CASE STUDY 4

PUBLIC INFRASTRUCTURE

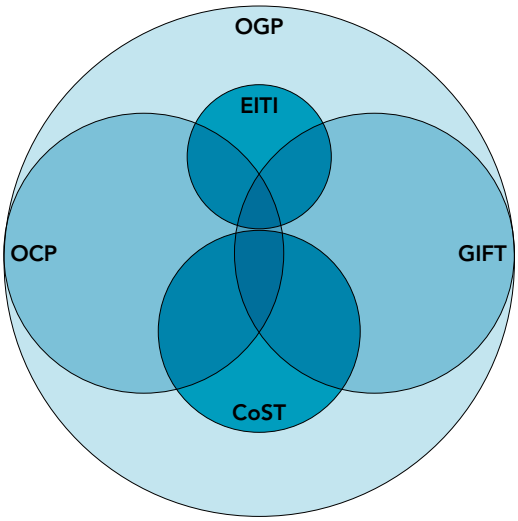
Accountability in Infrastructure: The CoST Approach (Thailand, Ukraine, Honduras)

The Infrastructure Transparency Initiative (CoST) is the leading global initiative working to improve transparency and accountability in public infrastructure. By promoting accountability in the governance, planning and delivery of infrastructure, the CoST initiative seeks to improve both the quality and value for money of public infrastructure investments. In doing so, it also aims to reduce risks for investors and create a more level playing field for the private sector.[22]

When it was launched as a pilot project in 2008,[23] the CoST initiative was one among a growing number of public sector accountability initiatives based on multi-stakeholder approaches. The CoST initiative builds on the experience of earlier initiatives (see for example a comparison with Integrity Pacts in Box. 2.1) and leverages the technical and policy contributions and the international convening roles of accountability platforms, such as the Open Government

FIGURE 2.1 Core Elements of the CoST Approach

FIGURE 2.2 CoST Goals Benefit from Synergies with other Multi-Stakeholder Initiatives



Partnership, the Open Contracting Partnership, the Extractive Industries Transparency Initiative and the Global Initiative for Fiscal Transparency.[24] CoST has benefited from a convergence of some of the goals shared by these platforms (see Figure 2.2), and contributes to enhancing public accountability in ways that are complementary to these platforms. CoST also contributes to accountability goals in a range of areas, including in public procurement, public investment programming, and strengthened audit capacity. While the effectiveness of multi-stakeholder initiatives in confronting corruption is (as yet) hard to

BOX 2.2

The Evolution of Multi-Stakeholder Approaches to Accountability in Infrastructure

The Infrastructure Transparency Initiative (CoST) leverages the expansion of digital governance and data to enable a more participatory approach to public accountability in infrastructure than was possible two decades ago when Integrity Pacts were developed. CoST also works in conjunction with other accountability initiatives, like the Open Government Partnership (OGP) and the Open Contracting Partnership (OCP), to leverage the policy commitments made by governments as part of their membership of these platforms, including commitments in the adoption of open data standards. The expansion of digital government (GovTech) and open contracting data has been particularly useful in creating a more enabling environment for multi-stakeholder approaches to take effect.

Integrity Pacts were pioneered by Transparency International in the 1990s. Key differences (in the table below) between Integrity Pacts and the CoST approach illustrate how much accountability structures and opportunities for multi-stakeholder working have evolved in the last two decades.

Comparison of Integrity Pacts and the CoST approach

Integrity Pacts	CoST approach
• Emphasis on the prevention and detection of corrupt practices in public contracts • Targeted to individual contracts • Principle-based (a voluntary ethical commitment) • Two-party commitment (public sector agency/ contractor) • Oversight by third parties (civil society) • Deterrent effect depends on credible consequences from oversight authorities	• Emphasis on quality and value for money, and the responsiveness of infrastructure investments to public interest and needs • Applied to projects or sectors (multiple contracts across project lifecycle) • Accountability-driven (through mandatory data disclosure, and the validation of data from a sample of projects) • Multi-stakeholder commitment to meeting and working collaboratively (public sector agency / private sector associations / civil society organizations) but typically government-driven • Oversight by all stakeholders; data validation by industry experts • Publication of validation reports for review by policy makers (interactive data tools also supported)

establish or measure,[25] the CoST approach represents a significant advance in applying multi-stakeholder working methods to strengthen governance in the infrastructure sector through improved transparency, stakeholder engagement and accountability (see Box 2.2). The growth in demand for CoST programming has taken time to mature. After ten years of incremental growth in the number of CoST national and sub-national programs and tools, evidence of positive impacts is now established. The country examples below describe the impacts and experiences of each country in achieving success as well as the constraints in different governance settings.[26]

This case study will explain the elements of the CoST approach and will describe the experience and results achieved in three country examples: Thailand, Ukraine and Honduras. Through country examples, this case study will explore the reform paths, constraints and results achieved in infrastructure transparency in different environments and will also review CoST's contributions to global tools and standards and how these are playing a role in reform at the national and sub-national levels.

BOX 2.3

The Role of the CoST Secretariat

The CoST Secretariat provides technical support to CoST members to set up and sustain these elements and develops technical and policy tools drawn from research to advance infrastructure transparency at the national and sub-national levels, and among international policymaking bodies. To become a CoST member, a national or sub-national authority submits an application to join to the CoST Secretariat. The merit of an application is evaluated on the basis of its commitment to CoST core principles, willingness to publicly announce CoST membership and commitments, and a concrete, detailed and budgeted implementation plan. The CoST Board makes the final decision on the approval of applications. The CoST Secretariat provides funding to support CoST programs.[27] Non-compliant CoST members or members who are persistently unable to implement the core elements of the CoST approach lose their membership status.[28]

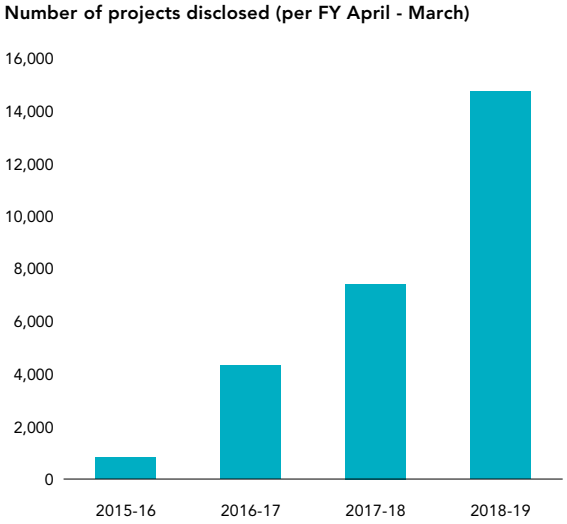
The CoST approach has four core elements as shown in Fig. 2.1 and described below:

» ***Multi-stakeholder working:*** The starting point for a CoST program is the formation of a multi-stakeholder working group (MSG), which comprises representatives from government, private sector, academic experts, and civil society. The MSG is formed at the behest of the CoST host agency (usually an infrastructure ministry, but sometimes the Ministry of Finance, or a sub-national infrastructure sector authority.) The role of the MSG is to oversee, set the strategy, and guide the implementation of the CoST program in the country (or in a mega-project, or sub-national territory) through regular meetings and collective decision-making. This approach to stakeholder engagement seeks to promote meaningful participation by civil society organizations and private sector associations by ensuring they have a seat at the table and a voice in structured procedures and decision-making.[29] One key responsibility of the MSG is to approve the members of the assurance team, which needs to include industry experts who are independent from government. The fact that civil society and the private sector have a seat in the MSG helps to guarantee this independence and gives legitimacy to the process. Effective multi-stakeholder working therefore requires that participating authorities enable officials to invest the time needed to participate and follow up on the activities of the MSG.

- **Key benefits of the CoST MSG approach**: Clarity about the composition and procedures of MSGs is key to the success of this approach, as it reduces discretion and opportunities for powerful interests or actors to limit the participation of others or to unduly influence decision-making.

- **Key challenges to implementing the MSG approach**: Ensuring that the right actors are participating can be a challenge in practice. Alterations in the power and influence of a host agency or the leadership of a key stakeholder group can alter the political economy of an MSG. Honest brokering by influential members of an MSG and CoST national or sub-national teams can become essential to the success of the process.

FIGURE 2.3 Increase in Number of Projects fulfilling CoST Data Disclosure Requirements (2015-2019)



» ***Disclosure:*** Disclosure of infrastructure project data is based on the CoST Infrastructure Data Standard (OC4IDS)[30] (see Box 2.4). CoST programs require data disclosure in line with the OC4IDS and advocate for the adoption of a legal mandate (act or decree) to remove legal barriers to disclosure. A CoST program also builds the capacity of the responsible authorities to fulfill disclosure commitments.[31] The OC4IDS is also applicable to infrastructure projects under public-private partnerships (PPPs).

- **Key benefits of the CoST disclosure approach:** Although not all CoST members have the capacity to fully implement the OC4IDS, the CoST secretariat supports authorities in forging a path towards sustainable implementation. This may involve engagement with the relevant e-GP authority or support to a line ministry in establishing an infrastructure data portal (or both), as the country examples below will show. Data standardization and publication in user friendly graphics and maps creates a powerful tool for implementers and policy makers to identify and mitigate risks and track infrastructure expenditures and results.

- **Key challenges to implementing disclosure**: The adoption of a legal requirement for disclosure does not automatically lead to full compliance with

BOX 2.4

The Open Contracting for Infrastructure Data Standard (OC4IDS)

A defining feature of the Open Contracting for Infrastructure Data Standard (OC4IDS) is that it combines data on *projects* with *contract-level* data across the lifecycle of large and complex public infrastructure projects. Currently this type and range of data is rarely collected systematically and publicly outside of a CoST program. CoST support to the implementation of the data standard provides a resource for governments to track expenditures and monitor results on public infrastructure investments. When published in user friendly formats and visualizations, the data also enables implementers and policy makers to compare the cost and efficiency of projects across sectors and regions. From an integrity standpoint, data disclosure supports accountability in project planning and implementation. The data standard enables the tracking of contract modifications (a common point of vulnerability for corruption) and reduces the discretion that can otherwise help conceal unwarranted cost overruns or substandard delivery.

The OC4IDS includes **40 data points** that must be proactively disclosed (published). These cover:

- **Project data:** 20 data points related to the identification, preparation and the completion phases of projects (for e.g. project id, implementer, location, funding source(s), budget, approval date, completion cost, reasons for change to cost or scope).
- **Contract data:** 20 data points related to the procurement and implementation phases of contracts, including any variations in contract price, duration and scope. Explanations for variations are also required.

There are also **26 data categories** that need to be made available upon request: for example (at the project level) project briefs and feasibility studies, environmental and social impact assessments, technical and financial audit reports; and (at the contract level) tender documents, registration and ownership of firms, quality assurance reports, disbursement records and contract amendments.

A full list of the fields covered by the OC4IDS and a toolkit for implementers can be found here: http://infrastructuretransparency.org/resource/oc4ids-a-new-standard-for-infrastructure-transparency/

the OC4IDS. Ensuring implementation through policy and practice can require sustained support and/or pressure from stakeholder groups.

» ***Assurance:*** Assurance is an expert driven approach to verify that disclosed data is accurate and complete (and ultimately also in compliance with the OC4IDS). Assurance teams also check for examples of good practice in sample projects and for issues or red flags and make recommendations for addressing them. Assurance reports are published in a non-technical format intended for a general audience. Assurance teams report to the MSG, which is expected to follow up on issues raised and encourage the replication of good practices. Assurance is undertaken on a sample of projects that are selected by the MSG to be representative of the range of infrastructure projects in a given context. The assurance team reviews the data disclosed, can request additional data, and undertakes site visits to selected infrastructure projects from among the sample. The assurance process helps identify issues that need addressing at the project level or by policy makers (such as construction quality issues, poor contract management, deficiencies in project preparation, tender and contract award irregularities, and safety issues). The assurance team avoids duplicating the responsibilities of others, including, for example, those of the supervising engineer in relation to quality. Observations from visual inspections are

noted so that any issues can be brought to the attention of those responsible.[32]

- **Key benefits of the CoST assurance approach**: The highly technical and complex nature of infrastructure projects means that public monitoring or citizen audits and other non-expert accountability mechanisms will not be capable of identifying all issues or irregularities. The CoST approach is therefore built around validation of the data by *assurance teams,* who are contracted to undertake the validation for a sample of projects. Participation by some of these industry experts (often academic engineers) in the MSGs ensures expert participation in all discussions. A key benefit of the CoST assurance process is prevention, since any project could potentially be selected to undergo assurance.

- **Key challenges in implementing the assurance approach**: Validating the accuracy of infrastructure project data requires the paid participation of expert assurance teams. This is sometimes perceived as more burdensome than 'citizen audit' approaches, as it relies on the identification and availability of experts who are independent from government or other vested interests. The selection of sample projects for validation could be vulnerable to manipulation, and the publication of assurance reports is not a guarantee that appropriate remedial action will be taken, sometimes requiring advocacy and follow-up.

» ***Social accountability:*** The CoST approach activates informal (horizontal) accountability mechanisms by supporting the structured participation of civil society representatives in MSGs, public access to information about infrastructure projects, and community engagement at the local level. Social accountability helps to exert pressure on official (vertical) accountability mechanisms to ensure that transparency and participation lead to better decision-making and improved outcomes. Key stakeholders in the social accountability process include communities who are affected by, or are the intended beneficiaries of infrastructure projects, media, policy makers and politicians, and organized civil society groups. The development of infrastructure data portals is showing great promise as a tool for public accountability as well as for official tracking of infrastructure projects (Honduras and Ukraine are good examples). CoST programs are also adapting to local preferences regarding public access to information (in Ethiopia the preferred medium for sharing CoST program information is via the radio, based on a finding that 80 percent of Ethiopians access information primarily via the radio and only 2 percent via the internet).[33] CoST is also supporting social participation in monitoring infrastructure projects by sponsoring CoST investigative journalism awards (Uganda, Honduras and Malawi); giving free SMS notifications about infrastructure project issues to local radio stations in Malawi and conducting live Q&As on the radio with government and civil society representatives; and by providing a Transparency Monitoring Tool (which can be used by citizens or contractors and consultants) to guide site visits and help in asking the right questions. Community meetings in Uganda and Thailand are also providing new avenues for raising issues to be acted on by the procuring authorities.

- **Key benefits of the CoST social accountability approach:** Advances in digital governance and open data have demonstrated that transparency (access to information) alone does not necessarily lead to better policies or decision-making. Sustained attention by multiple stakeholders to decision-making and results in a given sector and the interpretation of published information are also necessary. CoST country programs support all of these accountability measures. In particular, CoST programs are playing a vital role in building capacity and training civil society actors in how to use data to hold governments to account. In many contexts, CoST is the only program engaged in this kind of stakeholder capacity building, thereby closing the link between data disclosure and accountability.

- **Key challenges to implementing the CoST social accountability approach**: While assurance reports are written for non-expert audiences, holding policy makers to account for necessary reforms or improvements often requires additional interventions by *infomediaries* (civil society or media groups able to interpret data and extract their policy relevance and social implications). This may involve support to or engagement with local community groups in addition to the more structured support to the core CoST features.

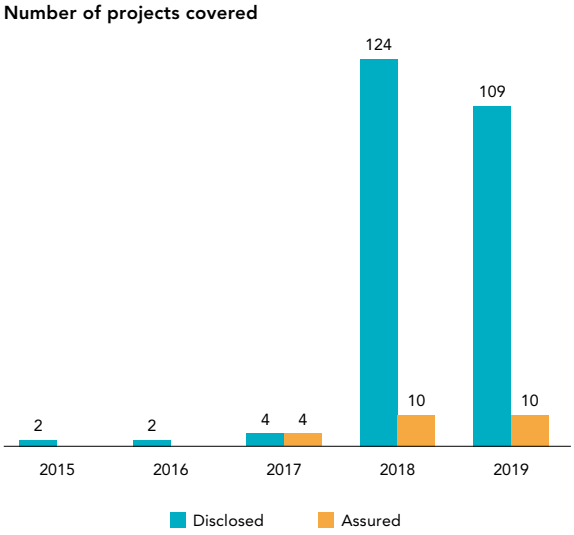
Thailand: Evolution of Multi-Stakeholder Working

Ministry of Finance takes the lead in multi-stakeholder working

Thailand's engagement with the CoST initiative was initially driven by civil society. The Anti-Corruption Organization of Thailand (ACT)[34] submitted a letter of engagement to the CoST Secretariat in 2014. The CoST Board approved Thailand's membership following a scoping visit by the International Secretariat to determine the viability and potential sustainability of a CoST program in Thailand. This would depend on the willingness of a government agency to 'host' a Multi-Stakeholder Group. Thailand's Ministry of Finance took the lead and facilitated the involvement of other agencies, including naming the State Enterprise Policy Office (SEPO) as host of the CoST Program.[35] The Multi-Stakeholder Group (MSG) was established only a few months later in early 2015, which was in part attributed to Thailand's prior experience with Transparency International's Integrity Pacts, and the CoST Program was launched as a pilot with purview over a single megaproject.[36] The CoST Program has evolved since then: the number of projects for which data has been disclosed has increased (see Figure 2.4), with 10 projects undergoing assurance (in transport, aviation and flood mitigation, at the national and sub-national levels).

Leadership of the MSG process has also evolved since the CoST program was launched, with a more central role now played by the Ministry of Finance. To enable CoST disclosure to be extended to a larger number of projects, the Cabinet approved a new operational framework for the CoST program in 2017, naming the Permanent Secretary of the Ministry of Finance as Chair of the MSG. The two Vice Chair positions were assigned to oversight bodies: the Director General of the Comptroller General's Department (CGD)—a government entity and the Chairman of the Anti-Corruption Organization of Thailand (ACT)—an NGO. Under this revised framework, the CoST approach was mandated to apply to infrastructure projects valued at over THB5 million (USD150,000) or that are deemed to have significant public impact. The leadership role taken by the Ministry of Finance in Thailand suggests that infrastructure accountability and value for money are regarded as a public expenditure priority and not only a sector-level integrity related issue.

FIGURE 2.4 Disclosure and Assurance of Infrastructure Projects in Thailand



A strong legal framework for accountability but SOEs remain a blind spot

Thailand has had a strong legal framework for accountability in place for a number of years, with at least eight laws and regulations focused on transparency and access to information.[37] This provided a strong starting point for the CoST program. A fairly large proportion (62.5% (25 out of 40)) of the transparency requirements under a CoST program are already mandated by law. Given the role played by Thailand's 56 SOEs in completing the government's ambitious infrastructure plans (valued at 33 percent of Thailand's 2015 GDP), data disclosure and accountability will be particularly important in supporting value for money in infrastructure investments. CoST Thailand therefore has an active role to play in helping to expand existing transparency requirements to align with CoST best practices and to include additional data points relevant to infrastructure accountability in the local context (including for instance on road safety statistics).

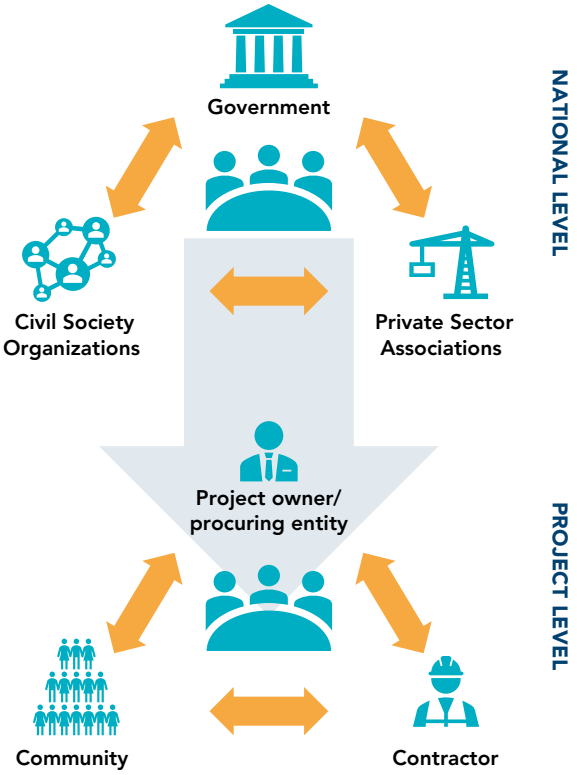
Multi-stakeholder working at the national and project level

An innovative aspect of the CoST program in Thailand concerns the use of community engagement at the project level. Community engagement was initially

proposed by the national MSG in 2018, with a view to enabling engagement through the CoST assurance process. Since then, public meetings have been organized at the project level, bringing together representatives of the project owner/procuring entity, the contractor, and the local community to discuss concerns, mirroring the multi-stakeholder working at the national or institutional level (see Figure 2.5).[38]

Key to the success of this approach has been the role of the assurance team as mediator and validator of issues or concerns, which are then addressed by the project and raised in assurance reports. This enables a possible response in 'real time' to issues raised by the community. The work at project level is complemented by 'community surveys' that help to capture local concerns and identify potential red flags. The surveys are used to inform discussions in the public forums. In some cases, public forum discussions and assurance team site visits are filmed and uploaded to CoST Thailand's Facebook page.[39]

FIGURE 2.5 Multi-Stakeholder Working at the Project Level



Making the case for the economic impacts of accountability mechanisms: Evidence of efficiency gains in infrastructure projects in Thailand

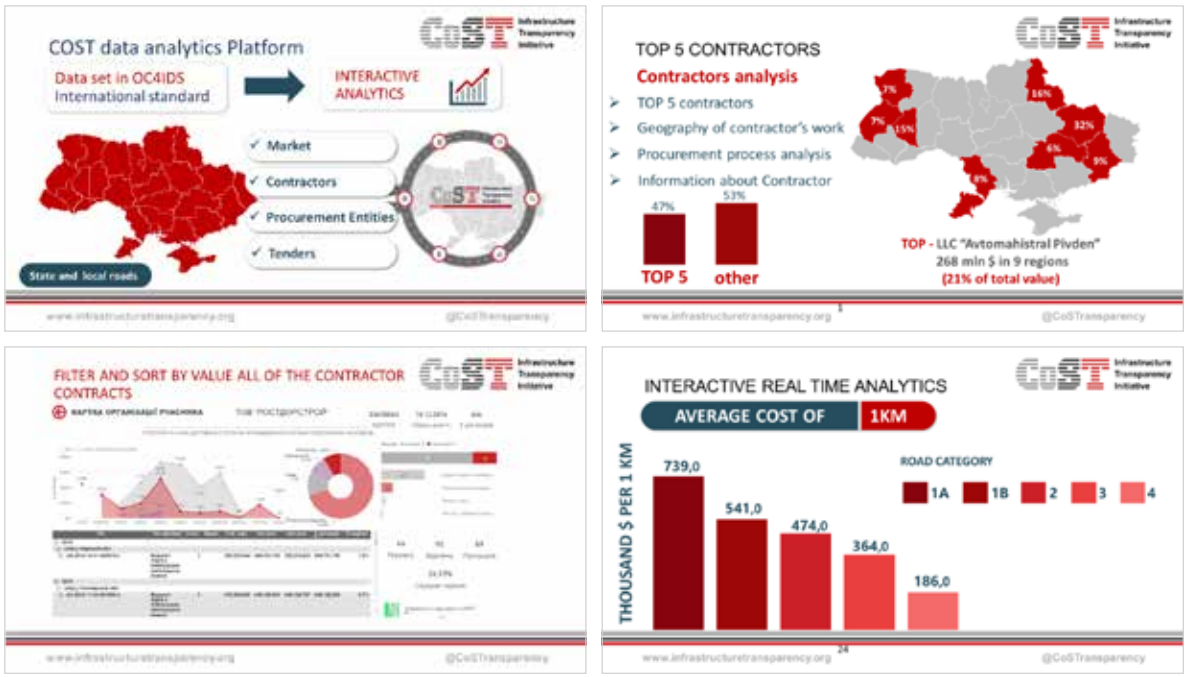
Positive developments have been linked by the CGD and ACT to the combined effects of the CoST program and Thailand's use of Integrity Pacts. The CGD has reported efficiency gains in budget utilization in infrastructure projects since the CoST program began in 2015 in the amount of roughly THB11.5 billion, equivalent to USD360 million.[40] According to the CGD, the higher levels of transparency and greater scrutiny have led to government officials reducing project budgets, to which firms have reacted with lower bid prices.

Ukraine: Strong institutional foundations support actionable data disclosure in the roads sector

Ukraine stands out as a strongly performing CoST member despite the challenging political, social and economic context, including challenges associated with corruption. The need for greater transparency and accountability in the roads sector was an urgent development priority when the CoST program was launched. A scoping study commissioned by CoST and published in 2015 found that up to 50% of the road sector's budget was lost through unscrupulous financial management. Prior to that, in 2012, the State Financial inspection had found that the state lost the equivalent of USD9.2 million from corrupt practices in the roads sector. In 2017, then President Petro Poroshenko stated that, thanks to CoST and a range of road sector reforms, the authorities were now able to build more with €30 billion than they had previously been able to do with €50 billion.[41]

A commitment to join CoST was made by the State Road Agency of Ukraine (Ukravtodor, UAD) in 2013. Since then, the Ministry of Infrastructure (MOI) has played a key leadership role in establishing the program. An MOU between the CoST Secretariat, the MOI, Ukravtodor and TI Ukraine established these as the host organization for the MSG from 2016-2019. Relations between the CoST Ukraine office and the

FIGURE 2.6 Making Infrastructure Data Useful for Planners, Implementers and Policy Makers



government remain strong. A new MOU was signed with the incoming government in 2019. Before that, an MOU was also signed with the Kyiv City State Administration, 10 regional state administrations (oblasts), and 3 additional regional-level cities (Lviv, Chernivtsy, and Khmelnitskiy), making Ukraine one of the few member countries where the initiative is implemented both at national and local government levels. The endurance of the CoST program through a significant government transition is a sign of strength and of non-partisan support for the program.

A key driver of early engagement with CoST in Ukraine was the role played by the World Bank as convener and facilitator in the initial stages, bringing together key stakeholders from government, private sector and civil society to meet with the CoST Secretariat to learn about the initiative. This collaboration continued with the Bank supporting training of more than 30 government bodies in data disclosure in 2016. The Bank has played this facilitator role in a number of CoST countries based on a shared commitment to transparency and accountability for Bank-financed projects, domestically financed projects and public-private partnerships.

The infrastructure data journey in Ukraine: from data disclosure to actionable findings

Ukraine has transitioned from a largely paper-based system to one that is fully aligned with the Open Contracting and Open Data standards. Against this backdrop, CoST Ukraine developed an online disclosure platform which was enhanced in 2019 with an analytics dashboard. The platform, which was recently handed over to the Ministry of Public Works, automatically imports 40 percent of its data from the e-GP portal (ProZorro) and the rest is populated by the procuring entities responsible for the projects covered (currently more than 7,000 projects). The sixth CoST assurance report for Ukraine shows that the country is on the cusp of full compliance with the Open Contracting for Infrastructure Data Standard (OC4IDS). The quantity of projects for which data is now disclosed means that analyzing trends in the data is becoming more useful for planners, implementers, and policy makers (see Figure 2.6).

The data platform enables the following views:

- Detailed analysis of contractors in infrastructure

projects (which has been useful in overcoming previous issues with contracts being awarded to firms with links to high-ranking public officials);

- Disclosure, analysis, and comparisons of project data across different regions (Oblasts), for example to assess comparative project performance in terms of price and cost overruns;
- Analysis on the average cost per km of road according to different categories of road and terrain; and
- General statistics on procurement in the road sector (price changes, number of bidders, outlier contracts in terms of cost modifications etc.).

Advanced tools for data disclosure are an important element of the progress Ukraine has made on assurance (validation of data). While it took some time for assurance processes to get underway (the first assurance report in Ukraine was published only in November 2016), by the end of 2019 Ukraine had published its sixth report. The reports, which included key findings and recommendations, generated a lot of attention and were endorsed by the President of the Republic, the Minister of Infrastructure, and the Mayor of Kyiv.

Key findings included:

- Lack of competition in the market
- Lack of justification for funding distribution
- Poor quality works
- Pricing discrepancies
- Lack of quality in medium-term planning and a complete lack of strategic planning
- Lack of data on the condition of roads and, accordingly, incorrect choices regarding repairs
- Management problems in the implementation of donor-funded projects, and incorrect use of FIDIC standards (FIDIC: International Federation of Consulting Engineers)
- Lack of independent quality control

Importantly, the latest assurance report also found that the Road Agency of Kyiv City State (Kyivavtodor) had implemented the recommendations of the assurance team, for example by creating a new department to improve quality assurance and verification of project documentation. The report also presented new recommendations concerning:

- Data gaps on the environmental impact of the projects
- A low level of public participation and consultation
- Missing information on the expected level of noise pollution
- Limited risk mitigation, leading to increased construction outside of the project design and a time overrun of five months

The CoST program in Ukraine has also had successes in leveraging social accountability by building the capacity of local civil society groups to monitor road sector management and public spending on construction and repairs. This involved a USAID-funded program to build the capacity of 204 local officials representing 9 regional state administrations and 15 local communities to disclose data in line with the OC4IDS, and train a network of civic monitors (69 activists and 7 CSOs from 6 regions of Ukraine) in how to monitor road construction works and public spending on roads, how to appeal to local governments about road quality, and how to use citizen complaint mechanisms. The program also developed educational toolkits for governments and civil society.

With the advanced use of open and independently reviewed data in Ukraine, a logical further step would be to generate data-driven analysis on efficiency and cost savings. In Ukraine this type of analysis should be possible for the roads sector as data has now been produced consistently over a number of years. Extending the CoST approach beyond the roads sector to other kinds of infrastructure projects would also be beneficial (a power sector project was covered under the fifth assurance report).

Honduras: International support meets local leadership ensuring reforms take root

The results achieved by CoST in Honduras are the product of two elements: government leadership in support of the CoST approach and the government's collaboration with international financial organizations and international good governance initiatives. The genesis of the CoST country program in Honduras in 2014 was linked to a World Bank-financed roads infrastructure project with a strong focus on governance. The project, implemented by the Ministry of Infrastructure and Public Services, created an opportunity and provided the necessary resources to introduce CoST in the country and provide it with a strong institutional footing from the start.

Political support for the CoST approach, headed by the President and with strong backing from the Minister of Infrastructure and Public Services, among others, was a key factor. Most importantly, the sustained leadership of a government champion (initially advisor to the President and later Minister of Transparency) who took on this initiative as his top priority, giving it visibility at national and international levels, made it possible to deliver results in a relatively short time. Honduras positioned itself as an example to follow. The appointment of Honduras's government champion to the CoST International Board helped draw attention in other CoST country programs to the important role of political leadership in introducing transparency and accountability mechanisms in infrastructure governance.[42]

Another important feature of the CoST experience in Honduras was the combined leadership in setting up the national multi-stakeholder forum (comprising representatives of government, the private sector and civil society). This leadership, which involved a key sector ministry (Infrastructure) and a government accountability champion, helped to establish trust among the participants. The fairly rapid implementation of data disclosure, which created opportunities for active monitoring of projects and public discussion of results, helped to keep the trust alive, despite the challenging governance conditions in the country.

Data disclosure creates a path to social accountability

The experience of the CoST program in Honduras is noteworthy for its success in implementing the social accountability elements of the CoST framework in addition to the multi-stakeholder working, disclosure, and assurance elements. This was largely due to the emphasis given in the early stages of the program both to the disclosure of infrastructure project data but also to building the capacity of civil society to use data and monitor projects through a structured process with a clear strategy.

Honduras was the first CoST member country to develop an electronic platform for publishing data on public infrastructure projects. Launched in 2015, the "*Sistema de Información y Seguimiento de Obras y Contratos de Supervisión*" (SISOCS: https://sisocs.org)[43] began by publishing data on 13 projects under one procuring entity. This was followed by a Presidential Decree[44] creating the obligation for all infrastructure procuring agencies to publish the 40 data points of the CoST infrastructure data standard (IDS).[45] CoST Honduras has also developed, with support from the World Bank, a sister platform (SISOCS APP), which discloses data on 21 public-private partnerships (PPPs).

Data disclosure alone is not sufficient for social accountability to take effect, however. Expert interpretation and assessment of the data through assurance reports is a key ingredient, particularly for specialized sectors like infrastructure. CoST Honduras has produced at least one assurance report per year (6 assurance reports between 2015 and 2019, covering 71 infrastructure projects, three of them developed under PPP arrangements). These reports have provided an opportunity for evidence-based discussion of the findings of the reports and, importantly, have kept the issue in the public eye.

Training in social audit widens the accountability net beyond sector experts

The CoST assurance process is typically undertaken by technical experts with experience in the sector. This enables detailed oversight of a sample of projects as part of the structured CoST multi-stakeholder group approach. Social audit expands the accountability net beyond sample projects and engages local

communities, who may also be project beneficiaries, in monitoring. The CoST program in Honduras has invested in creating the conditions for citizens and community actors to get involved in the monitoring of infrastructure projects by training them in how to use the information published on the SISOCS platform and in other sources, and to engage with the project owners and contractors to hold them accountable for project results. CoST Honduras has trained more than 600 'social auditors' since 2017, including students, teachers, and university professionals, as well as journalists who are key users of the SISOCS data and of the assurance reports.

In 2017 CoST Honduras set up the Social Audit for Infrastructure School *(Escuela de Auditoría Social en Infraestructura)*, aimed at building the capacity of local community members who are part of the Municipal Transparency Commissions (created by Law) and giving them the skills to undertake social audits of publicly funded public infrastructure projects in their territories. Community members use this training to (i) engage with local authorities, project owners, government contractors and supervising engineers to verify whether the infrastructure projects are properly advancing and being delivered as agreed, and (ii) produce their own reports with findings and recommendations to hold the project owners accountable for the results. CoST Honduras has signed agreements to train members of Transparency Commissions from 250 of the 298 municipalities in Honduras. To date 105 community members have graduated from the school and have produced social audit reports on 21 infrastructure projects.

Members of Municipal Transparency Commissions undertaking social audit of the Siguatepeque road maintenance project, in Jesús de Otoro La Esperanza Intibucá[46]

Institutional reform and project modifications provide some signs of impact

Progress in infrastructure governance is difficult to measure, and the impacts of accountability measures may be uncertain, but some of the results achieved by CoST Honduras are undoubtedly significant. The CoST country program has helped usher in a complete overhaul of the old road maintenance agency (Fondo Vial) and the creation of a new Directorate operating under a new agency (Invest-H), where principles of transparency have been applied and have demonstrated increased efficiency and better value for money in operations compared to its predecessor. The CoST approach has also enabled the identification of projects for which data was not being properly disclosed, which helped the new administration look more closely and take corrective measures to ensure that contractors complied with the contract. In some cases, this resulted in the cancellation of the contract.

Another example of impact is a CoST assurance report focused on PPP infrastructure projects. Honduras was the first CoST country to undertake such a report. As a result of the recommendations from the assurance report, the government initiated a formal review of the country's PPP portfolio, and has started a process of institutional reform to replace the previous institutional framework which had come under much criticism. A new unit is being set in the Treasury supported by an inter-institutional council that will improve governance in the management of PPPs.

Impacts have also been seen in smaller value projects as a result of social audits. In one case, a social audit commission documented violations of the environmental provisions in a road contract. The commission found that the construction company was managing the building materials improperly, causing air pollution that was affecting the community. The report was shared with the supervision engineer and the problem was addressed with the construction company, who adjusted its operating procedures to comply with the agreed environmental standards.

Significant steps are still needed for meaningful and sustainable reform

Despite the progress made in publishing data and promoting its use to highlight issues and results in

infrastructure projects, important limitations still need to be overcome for these efforts to be sustainable and achieve long-lasting results in the sector. In terms of access to data on government projects, there is no reliable way for CoST Honduras to verify whether the digital platform (SISOCS) is publishing all of the infrastructure projects of the nine infrastructure procuring agencies currently publishing data. There is as yet no easy way of cross-checking infrastructure project data with public procurement data (published by Honducompras, the government e-GP system), SIAFI (the public financial management system), or with SNIPH (the public investment system), which is not accessible to the public.[47] In addition, other government agencies who procure and manage infrastructure projects are not publishing data in SISOCS, though the Presidential Decree mandates the publication of IDS data for all institutions who contract public works or supervision services.[48] Among those are large urban municipalities, including Tegucigalpa and San Pedro Sula, that undertake significant infrastructure projects.

Another big challenge is to create the mechanisms for actively following up on the recommendations produced by the assurance process and reports, and by the social audits, so that there is evidence of any measures taken by the project owners based on those recommendations. Monitoring and evaluation would help ensure that CoST is "closing the loop" to achieve its intended impact on the performance of infrastructure projects. This would also create an opening for policy adjustments or legal reforms where necessary, to address systemic issues or constraints detected by the different CoST monitoring mechanisms.

Conclusion

The examples of CoST member programs above demonstrate some of the impacts that have been achieved, using the CoST approach to strengthening transparency and accountability in the governance of infrastructure projects in a sample of country contexts. The core elements of the CoST approach—multi-stakeholder working, disclosure, assurance, and social accountability—provide the necessary framework for achieving results. What the above examples show, however, is that the path and sequence of reform may be very different in each context and may depend on a unique set of factors for progress to be achieved. In Thailand, for example, the leadership exerted at the center of government by the Ministry of Finance, and the formal inclusion of governmental and non-governmental accountability institutions were instrumental in establishing effective multi-stakeholder working. In Ukraine, a leadership role played by sector agencies, combined with investments in data-driven visualizations, has helped ensure that the assurance process captures public attention and provides actionable information. In Honduras, leadership from the top and investments in social audit capabilities have been key drivers of accountability. These country examples are not intended as a blueprint for reform but as illustrative guides of how the core elements of the CoST approach can be leveraged for results. The complementary roles played by CoST and other accountability platforms are also an important factor to keep in mind, as these platforms provide different entry points and opportunities for reform. The country examples in this chapter illustrate that significant hurdles and gaps in implementation are to be expected and that the reform path is of necessity incremental.