of infrastructure data through adoption of CoST will improve transparency, participation and accountability in government systems.

- Improved monitoring and scrutiny of infrastructure data will lead to improved regulation and enforcement of infrastructure standards.

- Improved participation of civil society in decision making and monitoring within a multi-stakeholder context improves accountability. It is a significant factor in whether governments and the private sector respond and improve policies and practice.

- Better systems of governance and social accountability improve the quality, efficiency and effectiveness of infrastructure.

- Being a trusted partner of governments is more likely to influence their actions and approach in a positive way.

- CoST is a legitimate and significant player in influencing transparency and accountability in infrastructure investment. CoST MSGs, and national and sub-national secretariats have the convening power to engage and bring together different stakeholders working in the sector.

4. STRATEGIC PRIORITIES FOR 2021–2025

The strategic priorities of CoST for the next five years draw on the lessons outlined in **Section 2**, the findings of the recent independent review (Crown Agents, 2020) and the 2017–2020 Business Plan (CoST, 2017). In particular, they respond to the two key points made in the review: that the CoST approach is proven in diverse settings and widely recognised as being valuable; and that the principal challenges are scaling up to achieve its full potential. They have been developed further based on the feedback from the consultation.

Figure 4.1 summarises the strategic priorities of CoST for the next five years and the associated objectives. These are addressed in more detail in this section.

STRATEGIC PRIORITY	OBJECTIVES
1. Increase impact with a growing number of CoST members and affiliates	a. Achieve staged membership growth b. Improve access to resilient and inclusive infrastructure data c. Ensure that emergency health infrastructure procurement is transparent and accountable d. Develop values that help to protect civil society space and monitor performance e. Improve gender participation f. Invest in multi-stakeholder working g. Offer alternative approaches to multi-stakeholder working and participation h. Improve the knowledge and skills to disclose, validate and use data i. Monitor performance and celebrate success
2. Increase international support for improving transparency, participation and accountability in infrastructure investment	a. Build partnerships to encourage international endorsement and adoption of CoST tools and standards b. Offer a range of innovative tools and standards with global applicability c. Improve understanding of different constituencies within the private sector d. Test CoST's approach and adapt its tools and standards for infrastructure investors
3. Improve learning and knowledge sharing	a. Publish learning briefs that document what works and what does not work b. Develop multi-year support packages c. Improve opportunities for learning d. Develop a tiered approach to measuring success e. Build relationships with research-based organisations
4. Ensure sufficient resources to maximise CoST's impact	a. Diversify income streams b. Finance sustainable CoST member programmes c. Build a team with the right skills and aptitudes

Figure 4.1 Strategic priorities and associated objectives for 2021–2025

STRATEGIC PRIORITY 1:
Increase impact with a growing number of CoST members and affiliates

CoST Ukraine showcases its data disclosure analytical tool

Objectives

a. Achieve staged membership growth

CoST's core business is ensuring high-achieving and sustainable member programmes that disclose, validate and use infrastructure data. However, the competitive membership process launched in 2019, which resulted in five new members, is an indication of strong demand and an opportunity to increase the membership.

In considering the consultation feedback, CoST has concluded that its primary focus should be on ensuring that these new members along with its more mature programmes are able to scale up the amount of infrastructure data they are able to disclose, validate and use. This also reflects the impact of the pandemic, which is likely to reduce CoST's available resources and create challenges for current members to implement and scale up their programmes. The approach will ensure that CoST's resources can be used to build sustainable, high-impact programmes.

CoST will then look to increase its membership in stages, initially with five new members and affiliates and, if resources allow, an additional four and then a further three new members and affiliates (12 in total) by 2025. This approach will ensure that new members are given the time and support to establish their programmes and that there are the resources to scale up more mature programmes. **Figure 4.2** sets out differences between the two CoST membership categories.

The growth is likely to come from emerging markets, where investment in infrastructure is high and governance systems can be significantly strengthened by adopting CoST core features. CoST is also committed to identifying opportunities to work with high-income countries experiencing shortcomings in their governance frameworks, leading to high-profile infrastructure projects failing

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MEMBER	AFFILIATE
Membership is open to any national or sub-national part of government and its partners in industry and civil society, and to individual procuring entities and megaprojects.	Affiliate membership is open to any national or sub-national part of government and to individual procuring entities and megaprojects.
CoST is central to reforms.	CoST is a source of support and advice to reform
Members commit to adopting the four core features and importantly, to adhere to CoST principles and maintain high standards of integrity.	Affiliate members adopt and adapt those aspects of the four core features they consider most useful and appropriate in their circumstances. They must adhere to CoST principles and maintain high standards of integrity.
The CoST Board monitors the performance of members and continued membership is contingent on the CoST Board being satisfied that meaningful progress is maintained.	The CoST Board monitors the progress of affiliates but continued membership does not imply that CoST endorses or approves of their reform effort.
Members are subject to the CoST performance monitoring procedures. Continued failure to perform can result in membership being revoked.	Affiliate members publish progress reports and through this mechanism are accountable to their stakeholders. The CoST Board reserves the right periodically to review if affiliate members are meeting their responsibilities. A failure to meet responsibilities, or to respond to Board requests for information, can result in affiliate membership being revoked.

Figure 4.2 Categories of CoST membership

to meet their budget, programme and service delivery objectives. Recent research indicates that the CoST approach can add value through a full or flexible adaptation of the core features to the existing institutional context (CoST, 2019).

b. Improve access to resilient and inclusive infrastructure data

The introduction to this Business Plan sets out some of the current global challenges that interconnect with CoST and its vision for quality infrastructure, stronger economies and better lives. Several CoST members have begun to consider some of these issues as part of their approach. CoST will learn from their initial efforts to consider more explicitly the links between the CoST approach and how it can connect and address issues such as: climate change; resilience; civic participation (especially female participation); and social inclusion.

Critical to achieving this objective is to work with CoST's partner, OCP to identify how the OC4IDS can interconnect with data sets relating to environmental impacts, climate mitigation measures, and gender and social inclusion opportunities, the latter including: minority owned businesses; job creation; health and safety; and beneficial ownership.

The OC4IDS is a tool that currently allows an individual to track progress on an infrastructure project in real time and use that data to better understand some of the issues relating to its delivery. CoST will work with OCP to build a data-driven and change-management culture across infrastructure implementation so that users can better understand the impact of the investment and how it is

CoST Honduras develops award winning environmental impact open-data tool

CoST Honduras has developed a tool known as INFRAS that collects data on the sustainability of infrastructure projects from a variety of sources, including from the country's data disclosure platform SISOCS, and presents it in an accessible map format.

Honduras is a country that is vulnerable to climate change but has unclear criteria for environmental impact assessments. This can lead to infrastructure projects being developed in inappropriate and vulnerable areas, with a detrimental impact on the environment. INFRAS was developed to counteract this and allows users to see whether a project has an environment licence or not, whether there are discrepancies with planning regulations and which projects have failed to disclose environmental data.

The tool was awarded first place in the 2019 Taiwan Presidential Hackathon. Organised by OCP and the Government of Taiwan, the aim of the Hackathon was to demonstrate the value of open-source systems and open data in achieving the United Nations' Sustainable Development Goals.
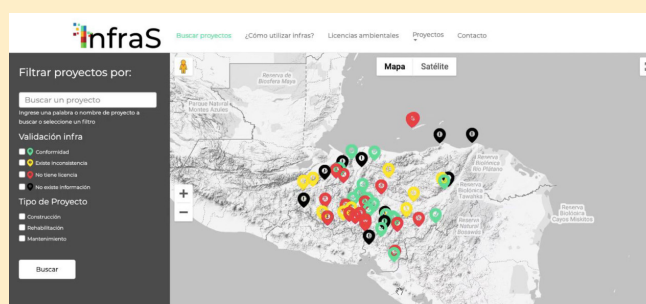
CoST Honduras INFRAS tool

contributing towards resilient and inclusive infrastructure. To achieve this CoST will identify the guidance and tools that will further enhance the OC4IDS so that it can be joined up with additional datasets, maximising its value for driving evidence-based decision making.

The work will be informed by the development and testing of INFRAS, an open data platform developed by CoST Honduras that indicates which infrastructure projects have been awarded environmental licences – **see box above**.

In addition, CoST will also identify whether and how the OC4IDS could be applied to operation and maintenance to understand better the performance and service of infrastructure assets. This would help to ensure that critical infrastructure continues to retain the ability to reduce the magnitude and/or duration of a crisis and therefore contribute to national resilience. The scope of this activity would include examining the potential for connecting the OC4IDS to publicly available registers of infrastructure assets.

CoST and OCP will also continue to invest in a help desk that provides dedicated support to the OC4IDS implementers and consider what other capacity building is required (e.g. a dedicated open data or information and communications technology developer to support CoST members) to ensure that more and better quality data is published that can be used to generate long-term improvements in infrastructure delivery.

c. Ensure that emergency health infrastructure procurement is transparent and accountable

HEALTH

CoST members will continue to respond to the Covid-19 pandemic by ensuring that the procurement of emergency health infrastructure is transparent and accountable. This will include working with government partners to ensure that the OC4IDS or CoST Infrastructure Data Standard (IDS) data is being disclosed for health infrastructure projects as part of the assurance process, so that independent experts can then use the disclosed data to highlight any red flags. They will also provide platforms and mechanisms that allow investors, civil society, the media and the private sector to monitor implementation and raise issues in a safe environment.

The CoST IS will continue to capture the lessons and experiences of its members and regularly update its compendium of good practice which was developed during Covid-19 to highlight the myriad ways in which CoST supports the pandemic response.

d. Develop values that help to protect civil society space and monitor performance

VALUES

CoST will contribute to the protection of space for citizen participation by replacing its current principles with a set of core values. The conceptual framework (**Figure 3.1**, page 21) demonstrates that participation is a core building block of good governance. The more obstacles there are to citizen participation, the greater likelihood that the potential medium and longer-term outcomes indicated in the theory of change will be compromised. By explicitly stating CoST's core values, the CoST IS will ensure that the requirements for multi-stakeholder working and civil society participation are clear and robust. This will help stakeholders to hold governments to account when space for civil society participation in a CoST member programme is reduced. The CoST Board can also act where there is a clear breach of the values, including the ability to revoke CoST membership.

Since 2016, CoST has revoked the membership of five CoST members due to their poor performance. The CoST Board has used a performance monitoring policy initially to assist CoST members to resolve performance issues, followed by steps outlined in the policy to remove CoST member from the programme when these attempts have not led to any improvements. The policy will be reviewed to reflect on how it has worked to date and updated to ensure it is based on the new core values.

e. Improve gender participation

GENDER

CoST is conscious of the need to improve the participation of women on multi-stakeholder groups and in its engagement with civil society organisations, the media and citizens. CoST Uganda provides an example of how improved female participation can be achieved in community meetings (see box). CoST will support other members and affiliates to learn from this example and consider how they can improve the participation of women and other marginalised groups in their current approach. Guidance will be developed that will assist members to take action to improve female representation on their multi-stakeholder groups and show how citizen-engagement mechanisms can successfully encourage the participation of women and other marginalised groups. The guidance will build on the findings of a gender audit of the CoST Thailand programme, which reviewed equality and gender inclusion.

It is also important to identify how CoST can contribute towards more inclusive infrastructure that improves the potential benefits for both men and women, youths, people with disability and other disadvantaged groups. This will be achieved by drafting a policy note on inclusive infrastructure through the lens of transparency, participation and accountability.

Increasing the participation of women and other disadvantaged groups in Uganda

CoST Uganda successfully increased the participation of women and other disadvantaged groups in community meetings known as "barazas". Meetings are held in an easily accessible location, childcare and transport support can be provided and facilities such as toilets are considered. The baraza is announced on local radio at least two weeks before the event and notices are fixed in the communities as reminders three days prior to the date. Pick-up trucks with sound systems circulate within the community to promote the baraza and highlight some of the red flags noted on local infrastructure projects in a CoST Uganda assurance report. Community leaders are also involved in mobilisation and promotion of the barazas, which helps to build trust around the event.

During the barazas, CoST Uganda encourages women and young girls to voice their opinion by prioritising their questions concerning issues in the assurance report. People with a disability receive similar treatment, so minority groups within the community are properly represented and their opinion is heard by the authorities. Gender, age and occupation data is collected as well as contact information of participants for any future follow up or engagement.

Encouraging female participation at a CoST Uganda baraza

f. Invest in multi-stakeholder working

MULTI-STAKEHOLDER WORKING

Multi-stakeholder working is one of the four core features of CoST. It engages stakeholders and promotes collaboration. CoST will continue to prioritise and support existing multi-stakeholder groups to help overcome some of the challenges described in Section 2. This will include facilitating a dialogue that improves the governance of a CoST member programme, helps to overcome their problems and ensures that members of multi-stakeholder groups agree to and understand the values and code of conduct.

CoST will also ensure that multi-stakeholder groups can access the necessary resources and support to conduct their work. This includes facilitating the mapping of their stakeholders, which will help them to identify who they need to influence and how they can do this. This analysis will help them to engage with the right officials to ensure action is taken in response to recommendations in a CoST assurance report or issues raised in a community engagement.

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PARTICIPATE

g. Offer alternative approaches to multi-stakeholder working and participation

CoST members have generally pursued multi-stakeholder working through the establishment of multi-stakeholder groups, which engage representatives of the government, private sector and civil society as quasi-stand-alone organisations. However, the CoST approach is based on adding value to existing systems and to avoid as far as possible establishing an organisation that operates in parallel to government.

The CoST IS will explore the potential of institutionalising multi-stakeholder working into existing forums and structures by:

- encouraging the use of existing forums as a mechanism for establishing a multi-stakeholder group, such as in the new sub-national programmes in West Lombok and Sekondi-Takoradi[1]

- building on its research into the added value of CoST in high-income countries to identify alternative approaches to multi-stakeholder working.

This latter approach is important for CoST to achieve its vision of quality infrastructure, stronger economies and better lives. To realise this vision, the multi-stakeholder approach needs to be effective in providing stakeholders with a voice and moves stakeholder engagement from consultation to active, with the ability to influence the critical decisions on infrastructure investment and delivery. This may mean integrating multi-stakeholder working into all phases of an infrastructure project and into the institutions responsible for the strategic prioritisation and planning of public infrastructure.

DATA

h. Improve the knowledge and skills of stakeholders to disclose, validate and use data

CoST principally builds the capacity of multi-stakeholder groups and local secretariats to train government officials to disclose infrastructure data in accordance with legal requirements and technical guidance. This training has proved essential in raising awareness about legal requirements and improving the amount and quality of infrastructure data disclosed. The groups and secretariats also then train civil society, the media and increasingly the private sector to validate and use infrastructure data.

With a new suite of tools and standards that will support implementation of the core features, CoST will support their use by:

- developing a webinar and e-learning series on each of the tools, standards and guidance material that support the implementation of the core features and provides a mechanism for shared learning

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[1] The city of Sekondi-Takoradi in Ghana established its CoST multi-stakeholder group as a sub-group of its Open Government Partnership civil society.

■ continue to provide face-to-face support when circumstances allow using a variety of approaches including national, regional and international workshops where lessons can be shared, challenges can be discussed and solutions found.

The new approach will allow governments to disclose better quality infrastructure data and enable civil society, the media and the private sector to be better equipped to use and scrutinise the data. This will then allow them to raise issues in the public domain and challenge poor performance, perceived mismanagement and corruption and, in the case of the private sector, learn if this is a marketplace that they wish to invest in. With this knowledge people and groups can also advocate and lobby for improvements in governance, decision making and public infrastructure performance, ensuring resources are used efficiently and effectively so that delivered infrastructure meets people's needs.

i. Monitor performance and celebrate success

The performance monitoring policy will be updated to ensure there are mechanisms to reward success as well as address poor performance. This will include the introduction of the CoST awards, including one named in memory of Alfredo Cantero, a much-respected former CoST Board member. This responds to the independent review, which recommended that those reformers who lead successful CoST member programmes need to be rewarded when they can be identified, particularly if they are working in dangerous environments. Alfredo was a great example of this, driving CoST as one of several reforms aimed at making the Government of Honduras more transparent, accountable and participatory.

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STRATEGIC PRIORITY 2:

Increase international support for improving transparency, participation and accountability in infrastructure investment

Sekondi-Takoradi, Ghana Programme Manager speaks to the press

Objectives

a. Build partnerships to encourage international endorsement and adoption of CoST tool and standards

PARTNERSHIP

CoST will continue to build strategic partnerships with international and regional organisations that can help promote the initiative by incorporating CoST approaches into their frameworks. Governments and their partners would then use CoST tools and standards through these frameworks. Examples of this approach include reference to the CoST Infrastructure Data Standard by Global Infrastructure Basel Foundation in its SuRe standard (Global Infrastructure Basel Foundation, 2018), and the inclusion of the OC4IDS in Transparency International's new Integrity Pact. CoST will also look to build on the recent endorsements of the International Federation of Consulting Engineers (FIDIC) and G20.

CoST's strategic partnerships are based on three stakeholder groups, which can each benefit from the CoST approach as follows.

■ The open government community, which looks at transparency, participation and accountability across government and benefits from how CoST discloses data to build accountability and demonstrate impact.[2]

■ The infrastructure governance community, which is interested in improving the delivery of infrastructure and gains from how CoST can add value to participation, accountability and improving lives.[3]

[2] Organisations within this group include Open Contracting Partnership, Transparency International, Hivos and the Open Government Partnership.

[3] Organisations included within this group include OECD and World Bank.

■ The construction industry are the suppliers responsible for the planning, designing and delivering infrastructure. They view CoST as a means of promoting integrity and a level playing field, and benefit from how CoST can promote better performance in the sector.[4]

INNOVATION

b. Offer a range of innovative tools and standards with global applicability

Over the next five years, CoST will scale up its tools and standards as follows.

■ Launch the Infrastructure Transparency Index Manual (ITI) as a global tool for measuring transparency, participation and accountability in infrastructure investment – **see box**.

■ Turn the CoST Ukraine analytical tool into a system that can be used globally for validating and using infrastructure data in real time at scale.

■ Develop a guide to infrastructure monitoring that helps citizens and journalists to validate and use disclosed data to monitor progress on an infrastructure project and complement existing monitoring activities.

■ Explore whether digital technology can provide a secure communication and information-sharing platform for multi-stakeholder groups, assurance teams, community monitors and trained journalists.

Infrastructure Transparency Index

The ITI is a national or sub-national evaluation instrument that measures levels of infrastructure transparency and the quality of associated processes. Its objective is to offer quality information aimed at public leaders and others with an interest in strengthening transparency and improving the management of public infrastructure.

The ITI provides a score that illustrates in a quantitative manner the conditions that favour transparency in the sector, as well as the transparency-related practices of procuring entities. The ITI interprets transparency in a broad and practical sense, not only by looking at it through the traditional lens of access to information, but also by considering associated enablers and capacities. This includes citizen participation that leads to the creation of public value through access to information.

For this reason, the final ITI score is obtained from the weighted sum of the four constituent dimensions, namely: enabling environment, capacities and processes, citizen participation and information disclosure.

Although the ITI was designed for CoST members to evaluate and strengthen their national or sub-national programs, other interested parties can use it as a tool to strengthen their institutions.

The tools, guidance and support will help to improve the quality of data disclosed, validated and used. By ensuring data is comparable and measurable, stakeholders will have the evidence to identify long-term reforms and changes of behaviour required to improve delivery of quality infrastructure. These tools and approaches will be designed to augment and add value to the building blocks of good governance.

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[4] Organisations within this group include FIDIC and the World Road Association.

PRIVATE SECTOR

c. Improve understanding of different constituencies within the private sector

The private sector is a strong supporter of CoST, but it has proved difficult to identify tangible ways for it to provide that support. Organisations such as European International Contractors and FIDIC have joined the CoST Board and supported advocacy efforts, and companies such as Bechtel and Skanska have provided endorsements, but more needs to be done. This might include for example involving private and institutional investors, encouraging adoption of CoST products and providing services on a commercial basis. CoST will also look at other important players within the global construction industry, such as firms in China, India and Turkey, and gain a better understanding of their domestic markets.

Initially, a mapping exercise will be undertaken of the private sector to establish:

■ the different "constituencies" that potentially have an interest in CoST

■ the alignment between CoST outputs and their commercial drivers

■ the value propositions CoST can put to potential supporters.

This mapping exercise will be augmented by consulting with companies and business associations to test whether there is an appetite for a private-sector-supporter model. In such a model companies would pay a membership fee based on turnover and abide by a set of requirements that would open up their businesses to scrutiny. The consultation would also identify the value of the disclosed data to the private sector and how they may use it.

INVESTORS

d. Test CoST's approach and adapt its tools and standards for infrastructure investors

CoST will work with private and state-backed investors as well as multilateral institutions to test how the CoST approach can be integrated into their procedures. It will also involve working with the World Bank to test further how the CoST approach can add value to the World Bank PPP Disclosure Framework on investments in Central America.

The lessons from this testing will be used to:

■ unpack the value proposition of CoST for private investors

■ develop guidance on how to adapt and apply the core features and the World Bank PPP Disclosure Framework on public–private partnerships based on the lessons from their application in Honduras. In time it might be possible to extend the application of the CoST core features to World Bank lending instruments and other products and services

■ consider how CoST's current range of tools and standards could be repackaged as a private finance toolkit that is in line with International Finance Corporation safeguards and the Equator Principles, ensuring that what are often considered to be opaque investments are more transparent and accountable to the communities affected by construction and the longer-term impact of completed infrastructure

■ develop technical support packages on a commercial basis that will assist investors to adapt and implement the CoST approach.

STRATEGIC PRIORITY 3:

Improve learning and knowledge sharing

CoST members come together at annual workshop to share lessons and map out strategies

Objectives

GOOD PRACTICE

a. Publish learning briefs that document what works and what does not work

CoST's activities to date have highlighted the importance of knowledge transfer, both horizontally between different stakeholders and vertically, where learning rises between local, national, regional and global levels and promotes greater downward accountability. This ensures that evidence of good practice, lessons learned and the impact of disclosing data is captured and shared with primary and secondary stakeholders. These include governments, private actors and civil society, as well as international organisations, donors and other organisations working in the field of transparency and accountability.

The innovations and impact of CoST members would not have been achieved without a growing community of practitioners who understand how the initiative must be adapted and enhanced to be successfully implemented. Practitioners include: multi-stakeholder group members; assurance professionals; member managers; communications advisers; and data experts. They bring a wealth of knowledge and increasingly expertise that needs to be harnessed for the benefit of CoST and the aforementioned stakeholder communities.

To help achieve this objective, the CoST IS will commission learning briefs on how the CoST core features have been applied by different partners, contexts and investments, starting with public–private partnerships in Honduras to understand better what worked, and what did not work. These will be shared within the CoST community of practitioners and global partners.

b. Develop multi-year support packages

The CoST IS will support CoST members in their response to their unique challenges by developing multi-year support packages that can respond to their short-, medium- and long-term needs. The recent independent review of CoST demonstrated that the support provided to members is highly valued. However, it is clear from the review that members require more ongoing support to ensure that multi-stakeholder groups function successfully, political opportunities are taken, and technical capacity is developed.

The support packages will range from the short-term opportunity to engage with a new political leader with a reform agenda, to the medium-term provision of technical expertise to integrate the OC4IDS into an information platform and developing an analytical tool, and the ongoing long-term support provided by ensuring a functioning and successful multi-stakeholder group. Responses to requests for support must be flexible to meet the need, timely to realise any window of opportunity, and politically smart.

c. Improve opportunities for learning

Building in feedback loops and opportunities for knowledge sharing can generate new ideas and provide the evidence for the CoST IS to demonstrate the value of engaging with CoST and of improved disclosure, validation and use of data. This is particularly pertinent to governments considering becoming members. An improved evidence base of what works and what does not work helps both internal and external stakeholders understand better how to achieve improved governance, social accountability and performance in public infrastructure.

Ensuring learning, feedback and knowledge sharing is equally applicable within CoST so that it is adequately and consistently capturing evidence of what change is taking place and its impact. A framework will be developed so that information is gathered, changes are analysed and impacts captured, ensuring the CoST IS consistently reviews the effectiveness of interventions and its approach, making adjustments and improvements when needed.

d. Develop a tiered approach to measuring progress

CoST's theory of change (**see Section 3**) provides an overarching framework of how change happens through the initiative. This will inform the design of a wide monitoring, evaluation, accountability and learning framework to monitor progress and capture the impact of the programmes. A collaborative approach will be adopted to reviewing and developing the framework, with members and key stakeholders ensuring continual capturing of data and reviewing and learning from the different national programmes.

A tiered approach will create synergies between routine monitoring of quantitative data and qualitative information. This will be principally for outputs and short-term outcomes highlighted in the theory of change, with case studies used to capture long-term outcomes and impacts. The box below provides some highlights of the type of quantitative indicators that will be used to measure success of this Business Plan. The full set of indicators that will be used to measure progress is included in **Annex 1**.

Measuring progress

CoST has set itself the following eight ambitious targets that it will aim to achieve over the next five years.

1. Up to 12 national or sub-national governments to join CoST as a member or affiliate.

2. Data from at least 50,000 infrastructure projects to be disclosed using the Open Contracting for Infrastructure Data Standard (OC4IDS) or CoST Infrastructure Data Standard (CoST IDS).

3. At least 150 health facilities to be independently reviewed as part of the CoST assurance process.

4. At least 10 CoST members to establish policy, regulatory or legal instruments that mandate disclosure of infrastructure data based on theOC4IDS or CoST IDS at national, sub-national or sector level.

5. Procuring entities act to improve the quality, effectiveness and efficiency of at least 40 infrastructure projects in response to evidence and issues raised i) in an assurance report or ii) by citizens or journalists at or following a CoST member event.

6. Governments to introduce at least 20 policy, regulatory or legal reforms that aim to improve the quality, effectiveness and efficiency from infrastructure investment in response to the evidence and issues raised i) in an assurance report or ii) by citizens or journalists during or following a CoST member forum.

7. Over 5,000 women from government, civil society and the private sector to be trained to disclose, validate or use infrastructure data.

8. At least six international organisations to publicly endorse CoST and/or incorporate CoST tools and standards into their frameworks.

RESEARCH

e. Build relationships with research-based organisations

The CoST IS will also build a relationship with the research and academic community, which is interested in drawing lessons from the evidence to share with the wider infrastructure sector, and using the disclosed data and information better to understand the sector and how it can be improved. For example, the Institution of Civil Engineers recently published a peer-reviewed paper by CoST in its flagship journal, *Civil Engineering*, which demonstrates how evidence generated by CoST can be used for research purposes (Hawkins and Prado, 2020).

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STRATEGIC PRIORITY 4:

Ensure sufficient resources to maximise CoST's impact

CoST Executive Director, Petter Matthews speaks at a UNDP event
Image credit: UNDP

Objectives

a. Diversify income streams

Delivering this Business Plan will require an investment in CoST of almost £20.8 million during 2021–2025, with 65% directly (grant funding to CoST members) or indirectly (through training, learning and support) supporting the implementation of CoST by members and affiliates. This figure has been reduced since the consultation version due to the implications of the Covid-19 pandemic on the global economy and related opportunities for fundraising. It will be further reviewed if the pandemic limits the ability of CoST members to implement their programmes, if restrictions on overseas travel continue and if there are challenges with raising the finance. The budget summarised in **Figure 4.3** covers the full operational costs for

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Implementing CoST	1,440,000	1,680,000	1,840,000	1,680,000	1,360,000	**8,000,000**
Training, learning and support	818,920	1,101,133	1,199,503	1,259,394	1,282,958	**5,661,908**
International adoption and endorsement	278,760	331,837	356,469	341,194	346,014	**1,654,273**
Policy, tools and standards	314,360	314,187	309,111	367,933	267,156	**1,572,747**
Monitoring and evaluation	76,160	182,784	186,440	190,168	193,972	**829,524**
Governance and overheads[6]	525,556	608,034	655,160	657,976	633,265	**3,079,991**
	3,453,756	**4,217,975**	**4,546,683**	**4,496,666**	**4,083,364**	**20,798,444**

Figure 4.3 Budget summary in GBP

[5] Please note that the budget decreases in years and 4 and 5 as CoST members become less reliant on funding from the CoST IS.

[6] Overheads cover the CoST IS's costs for human resources, financial support, governance, office space and facilities, insurance, telephone charges, information and communications technology service provider, capital equipment, etc.

the five years starting from January 2021. It is informed by the actual costs from the last three years and experience of developing and managing the CoST budget for the last eight years.[5] Financial contributions can either support the overall Business Plan or be targeted at specific interventions.

During 2021–2025, it is imperative that CoST builds a financial reserve and becomes a more sustainable organisation with a wide range of financial supporters. This will be achieved by developing a range of income streams. that go beyond the current grant funding arrangements. This will include the following.

- As indicated on **page 36**, develop a private-sector-supporter model whereby companies make a financial contribution to the organisation based on their turnover. The model would be similar to that operated by the Extractive Industries Transparency Initiative, with companies committing to several requirements that would open up their businesses to scrutiny. While extractives and infrastructure are very different sectors, CoST believes it can establish a value proposition that is attractive to companies and help to raise a significant annual sum.

- Explore the establishment of a multi-donor trust fund, managed by a multilateral development bank, to support CoST members. This could be appealing to bilateral donor supporters if it helps reduce their transaction costs.

- Working in partnership with one of its global partners, maximising the potential value of the funder's support.

b. Finance sustainable CoST member programmes

CoST members have historically relied on annual grant funding made available by the CoST IS to implement their programmes. It is important that CoST members become financially independent to be able to implement long-term sustainable programmes. The CoST IS will continue to provide grant funding to CoST members but over a two- to three-year period as opposed to the current one-year arrangement. This will provide some longer-term certainty for members, especially for the local secretariats. The grants will also be based on a match-funding arrangement to provide an incentive to secure additional funding. CoST members will also be encouraged to develop long-term business plans that can be used to engage donors and foundations directly. The International Secretariat will also look at how to incentivise governments to support financially the implementation of their CoST programmes, such as those in Thailand and Costa Rica, and multi-year technical assistance programmes based on a cost-sharing model.

c. Build a team with the right skills and aptitudes

CoST currently outsources the International Secretariat function to Engineers Against Poverty, an independent non-government organisation based in London. EAP has been involved in CoST since its origins and it has hosted the International Secretariat since 2012. CoST IS has grown in recent years, with nine part-time EAP employees, a new decentralised team of regional managers based in Panama, Uganda and Singapore, and access to technical and strategic expertise. This reflects the growing programme the CoST IS has managed in recent times. The decentralised team has been especially effective in helping to bring greater economy

and efficiency to the programme, more knowledge and awareness of the regional context, more capacity, and closer support and advice to CoST members.

To deliver this Business Plan, the CoST IS will need to grow further by establishing a policy and development team that will oversee the development and stewardship of CoST tools and standards. It will also build on the success of the regional managers by turning them into regional hubs with access to a broader range of specialist services, including: web-based developers; open-data experts; engineers; and architects.

The recent independent review highlighted the high regard with which EAP is held by CoST members and the broader open government and contracting community. Engaging EAP to host the International Secretariat has enabled CoST to avoid long-term financial commitments, for example, to employees and for leasing office space. The CoST Board recently agreed to retain the relationship with EAP for at least the next three to four years. This relationship will be kept under review and if, and when circumstances make it favourable, CoST may consider bringing the International Secretariat function in house.

5. VALUE FOR MONEY

CoST has a strong track record of delivering value for money to its supporters, based on a tracker that was able to demonstrate its economy, effectiveness and efficiency. This was recognised in the recent independent review of CoST, which described the hosting arrangements of the CoST IS as providing good value for money (Crown Agents, 2020).

However, the review recommended that CoST's value-for-money framework is redeveloped and integrated into a new the theory of change and logical framework. This will then allow the CoST IS to understand better the effectiveness of its approach and demonstrate the high level of returns from a relatively low level of investment. The organisational structure, described in Section 4, is fundamental to how CoST delivers value for money based on the four E's of economy, efficiency, effectiveness and equity.

The CoST IS will therefore develop a new value-for-money framework and then monitor performance and assess the potential impact of the initiative by using the theory of change and logical framework, together with the resources being invested in the initiative and where they are directed. Taken together, this will provide a detailed account of how the CoST IS is maximising its outcomes and impact through investment of its resources. This will build on case studies of what has worked and not worked.

6. GOVERNANCE

6.1 CoST BOARD

CoST is registered as a charity and a not-for-profit company in the UK. It is governed by a Board of Directors comprising six (and in due course nine) members, with its day-to-day operations carried out by the CoST IS. The Board meets four times per year and its responsibilities include setting strategy and policy, approving budgets, admitting new CoST members and monitoring finances and operations. Board meetings are also attended by observers representing financial and strategic supporters.

In 2021, the Board will grow from six to nine members, with new board members elected by CoST members on a regional basis to represent government and the private sector, plus the appointment of a new representative from international civil society. The Board will then consist of: two representatives from government elected by CoST members; two representatives from the private sector (one elected by CoST members and one appointed by the Board); two representatives from civil society (one elected by CoST members and one appointed by the Board); one co-opted member appointed by the Board; one representative from the CoST IS; and an independent chair.

Holding elections in three regional blocs (Africa, EurAsia and Latin America) will ensure that there is representation from the global south on the Board. The Board is also committed to improving the gender balance on the Board. It will work with partners to identify suitable female candidates for the four positions it is responsible for appointing and will actively encourage the nomination of female candidates for the elected positions.

The relatively modest increase in Board membership reflects that CoST is growing in scale and ambition, with 19 members and affiliates now compared to eight when the Board was first formed. It also ensures legitimacy with CoST members, guaranteeing they have a strong voice in shaping the strategic direction of the programme. Starting in 2021, one third of Board members will rotate off the Board each year and will be replaced via elections or by appointments by the Board. CoST Board members are the legal trustees of CoST and retain overall responsibility for: policy; finances; strategy; and appointing and removing CoST members.

CoST members are required to approve the organisation's articles of association and, as mentioned, will elect four board members. The operations and the lines of accountability and flow of funding that are core to the organisational structure are set out below in **Figure 6.1**.
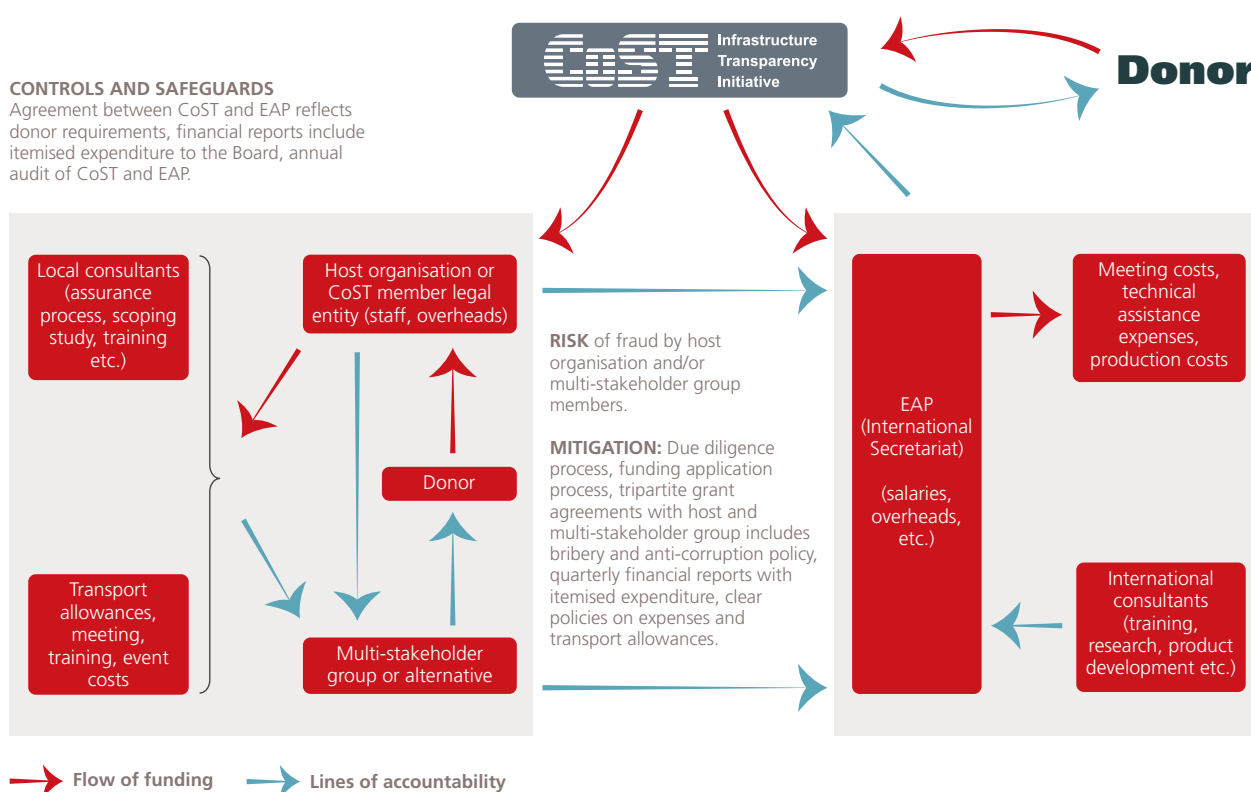
CONTROLS AND SAFEGUARDS
Agreement between CoST and EAP reflects donor requirements, financial reports include itemised expenditure to the Board, annual audit of CoST and EAP.

Local consultants (assurance process, scoping study, training etc.)

Host organisation or CoST member legal entity (staff, overheads)

Donor

Transport allowances, meeting, training, event costs

Multi-stakeholder group or alternative

RISK of fraud by host organisation and/or multi-stakeholder group members.

MITIGATION: Due diligence process, funding application process, tripartite grant agreements with host and multi-stakeholder group includes bribery and anti-corruption policy, quarterly financial reports with itemised expenditure, clear policies on expenses and transport allowances.

EAP (International Secretariat) (salaries, overheads, etc.)

Meeting costs, technical assistance expenses, production costs

International consultants (training, research, product development etc.)

Donor

→ Flow of funding   → Lines of accountability

Figure 6.1 Lines of accountability and flow of funding

6.2 RISK MANAGEMENT

The CoST Board has recently developed a comprehensive risk register that identifies the risk appetite of the organisation. Each risk has a staff lead to manage the risk mitigation with one of three Board sub-groups (advocacy, governance, and member and affiliate programmes) being the owner of a specific group of risks. The sub-group is tasked with ensuring those risks are being proactively managed. The risks will be updated on an ongoing basis with any changes reported initially to a Board sub-group and ultimately to the full Board for their information. It is also included as a standard agenda item for Board meetings. The risk register is to be further enhanced by identifying risks unique to each CoST member. This will then allow the CoST IS and Board to be better prepared to support the member as and when such risks arise.

CoST has a formal policy on fraud, bribery and corruption that was established in response to the UK Bribery Act 2010. The policy is included as an annex in all grant agreements with CoST members that receive grant funding from the CoST IS. A multi-stakeholder group representative from the government, the private sector, civil society and the host organisation is required to read, sign and comply with the policy.

CoST also has a safeguarding policy, with a current Board member designated as the safeguarding officer responsible for monitoring the implementation of the policy on behalf of the Board. Multi-stakeholder groups are now in the process of appointing their own trustee responsible for the policy. The policy provides formal grievance, disciplinary and whistleblowing mechanisms for staff, consultants and beneficiaries, including those trained by and who use the services of CoST, to make

a complaint. It is also included as an annex to grant agreements between CoST members and the CoST IS. The host organisation and multi-stakeholder groups are then required to adopt the policy or incorporate the relevant sections into their existing operational policies. The safeguarding policy is published on the CoST website.

7. CONCLUSION

CoST is working and has proven the effectiveness of its approach. This was borne out by the recently completed independent review (Crown Agents, 2020). It showed that while there is still much that can be done to improve the CoST approach, the principal challenges relate to scaling up, responding to latent demand and delivering a step change in impact. More recently, CoST has shown how it can respond and adapt to the Covid-19 pandemic, demonstrating that transparency, participation and accountability have never been so important. This Business Plan outlines four ambitious strategic priorities that will enable CoST to meet these challenges.

The success CoST has achieved would not have been possible without the support of the UK and Dutch governments. Their contributions have involved more than just finance; they have also provided support and advice and, importantly, helped to raise the profile of CoST internationally. The continuation and expansion of that support will be a key factor in the successful delivery of this Business Plan.

Equally as important is the support that has been provided at national level by heads of state, ministers, officials, grassroots organisations, the media, leaders in civil society and business, and numerous individual citizens. This support is arguably CoST's greatest resource.

The presence of networks of individuals and institutions that understand CoST and are committed to supporting its reform efforts should not be underestimated. Its economic and social value is difficult to quantify, but it is the product of more than a decade of trust-building efforts. As CoST wins the support of additional investors, they will be joining their resources with an established global effort involving hundreds of dedicated reformers with a proven track record of success.

This Business Plan should be seen by current and potential new partners not as a fixed proposal, but as a statement of intent, an illustration of ambition and the basis for a strategic discussions about future collaboration.

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CREDITS

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ANNEX 1: INDICATORS

The indicators below have been placed into two categories. The first tier are core indicators that will help to measure performance of CoST members and the CoST IS and in general have been tried and tested over a period of time. The second tier of indicators are generally new and do not have a target but, through testing, could demonstrate a useful source of evidence on the broader impact of CoST. Testing would also help to understand how the information can be collected and the resources required to do this. The results from the second tier that are considered sufficiently robust will be communicated publicly to CoST's stakeholders.

IMPACTS	FIRST TIER INDICATORS	SECOND TIER INDICATORS
Improved quality, efficiency and effectiveness of infrastructure	• Procuring entities act to improve the quality, effectiveness and efficiency of at least 40 infrastructure projects in response to the evidence and issues raised i) in an assurance report or ii) by citizens or journalists at or following a CoST member event • Governments introduce at least 20 policy, regulatory or legal reforms that aim to improve the quality, effectiveness and efficiency from infrastructure investment in response to the evidence and issues raised i) in an assurance report or ii) by citizens or journalists during or following a CoST member forum	• Average annual change in the cost and duration of a construction contract based on the data published on open-data platforms • Total amount of infrastructure investment saved by CoST members due to the application of CoST tools and standards
Increased infrastructure investment and private sector participation	• At least three CoST members document an annual increase in the number of firms bidding for construction contracts over two successive years	• # of CoST Members who report an increase in private sector investment confidence based on survey data
Improved governance, integrity and social accountability		• # of documented examples of government officials or private sector representatives who can provide evidence that their organisation's behaviour has changed due to the application of CoST tools and standards

OUTCOMES	FIRST TIER INDICATORS	SECOND TIER INDICATORS
Accurate data and improved evidence	• Data from at least 50,000 infrastructure projects is disclosed using the OC4IDS or CoST IDS • At least 150 health facilities are independently reviewed as part of the CoST assurance process	• % of total investment in infrastructure by a CoST member where data is disclosed in the OC4IDS or CoST IDS format • Average value of new infrastructure projects disclosed in the OC4IDS or CoST IDS format • Average % of data points in the OC4IDS or CoST IDS format that is being disclosed • Average value of projects subject to assurance

Better monitoring and improved scrutiny	• At least 400 media appearances (any channel: newspapers, TV, radio, etc.) where the issues highlighted in a CoST assurance report or similar report in the month after the report is published	• # documented examples of i) citizens and ii) the private sector using the disclosed data
Increased engagement and mobilisation		• # and description of the social accountability mechanisms used by CoST members to engage citizens, journalists and community groups to monitor, review and scrutinise infrastructure projects
Improved trust among stakeholders		• % of multi-stakeholder group (MSG) members attending meetings by sector and gender, and evidence that demonstrates improved trust, capacity to lead, coordinate and influence
Improved influence and pressure	• At least 10 CoST members establish policy, regulatory or legal instruments that mandate disclosure of infrastructure data based on the OC4IDS or CoST IDS at national, sub-national or sector level	

OUTPUTS	FIRST TIER INDICATORS	SECOND TIER INDICATORS
Tools and standards		• # of new and/or improved tools and standards that are published to assist in the disclosure, validation and use of infrastructure data and to enable multi-stakeholder working
Capacity building and raising awareness	• At least 5,000 women from i) government, ii) civil society, iii) media, iv) private sector and v) students/academia are trained to disclose, validate and use infrastructure data	• % of participants applying the knowledge one month after the training
Networking and influencing	• Up to 12 governments join CoST as a member or affiliate • At least 10 international and regional organisations endorse CoST and or incorporates CoST tools and standards into their frameworks	• # and description of Invitations to participate at international and regional events to promote CoST tools and standards
Learning and knowledge sharing	• At least 10 learning briefs that document the lessons learnt by CoST members • At least 85% of technical assistance missions, workshops and webinars by the CoST IS to a CoST member that score good or very good in the feedback survey	• # of CoST members that use new tools and standards after publication and evidence of how tools have been used to assist in disclosure, validation and use of infrastructure data
Financial sustainability	• At least five different sources of funding to support CoST IS activities by 2023	• Total amount raised by i) the International Secretariat and ii) CoST members • % of members who report that they receive less than 50% of their funding from the CoST IS

ANNEX 2: RISK REGISTER

The table below provides a summary of the programme and operational risks and how they will be managed.

RISK TYPE	RISK CATEGORY	RISK DESCRIPTION	RISK RATING	MITIGATION STRATEGIES	MITIGATION OUTCOMES	RESIDUAL RISK RATING	BOARD SUB-GROUP RESPONSIBLE
REPUTATIONAL	MEMBER & AFFILIATE	Breach of the CoST principles by a CoST member or affiliate.	8	The Board can use the performance monitoring policy to remove a CoST member from the programme.	A member or affiliate is removed due to a breach of CoST principles.	6	Member & Affiliate
OPERATIONAL	MEMBER & AFFILIATE	Elite capture of multi-stakeholder groups (MSG) and "rogue" MSG members.	8	MSGs are required to have clear terms of reference and governance arrangements for appointing or electing members, and decision making. These processes are monitored by the CoST IS on behalf of the CoST Board. However, it is clear that stronger guidelines and standard terms of reference are required.	Stronger guidelines will provide a tool for the CoST IS to hold the MSG to account.	7	Member & Affiliate
OPERATIONAL	MEMBER & AFFILIATE	Process for joining CoST lacks objective criteria to establish where CoST would work and not work.	8	The CoST IS to develop objective evaluation criteria to ensure that an application meets the requirements to join as a member or affiliate. The engagement period leading up to an application allows for due diligence to assess the potential success of a programme. The CoSTIS also consults with international and domestic stakeholders to understand the viability of a potential programme and the associated reputational risks.	Clear criteria and due diligence should reduce the likelihood for spurious applications.	6	Member & Affiliate

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OPERATIONAL	MEMBER & AFFILIATE	High level government support in member or affiliate programmes is inconsistent.	**8**	To join CoST as members, governments are required to establish formal disclosure requirements within three years. CoST also has a process for managing poor performance that can lead to a programme being declared "inactive" and ultimately lead to revoking a members' CoST status. Five members have left CoST via this process.	CoST model is established in government systems and is less reliant on government support.	**7** Member & Affiliate
FINANCIAL	FUNDRAISING	Unable to attract additional funding by 2020.	**7**	The fundraising strategy to be reviewed an updated and linked to the advocacy strategy. Regional managers now lead fundraising in their regions and EAP is considering investing in a business development manager to lead on fundraising.	The strategy identifies likely donors, and the additional capacity will enable follow up and development of proposals.	**6** Member & Affiliate
OPERATIONAL	GOVERNANCE	The new international board structure is ineffective and lacks legitimacy.	**7**	The Board has consulted with the MSGs on the new Board structure. The revised articles of association are required to be approved by each MSG. Maintaining a relatively small Board of nine members will help to ensure it is effective. A job specification to be developed for each role on the Board along with a process for constituting the Board.	The process for constituting the Board will ensure it is considered legitimate.	**5** Governance
REPUTATIONAL	MEMBER & AFFILIATE	New members use the CoST brand to "CoST-wash" business as usual.	**7**	Guidance has been developed that clearly describes the rights and obligations of members and affiliates. The Board will carefully assess the applications of potential affiliate members and the CoST IS will monitor their performance.	A "CoST-washing" application is identified by the CoST IS or Board.	**6** Member & Affiliate
REPUTATIONAL	MEMBER & AFFILIATE	Members do not disclose information.	**7**	The Board monitors progress of member and affiliate programmes in meeting the objectives specified in their implementation plan and complying with the CoST principles on an annual basis. The Board expects disclosure to be a key part of any member or affiliate programme and will take action, including revoking their CoST status.	CoST members and affiliates are removed from the programme due to poor performance.	**6** Member & Affiliate

REPUTATIONAL	MEMBER & AFFILIATE	Lack of space for civil society to operate within a member programme.	7	Civil society participation is a requirement for any member programme. The Board will not accept applications to join the programme where civil society participation is not included. It will also act where members renege on their commitments and exclude civil society. If the Board considers a breach of the CoST principles has taken place, then it can declare the programme inactive or revoke the member's CoST status.	Only those governments who can demonstrate that they have committed civil society partners are likely to apply.	6	Member & Affiliate
OPERATIONAL	MEMBER & AFFILIATE	Existing members or affiliates drop out of the programme.	7	An on-going dialogue with stakeholders will help to pre-empt any issues that may lead to a member withdrawing. If a member withdraws, a communications strategy will then be developed to manage the potential consequences. CoST has grown to the point where one member withdrawing is less of a threat to the programme.	The likelihood of a withdrawal is reduced.	6	Member & Affiliate
REPUTATIONAL	GOVERNANCE	Lack of diversity.	7	New guidance to developed for MSGs on gender and diversity on the MSG. The CoST Board will also encourage women to apply as Board nominees for the forthcoming election/appointment of three additional Board member later this year.	More diverse participation in CoST.	5	Governance
REPUTATIONAL	MEMBER & AFFILIATE	No high income members join the programme by 2020.	7	CoST has almost completed a study to understand the value of the programme in high-income countries, which is likely to lead to an evolution of the CoST approach. It has also introduced a new flexible "affiliate" membership category and a strategy for attracting and prioritising new members.	The CoST approach is more attractive to a high-income country.	6	Member & Affiliate
SECURITY	MEMBER & AFFILIATE	National instability in a member or affiliate programme.	7	The MSG can become an anchor during periods of instability with the private sector and civil society representatives continuing the programme. If necessary, a process has been established where a member can temporarily declare itself inactive where the political instability means that the programme cannot in the short-term continue. The CoST performance monitoring policy allows the Board to declare a member or affiliate inactive where instability means the programme is unable to function.	The MSG and CoST Board have options that allow it to manage a period of instability.	6	Member & Affiliate

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HEALTH AND SAFETY (Inc SAFEGUARDING)	GOVERNANCE	Complaint by an individual or organisation concerning the conduct of CoST representatives.	6	A safeguarding and whistleblowing policy has been approved with training provided to member programmes.	MSG members and CoST member staff understand how and when to use the policy.	5	Governance
OPERATIONAL	GOVERNANCE	Misuse or misappropria-tion of funds including breach of CoST financial guidelines, fraud and corruption.	6	Grant agreements between the CoST IS, host organisation and MSG establish how grant funding should be used. It also includes CoST's anti-corruption and bribery policy. This was devised to comply with the UK Bribery Act 2010. CoST requires MSGs to provide a financial report on a quarterly basis as part of the grant agreement. CoST also undertakes due diligence checks on the host organisation. EAPs' insurance indemnifies CoST against potential loss.	CoST and its funders will not suffer financial loss.	5	Governance
OPERATIONAL	GOVERNANCE	Lack of organisational transparency.	6	CoST has open information policy that means it publishes audit, board minutes etc. This policy will be reviewed shortly to apply the majority of its principles to member and affiliate principles. It will also be updated to reflect the IATI standard.	CoST will be viewed as an open and transparent organisation.	5	Governance
REPUTATIONAL	ADVOCACY	Lack of impact stories.	6	The CoST IS has strengthened its communications function, meaning more time can be spent on developing impact stories based on the information captured in quarterly member progress reports. It also has a planning tool for members to complete on a monthly basis, helping to inform the development of stories, as will the CoST Annual Report. Internal communications mechanisms between the communications function and CoST members is also being further developed to help. The CoST IS is encouraging MSGs to follow-up on the recommendations in assurance reports and it will review the CoST Uganda feedback survey, which has been very successful in capturing impact stories to see if it can apply across all members.	Over 25 impact stories have been captured in the last 18 months.	4	Advocacy

REPUTATIONAL	MEMBER & AFFILIATE	Assurance report does not identify corruption on a project.	6	Assurance reports are based on facts and it is thus very difficult to identify corruption. It would require investigation by the competent authorities to identify if corruption took place. The new guidance notes, and assurance manual will emphasise this along with CoST's communications content.	The guidance will ensure that the media can be briefed about what assurance does and does not do.	4	Member & Affiliate
REPUTATIONAL	ADVOCACY	Poor quality of CoST members' communications and reports.	6	A house-style document has been put in place which can help guide members. Some members have already begun to use CoST IS guidance in their approach to developing materials e.g. for the SISOCS Panama Platform. The communication function occasionally assists in quality control checking on materials targeted for wider dissemination, while technical advisors review assurance reports prior to publication. Regional workshops can feature sessions on developing quality communications.	Greater consistency and quality of member communications and reports.	5	Advocacy
REPUTATIONAL	MEMBER & AFFILIATE	Assurance report findings are challenged by a firm or government.	5	MSGs are encouraged to engage procuring entities with the assurance report findings prior to publication. Business associations are normally on the MSG and should provide support for the report if a firm is critical.	The outreach to procuring entities will reduce the risk of any factual errors.	4	Member & Affiliate
REPUTATIONAL	GOVERNANCE	CoST provides poor value for money to its financial supporters.	5	CoST has a value-for-money framework including targets and a record of activities that have ensured the initiative is delivering value for money.	CoST delivers value for money to its funders.	4	Governance

OPERATIONAL	GOVERNANCE	Global pandemic or natural disaster limits CoST IS capacity to deliver the programme.	7	Staff are able to work from home safely with all information saved on Office365. New safety procedures are developed to reflect government guidance.	Improves the capacity of CoST IS to deliver the programme.	6	Governance
OPERATIONAL	GOVERNANCE	Global pandemic or natural disaster limits CoST members' capacity to deliver programme.	7	CoST member staff are able to work safely from home. Encourage hosts to develop safety procedures based on government guidance. CoST members also adapt the programme to reflect the changing circumstances. CoST IS publishes guidance on how to adapt the CoST approach in a crisis.	Enables CoST members to adapt to the changing circumstances	6	Member
OPERATIONAL	GOVERNANCE	Global pandemic or natural disaster leads to budget cuts and change in direction of funders.	7	CoST has to pivot to reflect changing circumstances, diversify funding and build a reserve to mitigate a crisis.	This will provide sufficient flexibility to mitigate these risks.	6	Governance

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