Short WORKSHOP REPORT FORM

Number and title of workshop: Construction Sector Transparency – Can you get what you pay for?

Coordinator: Petter Matthews

Date and time of workshop: 3.00 pm, 11 November 2010

Moderator (Christiaan Poortman, Chairman, CoST International Advisory Group):

Rapporteur (Petter Matthews, CoST International Secretariat):

Panellists

Professor George Ofori, Vice Chairman CoST International Advisory Group
Professor Richard Calland, Independent Advisor to CoST
Vincent Lazatin Chairman of CoST Philippines Multistakeholder Group (MSG)
Bill Paterson, Independent Advisor to CoST.

Main Issues Covered

Mismanagement, inefficiency and corruption typically accounts for 10-30 per cent of a construction project's total cost.

CoST is a multistakeholder initiative aimed at improving transparency and accountability in the global construction industry. It is being piloted in 7 countries; Malawi, Zambia, Ethiopia, Tanzania, Vietnam, Philippines and UK.

CoST principles and the approaches developed are relevant to low, middle and high income countries.

Multistakeholder working has many benefits, but we should not lose sight of the weaknesses. The process can for example become overly technical and dominated by elites. Ensuring legitimate representation of the different sectors can be very challenging.

Assurance teams were appointed in each pilot country to ensure that the information published was accurate.

The Philippines has access to information provision in its constitution, but access has been poor in practice. It also has a number of other transparency initiatives and it was necessary to ensure that CoST was aligned with those initiatives before becoming a pilot country.

Questions are inevitably asked about the capacity of CSOs to monitor the technical aspects of construction. There are examples in the Philippines such as the Concerned Citizens of Abra for Good Government and Bantay Lansangan (Roadwatch) that have developed the capacity to effectively monitor road construction.

How does CoST deal with the compliance of participating countries? A future phase of CoST is likely to have a staged approach that will enable countries to work towards CoST

compliance through three stages; preparatory phase, implementing phase and performance phase.

CoST has promoted contact between the different sectors in Zambia. It has become a platform for the interaction of those concerned about improving transparency and accountability in construction.

Construction professionals are involved in multistakeholder groups, but if a project that they are involved in becomes the subject of CoST, they must disclose their interest and will not be involved in making decisions about it or influencing CoST outcomes.

CoST does not impose any delays on project implementation. A CoST project can proceed through the various stages of the project cycle as per its schedule and does not require the 'approval' of CoST at any point.

Main Outcomes

CoST has tended to focus on traditional project approaches. It acknowledges that care must be taken to protect commercially sensitive information.

Consideration should be given to positioning CoST as a complementary, possibly downstream, initiative to support extractive industries revenue transparency.

There is a growing body of knowledge and experience on multistakeholder working. It has been applied in a range of different contexts and is a modality that is transferable. Greater efforts should be made to share knowledge between the various multistakeholder processes and initiatives.

Translating the release of technical information into knowledge that can help citizens act on the issues that matter to them, such as the integrity and safety of public buildings, is challenging. CoST has made a good start, but this issue will need consistent attention in any future phase.

We should be pragmatic when considering the composition of MSGs. It will always be difficult for example to ensure fully representative civil society. There are very few NGOs that specialise in construction and initiatives such as CoST must rely on those organisations who demonstrate a base of support and a willingness to consult broadly with their constituency.

Main Outputs

Dissemination of the CoST pilot project findings.

Building support for expansion of the CoST program.

Recommendations, Follow-up Actions

A future CoST should require that all projects in a particular country or sector disclose information, but it will probably not be realistic to subject all information to an assurance process, as that would be very costly. It may be necessary to 'assure' a sample of projects instead.

The modalities of multistakeholder working will vary between countries. It would be counter-productive to promote a 'one size fits all' approach.

Multistakeholder groups are subject to the possibility of elite capture. Whilst we must remain alert to this possibility, we should also remember that it is an approach that is intended to challenge elite capture of power and influence.

Those involved in CoST are very interested to hear the views of those who are interested in transparency and accountability in the construction sector. Questions and comments can be directed through the CoST International Secretariat at costsecretariat@ukpwc.com

Workshop Highlights (including interesting quotes)

"There is a growing body of knowledge and experience on multistakehloder working. It has been applied in a range of different contexts and is a modality that is transferable." Professor Richard Calland

"CoST does not conduct witch-hunts. It does not make accusations of corruption. It promotes the release of ormation that can be acted on by others should that be necessary." Professor George Ofori

"Trust is the glue that binds the actors in multistakeholder working together." Professor Richard Calland

"Getting the balance right between publishing enough detailed information, without obscuring what is likely to be most relevant to people, is crucial." Bill Patterson

Whilst transparency and accountability are desirable goals, we must ensure that they are a means to the end of promoting development and improving the lives of poor people.