

IAG Chairman's visit to pilot countries: Malawi, Tanzania, Zambia

1 – 9 December 2008

Together with Mr. Charles Kenny, World Bank, I visited the above three pilot countries to familiarise myself more fully with the details of the CoST initiative and to assess the actual state of its implementation. I would like to record my thanks and appreciation to all officials met in the three countries for their hospitality and guidance in making my visits as productive as possible.

There is much enthusiasm and support for the CoST initiative. In all three countries, CoST "champions" and "lead agencies" have been appointed and their commitment to making CoST a reality is strong. There is no doubt that CoST, if successful, will make an important contribution to transparency and accountability in the construction sector and thus to the fight against corruption. CoST is seen as complementary to already existing anti-corruption initiatives and, as such, it is not anticipated that there will be competition or confusion with other similar programs and agencies. Once implementation is underway at a country level, it will be possible to assess more comprehensively the value that CoST adds and any risks of duplication with other programs. The multi-stakeholder approach seems to be well embedded in all three pilot countries. The MSGs have brought together a strong group of interested parties who all share a commitment to make CoST work and who take their responsibility seriously. A CoST secretariat and CoST coordinator are being put into place in all three countries. Overall, therefore, I was very encouraged by the groundwork that has been laid although the state of progress in each country tends to vary as a result of the different dates at which CoST was initiated. Not surprisingly, the current challenge facing CoST in all three countries is the same: to translate this strong commitment into concrete action and results. Despite its relative newness, CoST has already raised expectations. The construction sector - - perhaps more than any other sector -- is perceived as particularly affected by corruption, the effects of which are felt, and frequently observed, by everybody in society. There is therefore a considerable risk of disappointment, if not cynicism, if CoST were not to deliver on its promise quickly, and visibly.

CoST has now been formally launched in two of the three countries (Zambia and Tanzania). Preparatory work has taken more time than initially foreseen and there is a concern on the part of all MSGs that the two-year timeframe envisaged for the pilot phase may be too short. This is an issue that is likely to be raised at the first International Advisory Group (IAG) meeting in January 2009. A longer pilot phase may indeed be needed to fully address the various issues that should be tested and to draw up the lessons of experience that should guide the roll-out of CoST on a larger, more global, scale. Nevertheless, all MSGs appreciate that results, however partial, will need to be generated over the next 6-12 months if momentum is not to be lost. There is also an appreciation that an eventual extension of the pilot phase will be easier to justify if demonstrable progress is made. It will thus be a key challenge to capture such progress whilst recognising that the outcomes and impact of CoST are unlikely to become apparent for some time.

The first order of business is to finalise the workplans. Tanzania has a workplan and budget for 2009; Zambia will finalise its plan and budget in the coming days; and Malawi is hopeful to

bring a draft workplan and budget to the IAG meeting in Manila at the end of January 2009. For all three countries, the next steps are the setting up of a monitoring and evaluation system including the definition of benchmarks, the creation of a base line, and the establishment of assurance teams. Thereafter the countries will need to move to clarification of project criteria, the identification of projects, and their eventual evaluation. All three pilot countries are looking forward to the visit of the M&E consultants to assist in this process. During my visit, the issue of access to CoST-relevant information was brought up. In all three countries, much construction-related data is currently being collected by Ministries of Public Works, National Construction Councils and Procurement Agencies. But there remain doubts whether such information would be sufficient for CoST to function effectively and, in particular, whether such information could be publicly disclosed. In relation to this issue, Charles Kenny suggested that the pilot countries take part in a "trial" information collection exercise, initiated and supported by the international secretariat, to assess and understand the full range of challenges of collecting CoST information. Both Tanzania and Zambia indicated an interest in participating in this exercise but requested to see its terms of reference beforehand.

Whereas the Multi-Stakeholder Groups in all three countries are well established and working effectively, there seems to be room for greater diversity in their composition. In Malawi and Zambia, civil society is somewhat under-represented, and in Malawi the MSG does not include any representative of the private sector. On a separate but related issue, representatives of the UK Department for International Development (DFID) and the World Bank are members of the MSG in Malawi but they are not represented on the MSG in Zambia or Tanzania. Whether or not they should be part of the MSG is of course a country-specific decision. However, in all three countries there appears room to expand collaboration with DFID and the World Bank in the development of CoST. Both institutions could provide valuable technical support and guidance, in particular during the initial stages of CoST. MSGs may consider such close collaboration on a country-by-country basis, when and where appropriate.

A number of the above issues should, as suggested, be taken up at the first IAG meeting in Manila. The assumption is that these issues are not unique and that other pilot countries are facing similar questions. The IAG should provide a forum for the exchange of lessons and experiences. In particular, there should be an opportunity for some of the countries with a later starting date to benefit from the experience of the countries that initiated their pilot phase at an earlier stage.

I am looking forward to meet again with the IAG members of Malawi, Tanzania and Zambia in Manila at the end of January, together with the IAG members of the other four pilot countries, to continue our discussions of these and other issues. An agenda for the meeting will be circulated in advance and comments from all CoST stakeholders will be welcome.