

Terms of reference for the CoST national Multi-stakeholder Group (MSG)

Background

1. The Construction Sector Transparency Initiative (CoST) has been established in order to promote transparency and accountability in publicly-financed infrastructure projects around the world.
2. Multi-stakeholder engagement and deliberation is central to its operational design and structure. This is a model of governance and consensus building that has acquired significant prominence in recent years. CoST itself builds on experience of other multi-stakeholder initiatives that are intended to promote common standards of transparency in other sectors.
3. The modality of CoST provides for the establishment of a Multi-stakeholder Group (MSG) in each country where CoST is established. CoST will bring key stakeholders together to agree new common standards of transparency and accountability for the construction industry in each country.
4. The effectiveness of the MSG is therefore pivotal to the success of CoST. The MSGs must have clear purposes and objectives, an effective composition and structure, and clear decision-making procedures.
5. This document sets out suggested terms of reference for the MSG in each country. While the document acknowledges the need for flexibility and the importance of adapting the MSG to the particular characteristics of each country, it is equally important that a common set of values and principles are applied across the whole of the CoST initiative.

Governing values and principles

6. The purpose of the MSG is to implement the CoST initiative in each pilot country. It must adhere to the overall objectives of the CoST initiative and conduct itself in a manner that is consistent with the values and principles that underpin CoST. The MSG should be aware of the CoST criteria and the CoST principles that govern the initiative.
7. The MSG must itself strive for maximum transparency in the way it goes about its business and reaches decisions. It should promote an inclusive, participatory operational process.
8. An effective multi-stakeholder process will ensure a level of equality between the different sectors represented. These may be unequal in terms of their resources and influence, but

in the MSG they should enjoy equal opportunities to argue their case and reflect the interests of their sector. In particular, civil society should be given an equal status and opportunity in the MSG to that of the private sector and government.

9. In this way, the MSG will have the necessary legitimacy to be a credible forum for deliberation and decision making. Central to this is ensuring that it is properly representative of the major interests concerned. In turn, the individual representatives who participate as members of the Group must enjoy the broad support of the sub-sectors they represent.
10. It is the responsibility of the MSG to try to reach consensus on decisions. See also paragraph 17.

Composition and membership

11. The MSG should invite its membership from:
 - The construction sector and industry associations;
 - Relevant government departments and agencies;
 - Pertinent regulatory bodies; and
 - Civil society.
12. In determining the membership of the MSG, a balance should be found between adequate representation of the main sectors and stakeholders, on the one hand, and the efficient working of the MSG on the other. As a guide, it is suggested that the MSG should comprise at least three representatives from the three main sectors (government, private sector and civil society), and no more than twenty members overall, with approximate parity between the three sectors. If it is necessary to have a much larger number of members, it is strongly recommended that the MSG should appoint an Executive Committee of approximately ten people (again, with parity) to more effectively manage the MSG's work.
13. If one member resigns from the MSG, then he or she should be replaced with a representative from the same stakeholder group.
14. All MSG members must have the support of their MSG colleagues. In the case of dissatisfaction with one of the members, they may only be asked to resign in the event that consensus or sufficient consensus on this can be obtained. The person in question does not participate in this decision making.

Governance and decision-making

15. The MSG should meet at least six times per year.
16. The MSG must elect a chairperson and deputy chairperson. This should happen as soon as possible in the process. Both nominations should have the broad support of all three

sectors represented on the MSG and be prepared to act objectively. Consideration should be given to changing the chairperson, possibly on an annual basis. More on the role of chairperson is seen in paragraphs 37 and 38.

17. The recommended decision-making process is to achieve consensus. If this agreement cannot be reached, then the chairperson should try to reach sufficient consensus. As a guide, if all of the representatives of one of the three main participating sectors (civil society, government and private sector) are in disagreement with the two other sectors, then there is no sufficient consensus. The MSG should agree a voting regime to be used in the event that consensus or sufficient consensus cannot be obtained. In formulating the rule to govern the voting procedure, the three main sectors represented should have approximately equal voting power.
18. The MSG is obliged to report its decisions and progress on CoST to the wider stakeholders in its country. Support on communications will be available from the international secretariat.
19. The MSG should report CoST findings to the appropriate investigating authorities in its country.
20. The MSG is also obliged to report to the international secretariat on its use of funds and progress against the workplan

Core functions of the MSG

21. The specific functions of each MSG must be determined by the MSG during its initial meetings and related to the specific objectives of CoST initiative in that country, as well as the workplan. However, there are a number of core functions that each MSG must perform which are outlined here.

A. Strategic agenda-setting & leadership

22. The MSG must discuss and reach consensus about the strategic agenda of the CoST initiative in its country. In particular, the MSG must define the type and category of information that the CoST initiative will require to be disclosed by the key actors in the industry. It must provide answers to the following key questions:
 - What specific problems is CoST seeking to address?
 - What are the challenges to accountability?
 - What standards of transparency should be set to address the problem?
 - What precisely should be disclosed, when, how and to whom?
 - How will disclosed information be assured?
23. The MSG must lead the CoST initiative in-country by making policy decisions about the direction and points of emphasis for the work that is undertaken under the banner of CoST. The MSG must decide what the CoST initiative is going to entail in practice.

Support on all of these issues is available from the International Advisory Group (IAG) and the CoST international secretariat.

B. Public diplomacy and media relations

24. The MSG is the face and driver of the CoST initiative in each country. It must disseminate appropriate information about CoST to the public and to the media. It must aim to achieve influence over the appropriate public policy institutions. It must liaise with other communities or organisations that may not be directly involved in the MSG, such as the representatives of the international community.
25. The MSG should also provide an interface between those people or groups with specialist and detailed knowledge of the structure and workings of the construction sector, and the wider set of interested and affected stakeholders.

C. Advocacy and championing

26. Each country should have a national CoST champion – someone of influence, credibility and integrity – to provide intellectual sponsorship of the CoST concept. The MSG must provide sufficient information and support to the Champion to enable him or her to maximise his or her influence. In addition, the MSG should itself promote CoST and the idea of transparency in the construction sector with all relevant stakeholders, seeking to draw them into the broader initiative, if not the MSG itself.
27. The MSG may conduct advocacy in support of information disclosure by government and the construction sector, and for institutional, regulatory, legal or social changes that will support the CoST criteria.

D. Management and oversight

28. The MSG must develop the capacity to oversee the activities undertaken in its country for the CoST initiative. This includes oversight of expenditure and the work of support staff or consultants. Where work is commissioned by the MSG, the MSG must approve the terms of reference and the fair selection of a consultant to undertake the work.

E. Liaison with other CoST bodies

29. The MSG must nominate a suitably qualified and experienced person to represent it on the International Advisory Group (IAG). The nominee must be able to attend two meetings a year that are likely to be overseas. See also paragraph 39.
30. The MSG should share its learning and experiences with MSGs in other countries. This can be done through the IAG, but also through other networks (eg. between the MSG coordinators in different countries, or the international secretariat). Collaboration between two or more MSGs to produce research or draft policy papers, as well as for direct knowledge-transfer is encouraged and will be supported by the CoST international secretariat.
31. The MSG must liaise with the CoST international secretariat to determine its own resource needs and budget, including the identification of the technical and financial assistance required to implement CoST on a yearly and quarterly basis. The MSG is

accountable to the CoST international secretariat for all financial expenditure and for reporting progress on the project as required.

32. Communication with the main international donors for the initiative (DFID and the World Bank) is usually channelled through the international secretariat. However, MSGs are invited to collaborate and make best use of the inputs available from any locally-based representatives of these organisations. The international secretariat can advise of contact names.
33. In the case that donors are willing to be closely involved with your MSG, it is recommended that their representatives have an observer (non-voting) status in the MSG, rather than being a full member.
34. The MSG must cooperate with consultants provided by the international secretariat that are essential to the operation of the CoST programme as a whole – for example, the monitoring and evaluation consultant.

F. Assurance

35. In consultation with the CoST international secretariat, the MSG must establish a system and procedure for the assurance process that is a central element of CoST. The MSG are ultimately responsible for information disseminated under the CoST banner in their country and therefore should be clear on how and on what basis assurance is conducted, and by whom, and when. This includes consideration of any legal requirements.

Roles and responsibilities of the individual members within the MSG

All members

36. All members are obliged to regularly attend MSG meetings and respond to requests for comments that may be issued by email. They should read all required documentation in advance, and be ready to consider the opinions of other stakeholder groups.

Chairperson

37. The chair convenes the meetings and in conjunction with other members, the international secretariat or the MSG coordinator, sets the agenda items. He or she is responsible for ensuring all interests are represented in the meeting agenda as well as during the discussions.
38. On behalf of the MSG, the chair must sign the progress reports and fund applications that are submitted to the international secretariat.

IAG representative

39. One person from the MSG must be nominated to participate in the IAG. This person has the responsibility to convey messages from the MSG to the IAG on lessons learned, difficulties encountered and areas where policy guidance is required. Similarly, the IAG

representative is obliged to share the discussions and outputs of the IAG meeting with the MSG.

Secretary or MSG coordinator(s)

40. The coordinator is not a member of the MSG and does not have voting rights. He or she will nonetheless attend MSG meetings to maintain a record of attendance and decisions made.
41. The coordinator will operate CoST on a daily basis, executing the decisions as made by the MSG. He or she will be fully accountable to the MSG and must report regularly on performance.