

# Key principles for project selection

1. It is intended that CoST is part of a process leading to systematic release of key project information on all government construction projects. It may be that in the pilot, countries use a project-specific approach to increased transparency. But the ultimate goal is a mandated increase in transparency across the board.

2. The key principle for project selection is that the process should be rule-bound, transparent and objective. This means that the selection process should be, and should appear to be, based on fair, open, pre-agreed procedures that do not allow for favouritism or unfair discrimination

3. The intention is for CoST to be pro-active - a deterrent to corruption and not a means of investigating past projects. Through CoST the public should be alerted to forthcoming projects and kept informed as they progress.

4. CoST is unlikely to work well unless there is full stakeholder cooperation. Although the client can release information, it will need to be verified by checking with the consultant and contractor. Agreement is therefore required from the key participants (client, consultant, contractor) in a CoST project to cooperate in the disclosure of project information. This is particularly so if there is no legal requirement to release the information.

5. The criteria for the selection of projects to be included in CoST should be decided by the MSG in each pilot country. Criteria might include any of the following: size of project, location, type, source of funds, client, procurement method etc. Some of the main criteria are considered below .

- **Size:** The CoST design proposed that thresholds be set in terms of project value and that all projects above the threshold be included in CoST. The focus on large projects (particularly projects that are part of key national programmes) can be justified in terms of their high economic impact and the potential savings from reduced corruption that CoST is anticipated to bring about. But a focus on smaller projects and projects at devolved levels of government might have a greater impact on poverty.
- **Source of funds:** Donor funded projects are generally subject to a greater degree of monitoring than locally funded projects. Lack of external scrutiny means that locally funded projects may be more susceptible to corrupt practices, including pressure from politicians.
- **Sector/Client:** The aim of CoST is transparency at the level of the client organisations and not just at the level of the project. Projects might be selected from particular client organisations, as part of a process of the organisation becoming transparent. This might mean focusing on particular sectors (e.g. roads, public buildings).

In the light of the above, it is recommended that:

### Stage of integration into CoST

- Projects should be identified for inclusion in CoST at the pre-bid stage and preferably before the appointment of the consultant.
- Agreement to comply with CoST requirements should be a condition of tender and written into contracts for both consultants and contractors.
- Projects selected for inclusion in CoST do not have to be completed by the end of the pilot phase as CoST is an on-going process of disclosure, verification and analysis of data.
- Where ongoing projects are identified for CoST, all parties should be made aware and written agreement sought from the client, contractor and consultant. If there is a refusal on behalf of any of the main stakeholders, another project should be identified
- Pilot countries should be discouraged from covering retrospective projects because CoST is intended to act as a deterrent to corruption on live projects

### Type of project to be included

- The criteria for the inclusion of projects in CoST should be agreed by the MSG and be transparent
- The sample might include a mix of projects in terms of size and source of funds
- Pilot countries should consider targeting key client organisations for inclusion in CoST and this might mean targeting particular types of project (e.g. roads)

### Selection procedure

- Once the criteria for including projects in CoST are agreed, a list of all projects meeting the criteria should be compiled, from which a 'subset' is selected to be included in the CoST pilot.
- The selection of the subset should be based on an agreed transparent process. To ease monitoring and evaluation, the subset might be selected randomly. This will probably not be possible to achieve at the pilot stage. But if a number of projects meet the criteria then an element of randomness could be introduced to select projects from the list (note: This can be done by allocating a number to each project on the list and drawing them out of a hat).