



ESSENTIALS OF CoST UGANDA

What is CoST – the Infrastructure Transparency Initiative

CoST – the Infrastructure Transparency Initiative is the leading global initiative improving transparency and accountability in public infrastructure. CoST Uganda is a national chapter of CoST International, a charity based in the United Kingdom.

CoST works with government, private sector and civil society to promote the disclosure, validation and interpretation of data from infrastructure projects. This helps to inform and empower citizens and enables them to hold decision-makers to account. Our experience indicates that Informed citizens and responsive public institutions help drive reforms that reduce mismanagement, inefficiency, corruption and the risks posed to the public from poor quality infrastructure.

At the national level, CoST establishes a Multi-Stakeholder Group that guides, leads and builds trust amongst the Government, Private Sector and Civil Society. The National Programme is overseen by a Champion who promotes its core features of Disclosure, Assurance, Multi-Stakeholder working and Social Accountability across Government and other stakeholders.

History of CoST Uganda

Uganda joined the initiative on 18th September 2013 following an application by the Uganda National Roads Authority (UNRA) inviting CoST International to advance transparency and value for money in public infrastructure projects using its core features of Disclosure, Assurance, Multi-Stakeholder working and Social Accountability.

Uganda was the fifth African country to join CoST - the Infrastructure Transparency Initiative in 2014. The announcement took place at Uganda's Joint Transport Sector Review (JTSR) event in Kampala, which included participants from central and local government, private industry, academic institutions and NGOs.

A multi-stakeholders forum was held in March, 2014 to promote CoST Uganda to a broader group of stakeholders and on 23rd June 2014 during the larger Stakeholders forum, the Multi-Stakeholders Group (MSG) was elected to oversee the country centered programme. UNRA was the first host of CoST Uganda and the initiative would later be hosted by AFIC to enable its independency. Since July 2016, CoST Uganda has been hosted by Africa Freedom Information Centre, a pan African NGO working on Open Contracting and Access to Information in Africa.

The current MSG is comprised of 3 Government representatives, 2 Representatives of the Champion the Ministry of Works and Transport, 3 from Private Sector and 3 from Civil Society. The current membership is from Ministry of Information, Communication Technology and National Guidance, Directorate for Ethics and Integrity – Office of the President, Uganda National Roads Authority, Uganda Bus Operators Association, Uganda Road Sector Support Initiative, Action for Coalition on Climate Change and Africa Freedom of Information Centre the current host institution.

In July 2017, the Ministry of Works and Transport at the launch of the CoST Uganda Scoping Study announced its official Championship of CoST Uganda interventions. The Minister of Works and Transport is the Champion of the initiative and gives a directive role in promoting the CoST core features across Government.

The key inspirations to the formation of CoST in Uganda were;

1. Desire to enhance transparency and accountability in the construction sector and to adopt CoST principles
2. Promote Transparency, Accountability and Fairness in procurement including publishing of bid evaluation results before award of the contract.
3. Government commitment to implement the Governance and accountability action plan and CoST appears in some of the loans for sector support programmes such as African Development Bank.
4. To inform the establishment of a red flag contract management system for the roads sector. The Red Flags were based on the indicators of Transparency, Accountability and Value for Money as outlined by the World Bank.
5. To inform the reformation of the procurement function of UNRA through upgrading entity Procurement and Disposal Units (PDUs), parallel Bid Evaluation by overseas procurement firm and assist entity application for accreditation from PPDA.
6. To strengthen the evident desire and readiness among the CSOs to coalesce to positively influence the governance on the infrastructure sector. The core focus and contribution was marked around constructive advocacy, promoting public awareness and participation, engagement with Government and other actors in the public infrastructure sector in order to address the needs and concerns of citizens related to infrastructure delivery. The broad purpose is to promote a more efficient and safer infrastructure sector.
7. To enhance project level performance that would lead to sector reforms and scale up of the CoST approach to other sectors of Health, Education, Water, Energy, oil and Gas among others.
8. To contribute to addressing sector systematic constraints including; the high cost of infrastructure, delays in procurement and award of contracts which in turn lead to delayed execution of works, contract variations, lack of effective industry competition for civil works due to lack of capacity by local contractors and stringent requirements by donors, slow and poor execution of works on many projects, inadequate project supervision and monitoring and insufficient attention to safety matters among others.

Objectives of CoST Uganda

The objectives for which CoST was formed are:

1. To create a strategic platform for information sharing and joint advocacy with key stakeholders at different levels in the delivery of public infrastructure projects.
2. To promote transparency, accountability and value for money in the delivery of public infrastructure through increasing access to and interpretation of disclosed project and contract data.
3. To collaborate with Procurement Entities to integrate CoST core features in the delivery of public infrastructure in Uganda.

How CoST helps: Our theory of Change

- CoST supports governments to put systems in place that allow the public to access reliable, detailed and easy-to-understand infrastructure project information.
- CoST helps multi-stakeholder groups to oversee the validation and interpretation of infrastructure data so that civil society, the media and citizens can understand this information.
- Empowered with information and understanding, CoST allows stakeholders dialogue on issues and raise challenges such as poor performance, perceived mismanagement and corruption. These stakeholders can then demand better project outcomes, savings, and more effective and efficient governance systems for delivery. CoST also helps the public to understand and appreciate investments into public infrastructure projects from the disclosed information.
- Government responds to the concerns raised – they can commission audits into specific projects, wider reviews into the performance of an agency, or reviews into the sector as a whole. Equipped with information, governments can investigate alleged mismanagement and corruption and where necessary, sanction staff or prosecute offenders.
- CoST reports are consumed by Government as the lead applicant to the International Board. Specific project reports are consumed by the line Procurement Entities, upon their approval and committal support, the reports are later disseminated by the CoST MSG.

Our approach, the Four Core Features of CoST

The CoST approach is focused on four core features: disclosure, assurance, multi-stakeholder working and social accountability. These features provide a global standard for CoST implementation in enhancing infrastructure transparency and accountability.

Disclosure: The disclosure process ensures that information about the purpose, scope, costs and execution of infrastructure projects is open and accessible to the public, and that it is disclosed in a timely manner. Key to the process is disclosure by projects procuring entities in accordance with the CoST Infrastructure Data Standard (CoST IDS). The CoST IDS requires 40 data points or 'items' to be disclosed at key stages of an infrastructure project cycle including: identification, preparation, completion, procurement and implementation. Click to read more <http://infrastructuretransparency.org/our-approach/disclosure/>

Assurance: We promote accountability through the CoST assurance process – an independent review of the disclosed data by assurance teams based within CoST national programmes. The teams identify key issues of concern in relation to the items listed in the CoST IDS and put technical jargon into plain language. This allows social accountability stakeholders to easily understand the issues and hold decision-makers to account. Click to read more <http://infrastructuretransparency.org/our-approach/core-feature-assurance/>

Multi-stakeholder working: Enhancing transparency and accountability in public infrastructure involves working with different stakeholder groups who have different perspectives and backgrounds, including government, private sector and civil society. CoST brings these stakeholders together through multi-stakeholder groups in each national programme. The groups guide the delivery of CoST and provide a neutral forum for stakeholders to pursue infrastructure transparency and accountability together. Click to read more <http://infrastructuretransparency.org/our-approach/cost-feature-multi-stakeholder/>

Social accountability: Social accountability stakeholders such as the media and civil society play an important role in holding decision makers to account. CoST works with these stakeholders to promote the findings from its assurance process so that they can then put key issues into the public domain. In this way, civil society, the media and citizens can all be aware of issues and hold decision-makers to account. Click to read more <http://infrastructuretransparency.org/our-approach/cost-core-feature-social-accountability/>

The added value of CoST

CoST Uganda seeks to promote the implementation of a viable and sustainable public disclosure process as a government system and compliance of the procurement entities in providing information to the public. The purpose of CoST Uganda is to enhance the current process so as to generate substantial information that will be validated and interpreted into simple language to allow efficient and effective monitoring of public infrastructure projects.

The initiative also aims to reduce mismanagement and inefficiency and improve value for money. To this end, it works to urge governments, the construction industry and other organizations to commit to creating a more transparent and an accountable public infrastructure sector.

CoST helps to prevent corruption and create an effective and robust infrastructure sector. It promotes better value from public infrastructure, delivering better quality infrastructure at lower cost, with increased predictability of outcomes.

CoST is better value for government because it demonstrates how public money is spent, building trust between citizens and the government. It identifies potential efficiency savings and promotes reforms in the management of public finances and the procurement of infrastructure. In addition to promoting transparency, CoST helps increase the flow of direct overseas investment into a country's infrastructure sector.

CoST is better value for the private sector because it ensures a level playing field and reduces the costs and risks of doing business. This means that companies bidding for contracts can be confident that the process is taking place in a fair, open and competitive environment.

CoST is better value for communities because it ensures cost-effective delivery of improved infrastructure that improves lives. Communities can access work and markets through better roads, drink safe water from quality structures, be educated in well-built schools and receive medical treatment in safe hospitals.

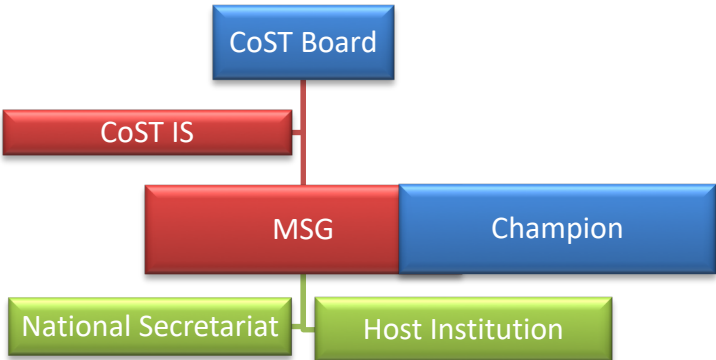
Frequently Asked Questions (FAQs)

What information is disclosed through CoST? The information disclosed will usually include a description of the project (e.g. its purpose, location, specification, cost, contractor and completion dates) and justification for any significant differences between what was planned and budgeted for and what was eventually constructed and paid for. The information is disclosed in a form that is comprehensible to a range of stakeholders and through channels that are accessible to them.

Who will disclose the information? The information belongs to the organization responsible for procuring the construction work, or what is sometimes referred to as the procuring entity. This will usually be a government department or an agency established by government. Ideally the procuring entity will release the information directly into the public domain and will be responsible for dealing with any questions arising from it. If there are circumstances that prevent the procuring entity from taking responsibility for disclosure, it can authorize the CoST Multi-Stakeholder Group (see ‘Who is Involved in CoST’ below) to release the information on its behalf.

Who is involved in CoST? Government involvement is essential because it is ultimately responsible for publicly funded infrastructure projects. However, government alone cannot make the improvements that are needed, so another important feature of CoST is the involvement of a wide range of stakeholders. These include procuring entities, public financial management bodies, construction companies and associations, civil society organizations and private financiers. Each participating country has established a ‘Multi-Stakeholder Group’ (MSG) that comprises representatives drawn from these backgrounds and is responsible for guiding the project. The broad-based composition of the MSGs provides a considerable pool of knowledge and expertise and helps to ensure the legitimacy of CoST.

How is CoST structured? CoST has an International Multi-Stakeholder Board drawn from across the world and an International Secretariat. The International Secretariat coordinates and establishes National and Affiliate members through Government’s applications. At the National level, CoST members and Affiliates replicate the International approach by establishing National Multi-Stakeholder Groups and National Secretariats to support in planning, implementation and reporting of progress of the programme. Figure 1 below provides an organizational structure for CoST.



Does CoST help to reduce poverty?

Improvements in transparency and accountability can help to reduce corruption – particularly where they form part of a broader range of initiatives aimed at improving governance – and corruption is a major barrier to poverty reduction. Global construction is likely to grow by 70 per cent from \$7.2 trillion today, to \$12 trillion by 2020. Potential savings through reducing corruption, mismanagement and inefficiency could be around \$4 trillion annually by then. Transparency International’s 2008 Global Corruption Report also claimed that unchecked levels of corruption would add US \$50 billion to the cost of achieving the Millennium Development Goal targets on water and sanitation. Transparency therefore helps to create an environment in which efforts aimed at fighting poverty are more likely to succeed. CoST has established an Infrastructure Transparency Index, Uganda would start running this index once an Infrastructure Transparency Portal is established.

Who does CoST Uganda report to?

At the national level, CoST Uganda reports are consumed by the Government to inform structural and policy changes. The reports which are scrutinized by the 11 member representatives of the sectors are validated by line Procurement Entities before publication. CoST Assurance and disclosure reports are directly consumed by the Procurement Entities that participate in specific assurance processes to inform their planning, implementation and delivery of public infrastructure projects, and by the private sector to inform improvements on infrastructure delivery processes. The national programme receives grant funding from the CoST International Board, through the International Secretariat, and submits quarterly progress financial and narrative reports to the International Secretariat. To some extent, CoST reports are consumed by oversight bodies to inform their monitoring and oversight function. CoST is championed by the Ministry of Works and Transport and therefore submits its reports to the Ministry as the lead sector agency.

Under what Policy does CoST Uganda operate? CoST Uganda is a loose coalition that operates under an understanding of loose coalitions in Uganda. Being invited by the Government to promote transparency and accountability in public infrastructure, and having a Multi-Stakeholder working arrangement that brings the Government, industry and civil society together to dialogue and build trust amongst each other. The right of citizens and other stakeholders to engage in matters of national development and service delivery as enshrined in the National Objectives and Directive Principles of State Policy under sections. The coalition is pending Cabinet’s decision on the rightful legal framework it should take; however, the MSG has made guidance on possibility to legalize the initiative as Charity Foundation under the Trustees Act 1954.

CoST is contributing to the National objectives as a Loose coalition awaiting approval by cabinet on the form it should take to incorporate its interventions in Uganda. The Initiative having been invited by Government, cannot take the form of an NGO or Private sector, or Government agency

to avoid any conflict of interest that may arise from its affiliation in the country. A cabinet memo is tabled to the Minister of Works and Transport the Champion and awaiting tabling to Cabinet for guidance by end of December 2019.