

An infrastructure transparency story: Navigating Guatemala's political climate to improve infrastructure transparency

CoST, the Infrastructure Transparency Initiative promotes transparency, participation and accountability in the delivery of infrastructure projects. It does this through a four pronged approach of multi-stakeholder working, publication of data (disclosure), an independent review known as the CoST assurance process and social accountability. This approach enables transparency through the publication of infrastructure data and accountability by using that data.

Guatemala became the first Latin American country to join CoST during the initiative's pilot stage in December 2010. Despite operating in an often-volatile political environment and highly corrupt context – including the arrest of the then-President Otto Pérez Molina and his Vice President Roxana Baldetti on allegations of fraud - infrastructure transparency has significantly improved.

This infrastructure transparency story looks at how the CoST Guatemala Multi-Stakeholder Group (MSG) and the National Secretariat has despite the context, influenced reforms helping to institutionalize transparency into the sector enabling the publication of data on 40,736 infrastructure projects by over 300 procuring entities.



CoST Guatemala independent review (assurance) visit

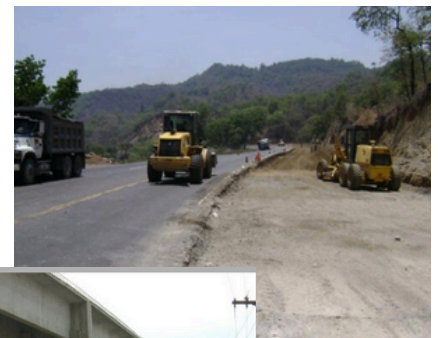
Key highlights of CoST Guatemala

- The MSG and the technical team of the National Secretariat played a critical role in influencing the introduction of incremental reforms that have improved infrastructure transparency.
- It influenced the establishment of a legal mandate that extended infrastructure data publication requirements based on the [CoST Infrastructure Data Standard](#) (CoST IDS) supporting data to be published on 40,736 infrastructure projects from August 2014 to March 2024, including in transport, education, and health sectors.
- Transparency has increased with the average amount of data published on an infrastructure project increasing from 10-13% of the CoST IDS in 2010 to 60–70% in 2023.
- The process of independently reviewing data has been critical in highlighting technical, financial and legal gaps in infrastructure delivery.
- The MSG (including its inclusion of strong private-sector representation) has been instrumental in ensuring continuity and a voice for transparency, participation and accountability in a politically unstable context.
- CoST Guatemala has become a multi-stakeholder hub for government, the private sector and civil society in the infrastructure sector.

Influencing transparency reforms

During the pilot, CoST Guatemala faced challenges in accessing data despite the existence of an Access to Information Law (2008). The law did not detail which documents had to be published for each project, and relevant entities refused to publish information that was required of them. But the exposure of "Cooptación del Estado" (Cooptation of the State) a major corruption scandal, provided a platform for the MSG to successfully advocate for reforms.

This political scandal involved a criminal network led by the President and Vice President that received illicit funds from a group of state contractors to help finance their 2011 campaign on the promise they would later be given preferential treatment in winning state contracts. The corruption scandal caused a sense of urgency to the proposed changes to enhance transparency.



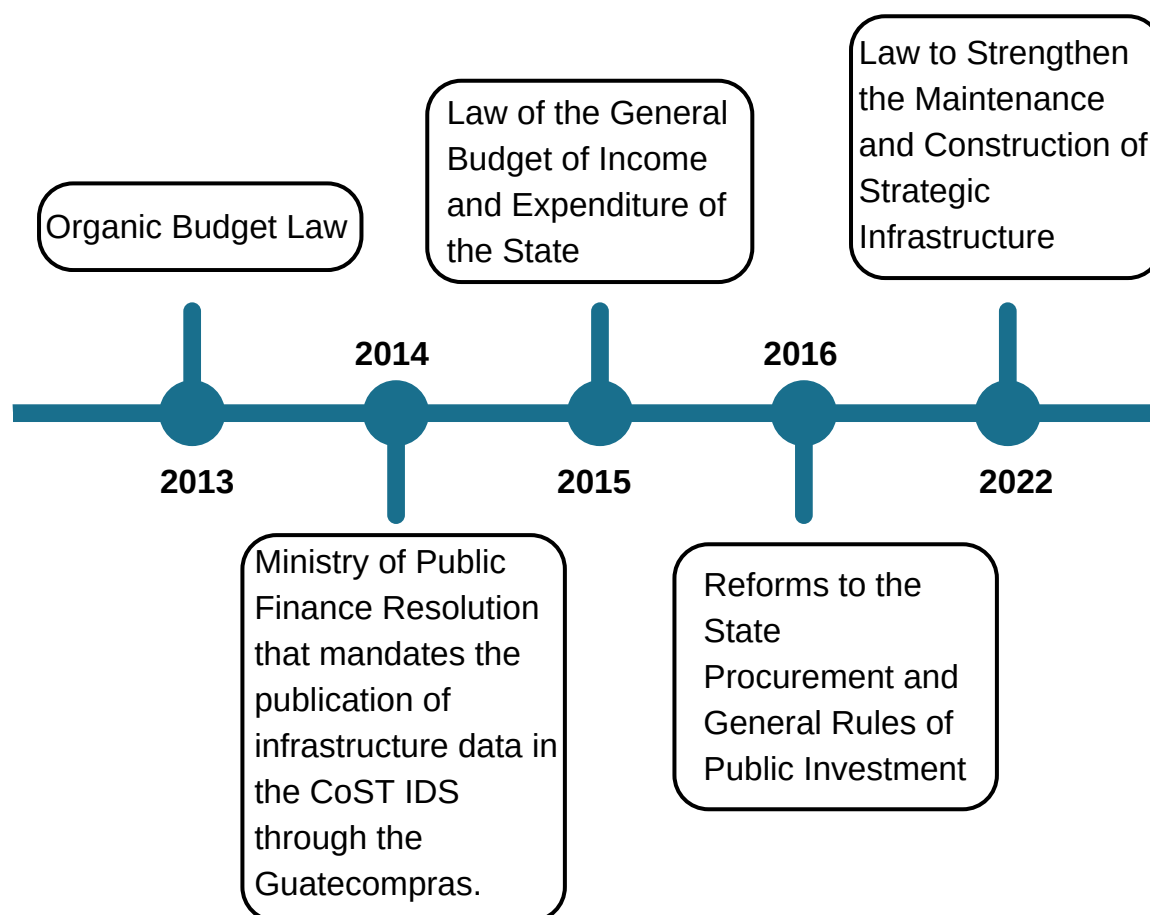
Pictures from CoST Guatemala's first independent review (assurance) report

CoST Impact: **Guatemala**

The State Procurement Law mandates the Directorate General for State Procurement, under the Ministry of Public Finance, as the body responsible for managing and regulating the system. The Directorate is also responsible for running and developing the central public procurement information system, Guatecompras. CoST Guatemala's MSG persuaded the Government to amend the Public Contracting Law to require public contracting bodies to publish data on Guatecompras in line with the CoST IDS.

This approach has led the MSG to secure explicit references to the CoST IDS in a range of sources that have incrementally strengthened the transparency requirements for public infrastructure. This includes the Organic Budget Law in 2013, and the Ministry of Public Finance Resolution which mandates the publication of CoST IDS data points on Guatecompras in 2014. This also includes The Law of the General Budget of Income and Expenditure of the State since the 2015 fiscal year; reforms to the State Procurement Law 2016 ; General Rules of Public Investment in 2016 and Law to Strengthen the Maintenance and Construction of Strategic Infrastructure in 2022.

Timelines for the reforms



CoST Impact: **Guatemala**

The most significant reform the MSG and Local Secretariat influenced was the Ministry of Public Finance Resolution (2014). This mandates the publication of 31 of the 40 CoST Infrastructure Data Standard, data points on Guatecompras and two years later, it gained even more strength through a specific article that was included in the Reforms to the State Procurement Law. The article specified that procuring entities needed to comply with the CoST IDS, which must be reflected in their accountability reports. This would be funded by the Organic Budget Law further supporting good practice and efficient control in the contracting and execution of public works. This must be reflected in the accountability report of each entity in the country.



Meeting between the Constitutional President of the Republic of Guatemala, members of the Multistakeholder group and the National Secretariat of CoST Guatemala, held on May 21st, 2024.

The multi-stakeholder group and the National Secretariat lobbied the new President of Guatemala, Bernardo Arévalo to propose a strategic alliance so that the CoST mechanisms can be part of a comprehensive work plan to increase transparency and efficiency of public infrastructure projects in the country. This will contribute to greater legitimacy of the processes and provide access to decision makers. The first meeting between the Constitutional President of

the Republic of Guatemala, members of the Multistakeholder group and the National Secretariat of CoST Guatemala, was held in May 2024, the President expressed the need to further institutionalize Infrastructure transparency, within government systems, processes and capacities.

Influencing open government

CoST Guatemala continues to advocate for greater transparency including persuading the Government to include the training of public officials on open contracting in infrastructure within the country's fifth Open Government Plan (OGP) National Action plan with CoST Guatemala's support in 2023.

In recent roundtables to discuss the next OGP action plan, participants pointed to CoST as the clearest example of success in opening up public data in Guatemala and presenting it in a searchable format.

Representative from Red Ciudadana, a non-profit organisation that has promoted open data and OC4IDS

CoST Guatemala is a member of a national working group to develop an Open Data Policy through OGP and provides specialized training courses on the Open Contracting Data Standard (OC4IDS). Working with other sectoral agendas such as the OGP has further influenced the country's policy ecosystem to focus on infrastructure transparency.

Examples include establishing a working group with the Ministry of Health and Public Assistance to conduct a social audit on health sector infrastructure and conducting training with the Ministry of Environment, linking the question of infrastructure with environmental impact assessments. The Ministry of Public Health and Social Assistance have since recommended 6 projects to be independently reviewed using the CoST assurance process. The Ministry also appointed personnel to handle requests for information on various aspects of the projects; participation at assurance meetings every month; published missing data on the Guatecompras platform and commenced an internal coordination process to streamline disclosure criterion with the different executing units of health infrastructure projects in Guatemala. The Ministry also incorporated a new commitment in the 6th OGP National Action Plan in Guatemala, to give continuity to the work that began in the 5th plan and expressed interest to receive training for its staff on infrastructure transparency.

Changing practice and behaviour

The work of CoST Guatemala has also contributed to important changes in practice and behavior on how infrastructure projects are delivered. This has principally been achieved by independently reviewing 156 projects using the CoST assurance process including transport, education, and health sectors identifying gaps within the legal framework.



Screenshot of Guatecompras in 2024

CoST Impact: **Guatemala**

This findings from the independent review (assurance) reports include the use of emergency decrees to bypass standard bidding processes and assign projects to certain contractors without competition. The most notable example of this practice was the awarding of the Belize Bridge contract in Guatemala City where the MSG influenced a contract annulment and saving of \$5 million. The MSG also influenced a 2013 decree that disqualified non-governmental organizations (NGOs) from the bidding process, as NGOs were being established by influential personalities as a means of by-passing procurement regulations.

The reports also highlighted a pattern of vague language in the scope of road projects. These paved room for additional costs during implementation while avoiding scrutiny from the country's regulator and a lack of detail around the construction of emergency hospitals. This led to the 2013 Public Contracting Law also requiring all procuring entities to ensure that

An internal stakeholder pointed to numerous failures including blank documents anomalies; multiple examples of very large projects with only one or two bidders. These were all identified through [CoST's] process.

sufficient budget is in place before contracting. The Roads Directorate has also admitted that the randomized nature of assurance has had an important deterrent effect and led to a substantial improvement in project delivery.

It also helped to increase the publication of information from 16% to 80% of the CoST IDS on the Chichavac road project,

Representative from Red Ciudadana, a non-profit organisation that has promoted open data and OC4IDS

in a period of eight months after the publication of a CoST assurance report. The road provides a critical lifeline for the local community to access lifechanging markets and healthcare. This significant increase was achieved through meetings, training and field visits to the project that were carried out jointly with the planning directors of the executing unit (Ministry of Communications, Infrastructure and Housing), supervisors, contractors, and people from the community.

CoST Guatemala is a hub for government, the private sector and civil society

CoST Guatemala has been positioned as a reference in good practice in open data management, for university students of civil engineering, journalism, public management among others, as a result of them bringing different groups together.

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CoST Guatemala roundtable meeting



One of CoST Guatemala's training sessions

This includes university and community leaders, journalists, representatives of non-profit organizations, think tanks, the British Embassy and USAID and research centers.

Their work included dialogue tables which facilitated numerous spaces that healthy debate could take place about public infrastructure contracting in Guatemala. One of these debates was used to popularize results of the [seventh assurance report](#). Discussions from these dialogues inaugurated technical worktables in the public infrastructure sector. The issues from the dialogues were produced in a report with various recommendations for better management of the public infrastructure in the country.

CoST Guatemala delivered social audit training in the Department of San Marcos, focusing on using data portals such as the National Public Investment System and Guatecompras to assess whether key data points were published on projects relating to drinking water and sewerage. Citizens were able to use this knowledge to flag instances where critical information relating to budgets and feasibility studies was missing. They also monitored delivery of environmental impact assessments.

CoST Guatemala promoted a strategic alliance with the National Association of Municipalities (ANAM) and signed a joint agreement, which allowed visiting regional centers to train 240 municipalities in the country on the CoST IDS. Derived from the agreement signed with ANAM, mayors of many municipalities throughout the country, participated in the plenary session of the Congress of the Republic, the day of the approval of the General Budget Law of State Income and Expenditures for the Fiscal Year 2018, so that it was approved as the opinion of the Congressional Finance Commission, as it included the CoST IDS within this normative.

Major government institutions such as Guatemala's Surpeme Audit Institution, the Contraloría General de Cuentas have used assurance reports to fill in gaps in information in infrastructure projects it has not been able to audit. Government officials have been able to **point to the CoST IDS** when their ministers have refused to publish certain documents required by law. In some cases where CoST has previously carried out the assurance, their compliance with **publication requirements has improved** in subsequent projects.

Private sector companies have **used CoST reports to crosscheck** the information in relation to contracts, in some cases identifying incorrect information. CoST Guatemala has also **tackled embedded corruption and provided training** on opening up the construction market which has attracted many private-sector actors.

Civil society has been engaged as part of a social audit programme. In 2020, CoST Guatemala trained over **570 civil society and media representatives and 180 university students** across eight regions in the country, **70% of which were women**. Several participants independently monitored infrastructure projects with the support of CoST Guatemala helping to identify issues or anomalies

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CoST Guatemala is a hub for government, the private sector and civil society

Making transparency the norm

It has been a long journey to improve transparency in public infrastructure in Guatemala. The key has been the MSGs ability to navigate and influence different governments to incrementally improve the legal framework.

Looking ahead, CoST Guatemala will be using lessons from existing relationships to take on a more targeted sector approach to dialogue with other government departments on existing reforms. The member will also focus on establishing a better monitoring system for compliance with the CoST IDS with support from the Ministry of Public Finance and continue to advocate for greater transparency, participation and accountability in infrastructure in Guatemala.



University students from CoST Guatemala's social audit programme

Lessons

- Laws and regulations are not static. The Guatemala story shows how progressive the legal framework has been improved over the last 10 years, to help inform and integrate new development and global trends.
- Effective advocacy can be successful when you establish a strong network of reformers in the sector. CoST Guatemala has established a strong network of infrastructure transparency activists, working with the OGP, technical teams in government, and CSOs, tertiary and development institutions.
- Using a multistakeholder approach can help to influence reforms to improve infrastructure transparency.
- To achieve progressive change, CoST's approach should be applied while interrogating the legal and policy framework of the country. This will enable the lacunas for advocacy to be identified. It is also important that all stakeholders involved, understand the law to effectively engage and inform.