



Infrastructure  
Transparency  
Initiative



# 2023 Annual Report

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# FOREWORD

A range of new initiatives were launched in 2023 aimed at accelerating investment in infrastructure. They are an acknowledgement that without more and better investment, we are unlikely to meet the most pressing global challenges, including tackling the climate emergency, meeting the Sustainable Development Goals, and achieving green and equitable growth. It is encouraging that almost without exception, these new initiatives give careful consideration to governance. It is perhaps not surprising, that CoST is involved in many of them.

This includes the Blue Dot Network led by the OECD, the FAST-Infra Label involving many of the world's leading private and institutional investors, and the Responsible Infrastructure campaign led by the UK's Foreign Commonwealth and Development Office. We are advising on the design and operation of these initiatives and making our tools and resources available to support them.

CoST has always recognised the need for more investment, but we have also argued that it is equally as important to improve the efficiency of existing and any additional investment. Now that this proposition is more widely recognised, the demand for practical tools and approaches that can turn that recognition into reality is increasing. This helps explain the growing influence of CoST which is evidenced throughout this Annual Report.

In 2023 for example, we launched the CoST Infrastructure Transparency Index (ITI) and piloted



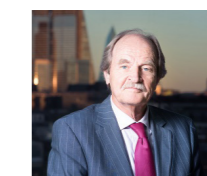
*P. Matthews*

Executive Director: **Petter Matthews**

it in selected CoST member countries. The ITI was developed in response to demand from members and its transformative potential is already very evident. It will be a major focus of our efforts in the next few years. Also, our ability to mobilise the private sector was recognised in 2023 by the US State Department, which appointed us to support the delivery of its 'Galvanising the Private Sector' (GPS) programme. And of course CoST members continued their efforts, disclosing data on more than 10,000 investments, with a cumulative monetary value of around \$5 billion. Finally, CoST Uganda won the latest in a series of international awards to CoST members, in the form of the 'Collective Action Award for Southern Africa' from the Basel Institute on Governance.

Our achievements in 2023 demonstrate that as the long shadow cast by the global pandemic recedes, CoST is emerging stronger and better prepared for the future. We are deepening our existing partnerships and expanding our range of partners. We are diversifying our sources of income and whilst remaining a membership based initiative, we are also developing innovative tools and resources that can be used by non-members. In these ways, we are extending our international reach and increasing our impact.

None of this would have been possible without the continued support of our members and sponsors. We are indebted to them, as are the vast number of people around the World who benefit from more and better quality infrastructure and services and savings in public expenditure.



*C. Poortman*

Chair: **Christiaan J Poortman**

# HIGHLIGHTS

Data published on

**10,899**

Projects, an increase of 34% on 2022.

The cumulative figure for the number of projects subject to data publication reached

**83,134**

**200**

Learning events held with

**1,805** individuals

directly benefitting

**1168**

People from civil society, the private sector, and government trained to use and publish in-frastructure data

**74** Examples of media coverage, including a focus on gender mainstreaming and highlighting the results of the Infrastructure Transparency Index (ITI)

Winner of **Anti-Corruption Collective Action Initiative Award**

for **Southern Africa** from the Basel Institute on Governance

**6** significant transparency reforms in **Uganda, West Lombok, Jalisco, and Panama**

CoST approach integrated into **Blue Dot Network** (BDN) global certification framework

**Deepened strategic partnerships**

with Confederation of International Contractors' Associations (CICA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), World Bank, Foreign Commonwealth & Development Office, Water Integrity Network, and Inter-American Development Bank (IDB)

Joint position **Paper** published by CoST and CICA entitled '**Tackling Inefficiency, Mismanagement and Corruption in Infrastructure Investment**'

**ASIA**

- **West Lombok** published data on **2,107** projects and **Thailand** on **1,807**
- **Thailand's Comptroller General's Department (CGD)** led a ground-breaking approach to rolling CoST out at the provincial level
- **West Lombok** introduced groundbreaking reforms on the publication of data.

**AFRICA**

- **Malawi** published data on **581** projects
- Improved building access for people with disabilities in the **Sekondi-Takoradi Metropolitan Authority (STMA)**
- Improved social inclusion in **Uganda** through transparency reforms in public procurement
- STMA secured agreement with the **Ghana News Agency** to routinely publish news from CoST
- Supported enhanced accessibility and improved facilities at the **Ugandan-South Sudan border** to boost trade, minimise goods loss, and reinforce trust.

**LATIN AMERICA**

- **Panama** published data on **2,869** projects and **Guatemala** on **2,726**
- **Jalisco** signed a collaboration agreement with the Mexican Chamber of Construction to promote the use of the CoST Jalisco publication platform
- Significant transparency reforms in **Jalisco** and **Panama** on data publication and social accountability.

Appointed by the **US State Department** to support the **Galvanizing the Private Sector** (GPS) project

# 1. INVESTING IN PEOPLE AND STRENGTHENING INSTITUTIONS

CoST relies on a network of hundreds of people, working nationally and internationally, to improve the efficiency of infrastructure investments. They include public officials, regulators, contractors, consultants, journalists, and citizens. They don't work for us or rely on resources provided by us. They have integrated our approach into their day-to-day roles. In this way, they have strengthened the institutions responsible for financing and delivering infrastructure and services in their countries, and provided a significant return on investment for CoST supporters. Our role is to provide them with the training and capacity building support they require to be effective, as the following examples illustrate.

*"There is a strong desire within the private sector to go further and faster in tackling corruption and improving the governance of infrastructure. Working with CoST is an opportunity to translate that desire into practical improvements that benefit businesses and communities."*

James Mwangi, Vice President FIDIC and member of CoST Board.

We delivered four training sessions, for 481 people, across 55 countries, in collaboration with the World

Bank. Participants included World Bank staff and representatives from government, civil society, and



the private sector. They were equipped with new skills, knowledge, and attitudes and coached on applying them in their specific circumstances.

In Latin America, we worked with the Public Procurement Office in Panama to train over 200 public officials and 225 citizens. We also worked with the Inter-American Development Bank (IADB), in Quito and Bogota, where significant investments are being made in Metro systems. We trained public officials and citizens on how to ensure effective social accountability in their investments. In Guatemala, CoST ran training courses for stakeholders on the use of open data to improve accountability on health infrastructure.

In Africa, CoST ran training for new Multi-stakeholder Groups (MSGs) in Kaduna and Ethiopia. CoST Kaduna is a new member, and the training was aimed at helping them establish their programme. CoST Ethiopia appointed a new MSG, and the training was aimed at reinvigorating the programme under new leadership.

CoST Malawi relaunched its data publication platform, and with support from the European Union, provided capacity building support for civil society and the media, on using the data to improve accountability. Approximately 100 individuals across the Northern, Central, and Southern regions of Malawi were equipped with the data analysis skills needed to monitor construction projects. The newly acquired skills were soon put into practice. Civil society monitoring of investment in a national aquatic complex, for example, resulted in a dramatic increase in the quality and quantity of data published.

CoST Jalisco operates an effective data publication platform, supported by an innovative digital assistant, 'Super Inspe-CoST'. Guadalajara's City Council

*"Being part of CoST will take us further in transparency and accountability. We are committed to opening our doors for businesses and CSOs to access information on infrastructure projects. Implementing the CoST approach will help us put in place mechanisms for delivering better infrastructure for the citizens of Kaduna State."*

Hon Mukhtar Ahmed Commissioner Planning and Budget Commission, Kaduna State Government.

and the Mexican Chamber of Construction Industry (CMIC) signed a collaboration agreement to use the data published through this platform, which includes all of the 437 infrastructure projects in Guadalajara. CoST Jalisco is also working with the State of Jalisco Government and the municipalities of Tonalá and Tlajomulco de Zuñiga to publish data on 203 projects.



The National Network of Social Auditors (Renasí) in Honduras organized its First National Congress in November, naming it in honor of Evelyn Hernandez, Head of Members and Affiliates at the CoST International Secretariat. Renasí was created after the first edition of the 'Social Accountability School in Infrastructure' in 2017. CoST Honduras, managed at that time by Evelyn, organised five editions of the Social Accountability School in Infrastructure. Each round selected 25 members of Citizen Transparency Commissions to participate in a five month in-depth capacity building programme endorsed by the national authority for non-formal education (Coneanfo). Since then, Renasí's membership has grown and its work social accountability gained in urgency and importance.

## 2. DATA PUBLICATION AS A DRIVER OF QUALITY INFRASTRUCTURE

In 2019, the G20 established 6 guiding principles for Quality Infrastructure Investment (QII). Principle 6 is 'Strengthening Infrastructure Governance' and it recognises the link between transparency, anti-corruption, and the provision of quality infrastructure. CoST members are helping to turn this principle into a reality, as the following examples illustrate.

In Panama, the publication of data on 612 projects on the PanamaObras portal has improved the tracking of environmental impacts. As a result, sustainability is now at the forefront of infrastructure discussions in the country.

CoST Jalisco supported the City of Guadalajara to develop and launch two new open data platforms in February 2023. Guadalajara was the first Municipality in Mexico to make data publication mandatory. The new platforms will help ensure that investments meet the needs of businesses and communities in the city.

*"Our plan is to expand CoST across all the Ethiopian regions starting with awareness raising, and meetings with stakeholders. We will independently review more projects to increase transparency across the country."*

Wubshet Jekale (PhD, Eng.) Chairperson of the CoST Ethiopia MSG.

We supported the think tank Mexico Evalua and the National Access to Information Institute to develop a national infrastructure data publication platform for Mexico. This was done in close association with 20 local governments.



The Government of Thailand has attributed the saving of hundreds of millions of dollars to its CoST programme. In addition to financial cost savings, its publication of data on more than a thousand projects has also formed the basis of meetings between project owners, contractors, and communities. These meetings have built trust between the parties, minimised disruption during construction, and helped ensure that the built assets meet the needs of citizens and businesses.

As the positive impact of data publication has become more apparent, the need to understand and report on the factors contributing to that success has become more urgent. The Infrastructure Transparency Index (ITI) addresses this need by measuring the level of transparency and quality of publication processes at the national and individual procuring entity level. In 2023, we launched the ITI website, providing a centralised platform for documenting the results generated.

CoST Panama published its first ITI results in 2023, which included an overall national score and individual scores for 30 procuring entities. The scores highlighted effective reforms led by government agencies including the Public Procurement Authority

*"CICA and CoST share common values in relation to improving the integrity of investments in infrastructure. We will continue to work together to translate these values into practical improvements that benefit businesses and communities."*

Fanny Dastugue, Director General, Confederation of International Contractors' Associations

and the Access to Information and Transparency Authority. Panama scored particularly highly in terms of its enabling environment.

Costa Rica released its second set of ITI results in September 2023. The previous results identified the need to build the capacity of public officials. The new results demonstrated that the government responded to this need and that the scores had improved as a result. At the national level, Costa Rica scored evenly across the 4 ITI dimensions. At the level of individual procuring entities, there was a significant disparity in the scores, ranging between 29 and 89 out of 100.



### 3. PROMOTING GOOD PRACTICE ON ANTI-CORRUPTION

CoST is a global leader in developing and promoting good practice on anti-corruption in the infrastructure sector. Acknowledgment of this was evident in the decision of the US Bureau of International Narcotics and Law Enforcement Affairs (INL), in late 2023, to appoint CoST to support delivery of its ‘Galvanizing the Private Sector’ (GPS) project. This project is highly ambitious and in the next 2-3 years, will see CoST doing more to unlock the potential of the private sector to tackle corruption. The appointment came after a busy year of promoting good practice as the following examples illustrate.

We have worked closely with the OECD previously, and this relationship deepened in 2023. CoST was asked for example to join the Anti-Corruption Leaders Hub (ACLH) convened by the OECD and supported by the US State Department. At a meeting of the ACLH held in Paris, CoST, represented by Executive Director Petter Matthews, discussed the anti-corruption challenges facing companies with representatives from Amazon, Tesla, Microsoft Rolls Royce, and others. Petter was also asked to

moderate a discussion entitled ‘Incentivising integrity in infrastructure’ forming part of the OECD’s Global Anti-Corruption & Integrity Forum. Finally, CoST was commissioned by the OECD to develop anti-corruption training materials for use at a training course provided to senior public officials in the ASEAN region.

The Latin America region was a particularly busy hub of outreach activity in 2023. We participated for example in an Infrastructure Anti-Corruption Toolbox (IACT) Workshop organized by the OECD and the US State Department in Colombia. There was strong interest in the CoST approach and a commitment to work together to build capacity in the region. We also participated in an Integrity and Human Rights Forum in Guadalajara, Mexico, and explained to participants how transparency can help reduce corruption.

CoST attended the World Bank’s Anticorruption for Development (AC4D) Global Forum in Washington DC. We discussed how to accelerate anti-corruption efforts with leaders from across the institutional spectrum.



### 4. REFORM AS A DRIVER OF EFFICIENCY

Improving efficiency in the construction industry is a global challenge. As the volume of data disclosed by CoST members has increased, its usefulness in informing evidence based policy aimed at improving efficiency, has become more apparent. The following examples help illustrate this.

A succession of independent review reports published by CoST Uganda have documented the inefficiency of infrastructure investments. The multi-stakeholder effort that went into producing the reports also built trust between the stakeholders. This strengthened collective action aimed at addressing the underlying causes of inefficiency. The measures included:

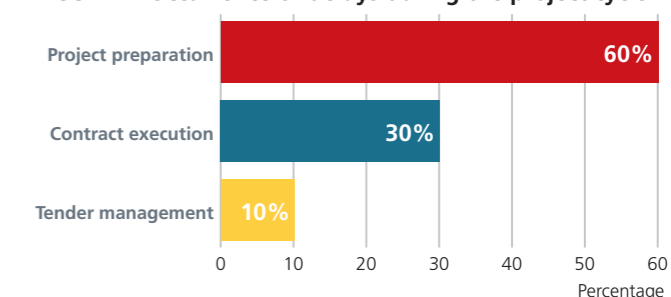
- Establishing the Ugandan Construction Industry Commission to oversee and enforce construction industry standards.
- A new handbook for classifying construction consultants and contractors that will help to regulate the industry, raise standards, and improve quality.
- A new price classification scheme that will provide typical unit costs in road construction.
- Construction of a materials testing laboratory in the central region.

CoST Uganda also facilitated a dialogue between the Public Procurement and Disposal Authority and the private sector to explore what could be done to increase the participation of domestic firms in publicly funded projects. Measures resulting from this dialogue included a reduction in the value of securities that need to be provided by contractors, and an increase in the reserved allocation of contracts aimed at businesses owned by women, youth, and people with disabilities. These measures led to an increase in local content from 24% to 32.8%.

The World Bank has been a long term collaborator with CoST. In 2023, this collaboration was extended to

include analysis of CoST data, to identify and explain the drivers of delays in infrastructure investment. This involved detailed analysis of 480 projects drawn from 12 countries. The preliminary findings were presented at a seminar hosted by London Southbank University in September. They identified that the causes of delays occurred primarily in the project preparation phase (see Figure 1).

FIGURE 1: Occurrence of delays during the project cycle



In Mexico, the Municipality of Guadalajara passed a new regulation that uses the CoST social accountability framework to strengthen democracy and social development, and help identify corruption risks in public contracting.



The Confederation of International Contractors (CICA) is the world’s largest and most representative organisation for the construction industry. It shares with CoST, a commitment to strengthening the construction industry and tackling

the causes of corruption and inefficiency. We published a joint paper entitled ‘Tackling Inefficiency, Mismanagement and Corruption in Infrastructure Investment’. It identified a series of practical measures, aimed at policy makers and practitioners, with transformative potential. They included promoting open dialogue and trust building, improving standards, strengthening project preparation, and harnessing new technologies.

## 5. WORKING WITH GLOBAL PARTNERS

Multilateral Development Banks (MDBs) are significant investors and exercise considerable influence. The modalities of working with them can be challenging for small not-for-profit organisations like CoST. However, our work with the Inter-American Development Bank (IDB) demonstrates how this can be achieved. CoST and the IDB signed a framework agreement through which CoST provides technical assistance to governments in the region.

In recent years, there has been an emphasis on mobilising private and institutional investment to help meet the infrastructure investment backlog. The most prominent example of this is the Blue Dot Network (BDN) certification scheme, launched by the governments of the US, Japan, and Australia with support from the OECD. CoST was asked to support the BDN by participating in its Executive Consultation group and by advising on how to address transparency and accountability in the framework. The BDN will be influential in the future and with CoST standards prominent in the framework, it could be a powerful force for promoting transparency and accountability.

The FAST-Infra Label is another important initiative aimed at mobilising private and institutional investment. It was conceived by a group of investors including Macquarie and HSBC, and is currently managed by Global Infrastructure Basel and Bloomberg. CoST participates in the Executive Advisory Committee (EAC) and draws on its extensive international experience to help inform the initiatives approach.

The Open Government Partnership (OGP) is a long-term collaborator with CoST. We participate in its international and regional events and CoST members often feed into National Action Plans. In 2023 our collaboration included hosting an event entitled 'Opening up Climate Finance to Public Scrutiny' in the margins of the OGP Global Summit in Tallinn. At the national level, CoST members routinely feed into the development of National Action Plans. CoST Guatemala is an example of this. It worked with the Ministry of Public Health to develop an OGP commitment aimed at improving transparency in health infrastructure.



In June 2023, CoST Uganda won an Anti-Corruption Collective Action Initiative Award for Southern Africa from the Basel Institute on Governance, for its outstanding achievements in tackling corruption and raising standards of business integrity. Gilbert Sendugwa, Executive Director at CoST host organisation Africa Freedom of Information Centre

(AFIC) said: 'This Award is not just for CoST Uganda but for the government, private sector, and civil society partners that have worked together to increase publication and undertake independent review processes to give meaning to disclosed data, and more importantly, the government's commitment to implement recommended reforms.'



## 6. REMEMBERING HART SCHAFER



It was with great sadness that we learned in May 2023, that Hart Schafer had passed away after suffering a heart attack. Hart had represented the World Bank on

the International Advisory Group (IAG) that oversaw the DFID led CoST pilot project from 2008 to 2011. At the end of the pilot project, Hart was instrumental in obtaining financial support for CoST, which enabled it to manage the transition from a DFID programme to an independent non-profit organisation. He was to remain an enthusiastic supporter of CoST up until his untimely death.

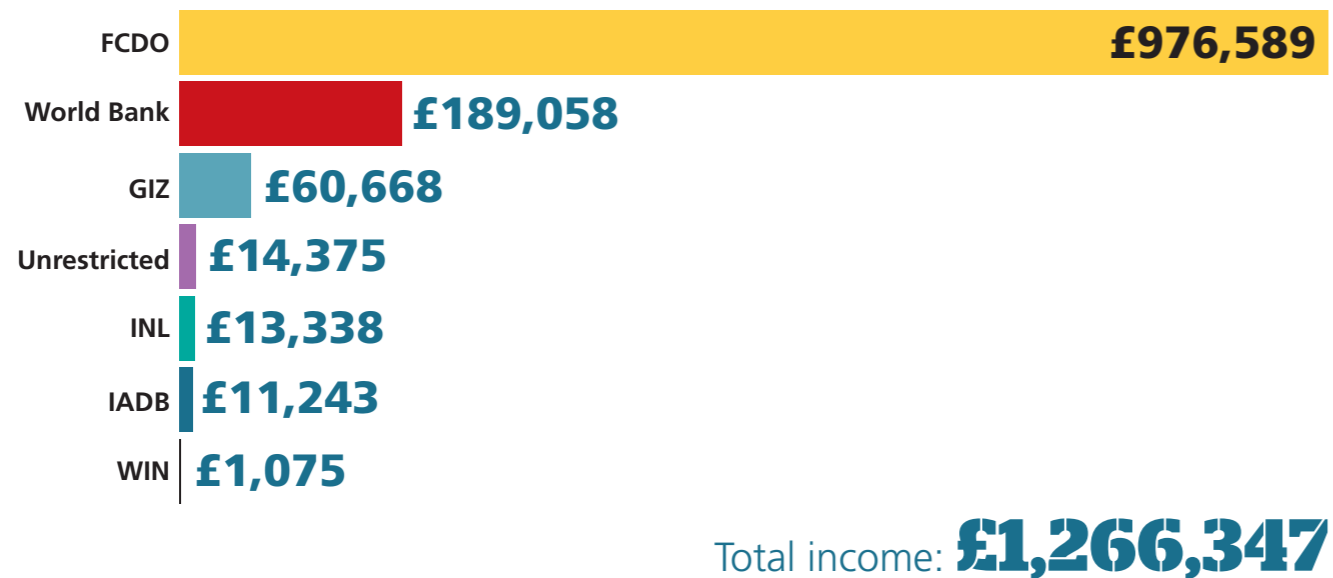
Hart was a strategic thinker and he brought to the discussions of the IAG, a focus on long-term goals and the importance of achieving impact. He was

known for his colourful phraseology and often referred to a future high-performing CoST programme as having reached 'cruising altitude'.

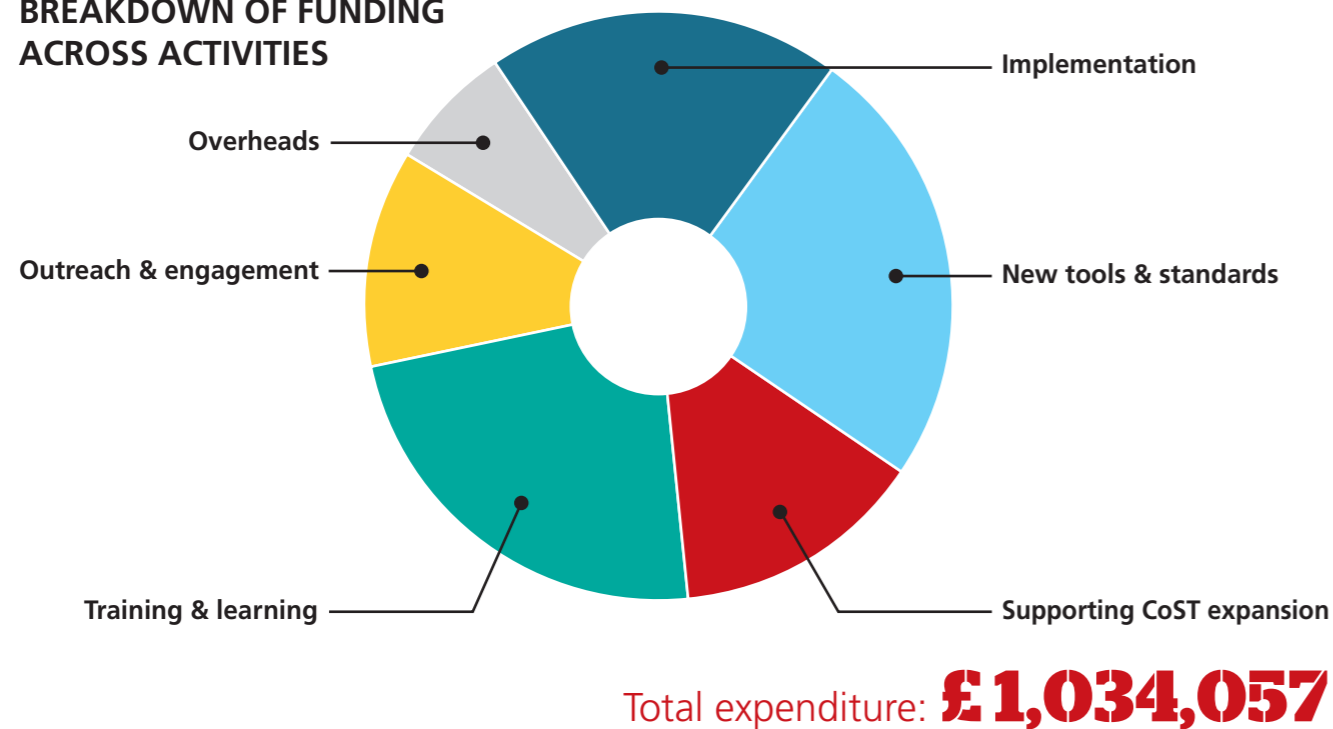
His strategic thinking was invaluable to his career in the World Bank, where his last role before his retirement in 2022, was Vice President for the South Asia region. Despite his numerous responsibilities, he was unflinching in his support for CoST. He was always available to meet with us, to offer support and advice, or to make an introduction on our behalf. This support was provided with kindness, generosity, and good humour.

One of the advantages of reaching cruising altitude is that it provides a clear perspective of where you have come from. There is no doubt in the minds of those who worked with Hart in the early days of CoST, that the success that we have achieved would have been impossible without his support. We will always miss him.

## 7. FINANCIAL SUMMARY



### BREAKDOWN OF FUNDING ACROSS ACTIVITIES



## 8. CONCLUSION

The work of our members and International Secretariat made strong strides in driving participation, accountability and participation in infrastructure in 2023.

Our combined training in several continents and tools and standards have highlighted the importance of social accountability, multi-stakeholder working, and independent review and publication of data. We're proud of the outcomes achieved, such as reforms, savings of hundreds of millions of dollars and the launch of the International Transparency Index website.

As a global leader, our expertise was recognised through our participation in international events, committees and consultation groups, technical assistance provided and CoST Uganda's Anti-Corruption Collective Action Initiative Award for Southern Africa from the Basel Institute on Governance. We look forward to furthering our work on the Galvanizing the Private Sector project and the Infrastructure Anti-Corruption Toolbox.

We will continue to promote open government, strengthen climate finance, and build a better business environment to improve infrastructure quality. In a time of continuous worldwide developments, infrastructure remains fundamental.





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