How CoST supports donor objectives: A case study of our partnership with the Government of the Netherlands

In 2014 the Ministry of Foreign Affairs (MinBuZa), Government of the Netherlands and CoST entered a partnership to help drive forward reform in the infrastructure sector across many varied contexts. This has furthered progress towards the sustainable development goals and the key government priorities - promoting better business, digitisation, water management and protecting civic space. Below we dive into our work and impact across these areas.

Promoting better business
In 2018 MinBuZa set out its clear commitment towards strengthening the global investment system and playing field as well as promoting opportunities for Dutch business and local businesses overseas.

The CoST approach provides clear benefits for the private sector by ensuring a better business environment and better business behaviour across the project cycle. For example, ensuring greater transparency during the bidding process sends a strong message to bidders that the proposals and the nature of the partnerships they enter into will be scrutinised. Examples from our work in Uganda and Ukraine can be spotlighted to further explain how.

Promoting data publication and competition in Uganda
Research from CoST Uganda in 2020 revealed low levels of competition on infrastructure projects, with over 50% of projects on the Government Procurement Portal attracting less than three bids. CoST Uganda took a constructive approach in engaging more private sector actors to take part in bids whilst simultaneously training procuring entities of projects to publish more data from the CoST Infrastructure Data Standard (CoST IDS) on the government portal. As a result, the number of projects disclosed spiked to 449 in 2020 from 149 in 2019 and more firms have jumped on bidding opportunities, with an increase in average bids per tender from 1.6 in 2019 to 12.5 by 2020.
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Using technology to present a clear view of competition in Ukraine

The approach in Ukraine is a striking contrast to Uganda, drawing on CoST Ukraine’s strength in advancing technology, but yet demonstrating similar impact. CoST Ukraine worked with government to publish real-time open data in the form of easy-to-read infographics that provide an analysis of infrastructure investments in the country’s 24 regional administrative units or ‘oblasts’. This includes details of the number of bidders, the relationship between levels of competition and bid prices and comparing the unit price of a kilometre of road. This data is now being used to challenge vested interests in certain projects and to help level the international playing field by increasing the involvement of foreign companies in the local market. Thus, the infographics are of particular value to the private sector to strengthen their understanding of the marketplace and to inform their decision-making.

Promoting better trade and investment environments

In 2019–20 we produced case studies on our work in Afghanistan and Thailand to show the concrete ways that CoST plugs the infrastructure investment gap lost to inefficiency and corruption. In Afghanistan this included CoST recommendations and advocacy resulting in a design review unit being established to check all aspects of project preparation after our analysis showed significant waste in this area. The unit helped to save US$8.3 million in one year. The Ministry of Finance, Thailand also noted that the deterrent effect of greater transparency and public scrutiny led to savings of US$460m since the programme was launched with firms submitting lower bid prices.

Improving the environment in this way allows foreign and domestic firms to benefit from a more stable and predictable business environment, from better managed public contracts and from clients seeking to appoint service providers that help deliver improvements in efficiency. This drives forward increased trade and investment opportunities for countries like the Netherlands.

“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.”
Former Minister of Public Works, Afghanistan Yama Yari
Promoting digitisation

“Promoting digitisation

The use of digital technology creates unprecedented opportunities and can stimulate more sustainable and inclusive growth around the world.”

MinBuZa, Government of the Netherlands

Enabling easy access to the data

Over recent years, our technology has significantly advanced the amount of data in the public domain. A key protagonist in this story has been the Open Contracting for Infrastructure Data Standard (OC4IDS). A game changer in infrastructure transparency, the OC4IDS connects what has traditionally been siloed information on projects with contract level information to create a greater transparency picture across projects. The OC4IDS is published on online platforms so it is made available in real time to rid of inefficient paper documentation and the opacity that can come with it.

The platforms are pivotal to increasing the number of projects which disclose data worldwide. In 2020, a total of 19,950 infrastructure projects were disclosed - up from just over 11,000 in the previous year. And evidence that the portals are being regularly accessed and used can be shown by the Ethiopia portal which saw an impressive 12,685 unique visitors in 2018 despite government restrictions and limited internet access for six months of that year.

CoST members have been working solidly to incorporate the OC4IDS into their online data platforms. Most recently, CoST West Lombok (Indonesia) and CoST Sekondi-Takoradi (Ghana) launched their infrastructure data portals to help put more data in the public domain and see the catalytic impact of greater transparency result.

Whilst the OC4IDS and CoST approach traditionally centres on public infrastructure projects, we have also been working on public-private partnership (PPP) projects – a key area to keep an eye on as low income and other countries may be allured by the offer of PPPs during financial crisis. Technology has assisted us to do this, with CoST Honduras developing SISOCS-PPPs, an online PPP platform that has helped the government to save millions and change its processes. We have made the platform code for SISOCS PPPs open source so it can be used by our members and others worldwide to increase attention on a range of high-value PPP projects.
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Promoting sustainable water management

“Increased demand for clean water, coupled with reduced availability, poor governance and climate change, has given rise to a chronic water crisis.”
MinBuZa, Government of the Netherlands

To help meet the water crisis, CoST and the Dutch Government have been working towards improving sustainable water management and better access to drinking water and sanitation.

In Afghanistan, widespread drought led to the displacement of more than 371,000 people in 2018 alone. To help ease the impact of drought, CoST Afghanistan highlighted poor project preparation and other issues in water infrastructure projects, prompting the Afghanistan National Water Affairs Regulatory Authority to introduce a ‘backup unit’ of engineers to oversee project quality and design to ensure greater project efficiency and management.

Taking a different approach, Guatemala trained citizen monitors in San Marcos to provide local oversight of water projects delivered by the Inter-American Development Bank (IADB) and the Government of Spain. In late 2021, the information flagged by citizens provided a feedback loop to the IADB, highlighting concerns that budgets and feasibility studies were missing.

In Sekondi-Takoradi (Ghana) CoST raised awareness on the need to ensure water access at important trading points. Community market projects in the region did not facilitate toilets or drinking water, creating an issue particularly for those travelling from far to reach the markets. This led a procuring entity to extend water supply to all three community markets in the region.

Protecting civic society

As freedom of expression and civic space face restrictions worldwide, MinBuZa and CoST have been protecting civic space to ensure important civic actors act as a watchdog of government and business activities.

CoST provides a space for a wide range of civic actors. We have moved from initially involving civil society and the media in our approach to now include many others with a thirst and skills in pushing the right buttons to deliver change – from citizen infrastructure monitors to university students to local residents.

Women walk to a community market in Ghana
We are especially proud of our work in Uganda in amplifying resident voices through community events known as ‘barazas’ where residents bring concerns on infrastructure projects to decision makers. Such as has been the success of these events that they have been replicated across the continent. This not only improved projects as citizens voiced major issues within them, but it saw greater trust put in authorities once residents felt listened to. Most recently the barazas have raised the concerns of farmers, business owners and religious leaders in traditional farming communities in Mabira and Nyamihanga on the access to water supply. This has led to a government agreement to extend water supply to many more farmers in the regions as climate impacts exacerbate dry seasons in the regions.

Other countries have capitalised on the use of technology in the most unlikely environments to promote the voice of citizens, such as Malawi launching a citizen service where project concerns could be sent by SMS to CoST Malawi who in turn used radio debates to highlight the concerns to authorities. CoST Afghanistan also worked with academia to demand greater accountability from procuring entities of infrastructure projects, helping students to use the government portal AGEOPS to highlight issues in the data published on the platform. Engaging students in this way is likely to have contributed to the number of visitors to AGEOPS increasing from 500 to 8000 visitors per day in 2018.

Partner with us
Our work has grown to have relevancy across several pressing global issues as the examples above illustrate. They are a small selection of what we have seen across our membership and made possible through the generous support of the Dutch Government and other funders.

To continue having this level of impact and relevancy we need further support. If you are interested in understanding how CoST can support your strategic priorities please contact us.