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### FOCUS OF THE GUIDANCE NOTE

This guidance note is intended for those interested in applying the financial-savings measurement methodology, including CoST- the Infrastructure Transparency Initiative-, national and sub-national members, partner organisations and users of CoST tools and standards seeking to evaluate the financial savings of transparency, accountability and participation (TAP) interventions in public infrastructure projects. The accompanying Methodology Report<sup>1</sup> provides detailed explanations of the conceptual framework, data requirements and analytical techniques that underpin the methodology.

This Guidance Note explains how TAP interventions can be translated into measurable indicators and how these indicators can be analysed using publicly available data. Prepared by the Government Transparency Institute (GTI) in coordination with the CoST International Secretariat, this guidance note is intended to inform a general audience about the application of the methodology across various country contexts by providing a structured yet flexible set of steps for data mapping, preparation, and analysis. It outlines how members, partners and users of CoST tools and standards can assess TAP interventions in public infrastructure and demonstrates how elements of the methodology can be integrated into local evaluations in a scalable and context-appropriate manner.

## Estimating financial savings from transparency, accountability and participation interventions



## 1. Why does measuring financial savings matter?

Infrastructure investments account for 20% of global public spending, yet a significant portion of these funds is lost because infrastructure projects often fail to meet expectations. Mismanagement drives up prices and costs, causing delays and resulting in poor-quality assets that distort public spending. These issues are observed across countries and lead governments to often pay far more than necessary for roads, schools, water systems, and other essential services. The impact is not just financial. Poorly managed projects result in lower-quality infrastructure that deteriorates more quickly, is more costly to maintain, and may pose safety risks. Over time, this reduces public trust and makes it harder for governments to close growing infrastructure and service gaps.

Members, partners and users of CoST tools and standards already promote transparency and oversight. However, many still struggle to demonstrate the extent to which these efforts save or where improvements occur. Without precise numbers, it is harder to build political support, direct resources, or demonstrate the value of TAP work. Measuring cost savings helps close this gap by demonstrating concrete financial gains, strengthening the case for sustained investment in TAP interventions, and identifying the tools with the most significant impact across contexts. It provides governments, civil society, and the private sector with practical evidence to support more informed resource allocation, stronger advocacy, and more accountable infrastructure delivery.



<sup>1</sup>Fazekas, M., Rudinac, I., & Adam, I. (2025). Methodology for estimating cost savings resulting from CoST: Methodology report. CoST International.

# GUIDANCE NOTE

Estimating financial savings from transparency, accountability and participation interventions

## 2. Understanding financial savings as a result of TAP interventions

Financial savings arise when transparency, accountability and participation (TAP) change how infrastructure projects are planned, procured, and delivered. In simple terms:

- **Transparency** improves access to project and contract information, making it easier to compare prices, spot risks, and encourage fair competition.
- **Accountability and participation** through independent reviews and multi-stakeholder oversight help identify problems early and support better decision-making.

Together, these processes integrated in the **CoST pillars: data publication, independent review, multi-stakeholder working and social accountability, can transform TAP interventions, into tangible improvements to public infrastructure procurement processes and outcomes.** These improvements are reflected in clearer competition, more consistent pricing, fewer delays, and other indicators tracked by the cost-savings methodology.

## 3. How to measure impact?

The impact assessment methodology developed by GTI and CoST follows a step-by-step process that is both rigorous and flexible to diverse country contexts.

### STEP 1: DATA MAPPING

A robust impact assessment begins with an understanding of the available data. This involves mapping both:

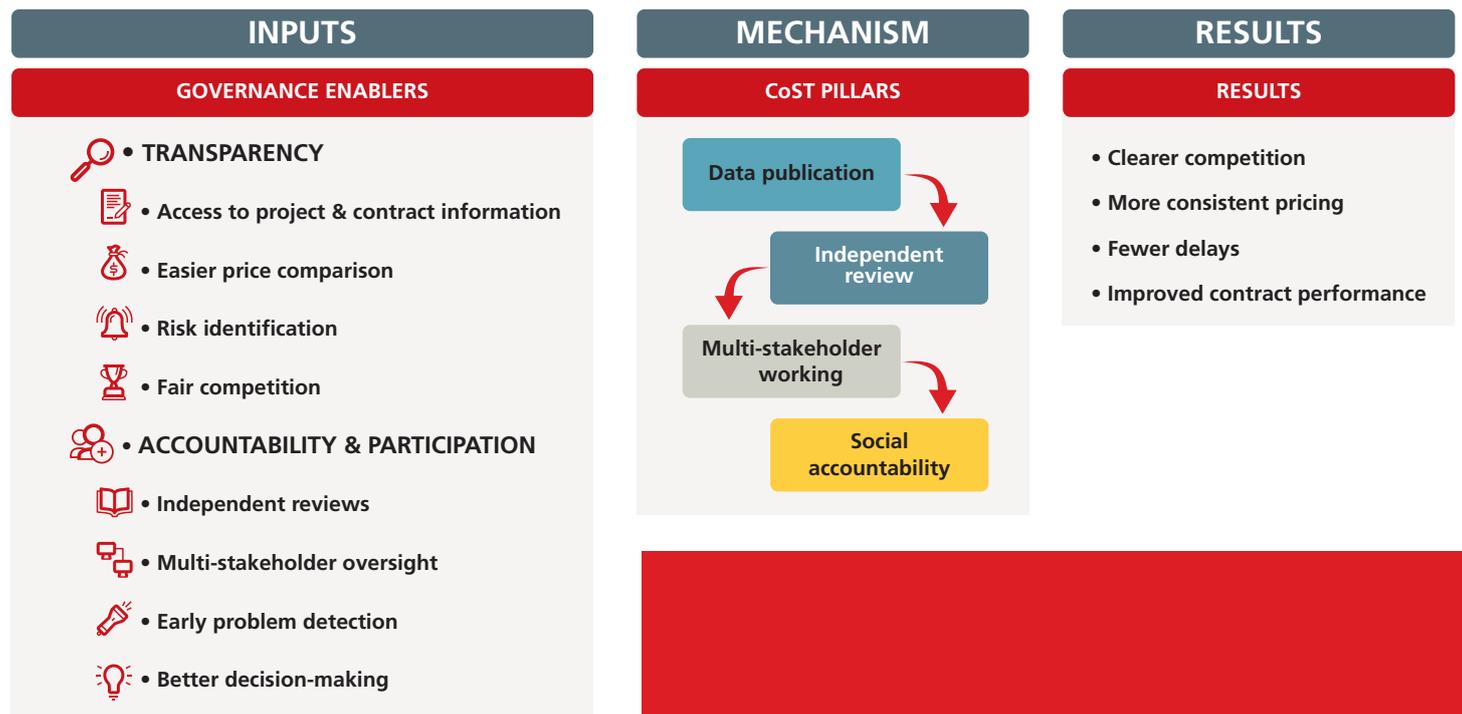
- **Public infrastructure data** – datasets published according to the CoST Infrastructure Data Standard (CoST IDS) or the Open Contracting for Infrastructure Data Standard (OC4IDS).
- **Public procurement data** – data from national e-procurement platforms.

A data readiness assessment helps determine where the impact assessment can proceed. In general, this is more likely when governments publish comprehensive and linkable datasets.

### STEP 2: DATA PREPARATION

Data should be standardised at the contract level to ensure that variables are comparable. Where infrastructure and procurement data overlap, unique identifiers (IDs or titles) can be used to merge them. At this stage, it is essential to calculate:

- Missing values and data completeness
- Derived variables (e.g., relative prices, delivery delays)
- Core performance indicators



## KEY IMPACT AREAS & SAMPLE INDICATORS

### 1. Competition

- **Number of bids:** Measure how many suppliers compete for a contract; higher numbers indicate stronger competition and better market access.

### 2. Corruption risks

- **Single bidding:** Share of contracts awarded with only one bidder; its presence signals limited competition and higher corruption risk.

### 3. Administrative efficiency

- **Decision period:** Number of days between bid submission and contract award; shorter periods reflect more efficient processes, while unusually long or short periods may signal risks.

### 4. Prices and quality

- **Relative price:** Ratio of the final contract value to the estimated value; lower ratios indicate better value for money.

## STEP 3: IDENTIFYING THE “TREATMENT” AND “CONTROL” GROUPS

To measure impact, it is important to compare:

- Contracts published using CoST data standards (treatment group), with
- Contracts not exposed to CoST data standards (control group)

The comparison can be made:

- Across procuring entities (publishing vs. non-publishing infrastructure data)
- Over time (before and after applying CoST tools and standards)

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## STEP 4: APPLYING THE APPROPRIATE ANALYTICAL APPROACH

Depending on data quality and sample size, three levels of analysis can be conducted (See table below).

Each level provides complementary insights. Members, partners, and users of the CoST tools and standards may begin with simpler analyses and progress to more advanced ones as data quality improves.

LEVEL	METHOD	PURPOSE
Basic	Descriptive or bivariate comparison	Illustrate broad differences between projects
Intermediate	Matching methods	Compare similar contracts and reduce bias
Advanced	Regression or Difference-in-Differences (DiD)	Identify causal effects and institutional spillovers

# GUIDANCE NOTE

Estimating financial savings from transparency, accountability and participation interventions

## 4. Data needs and readiness of members and partners

Before applying the financial-savings methodology, members, partners and users of CoST tools and standards should assess their current government data environment and capacity. A short readiness check helps determine the most appropriate starting point.

- Governments with **high data readiness**, for example, those with accessible published data, linkable procurement records, and basic analytical capacity, can move directly to quantitative analysis.
- Governments with **medium or low readiness** can still make meaningful progress. They may begin with partial or pilot assessments that focus on simple indicators and descriptive patterns, while gradually improving data quality.

In any case, governments are encouraged to raise capacity over time by strengthening basic data skills, improving coordination with data-holding agencies, and using shared templates and tools provided by CoST. This incremental approach allows all members, partners and users of the CoST tools and standards, regardless of starting point, to participate in and benefit from cost-savings measurement.

To apply the methodology effectively, members, partners and users typically require access to staff with basic data-handling skills. These may include data scientists, analysts, statisticians, or staff familiar with procurement records and spreadsheet-based analysis. Where these skills are not yet fully available, the CoST International Secretariat can provide direct support, including technical guidance, templates, training, and hands-on assistance with dataset preparation and indicator interpretation. This ensures that all interested parties can apply the methodology, regardless of their current capacity.

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## COST THAILAND EXPERIENCE

CoST Thailand provides an early example of how the methodology can be applied in practice using a mixed-methods approach. The impact evaluation analysed public procurement and public infrastructure data for 2018–2022 and combined this with 12 key informant interviews across government, civil society, private sector, academia and CoST experts. The study used quasi-experimental methods (including matching) to assess the effects of CoST interventions on competition, corruption risks, administrative efficiency and prices. Overall, it found some positive effects: more bidders (stronger competition), modest reductions in corruption risk, and a small price decrease, with mixed effects on administrative efficiency. The Thailand case also highlights key implementation lessons: improving data collection and publication practices, expanding independent review and follow-up mechanisms, strengthening civil society and local stakeholder engagement, and allocating additional administrative resources when scaling transparency, accountability, and participation interventions are essential.



## 5. Conclusion

CoST's approach to transparency, accountability and participation has the potential to deliver substantial cost savings in public infrastructure development and maintenance. If implemented effectively, the analytical methods introduced in this Guidance Note can reliably estimate the tangible benefits of TAP interventions. By starting small, strengthening collaboration, and leveraging available tools, members, partners, and users of CoST tools and standards can demonstrate how transparency reforms deliver tangible financial benefits and improved project outcomes.

This Guidance Note offers an accessible starting point. The accompanying Methodology Report provides the full technical details for teams ready to implement the methodology.