

## Guidance Note: 4

# Establishing a Multi-Stakeholder Group and National Secretariat

## Introduction

An essential feature of CoST is the multi-stakeholder approach which brings together government, industry the private sector and civil society to pursue a common goal. Typically, this is achieved with the establishment of a Multi-Stakeholder Group (MSG) comprising representatives of each stakeholder group. The MSG is responsible for providing leadership and setting policy and standards for the CoST programme. The National Secretariat works closely with the MSG and is responsible for the day-to-day management of the CoST programme.

Multi-stakeholder working offers advantages over conventional approaches. Evidence shows for example, that a combination of different perspectives can be very effective in solving complex problems. The involvement of a range of stakeholders also helps to build legitimacy for change, which is particularly important when that change is potentially challenging or controversial. But multi-stakeholder working can also be challenging. It is difficult to for example to identify individuals and organisations that are genuinely representative of different interests, but also sufficiently independent to think and act decisively. Different sectoral cultures and priorities can also make decision making time-consuming and complicated.

This Guidance Note describes the steps to consider when establishing an MSG and National Secretariat.

## Forming the Multi-Stakeholder Group

The decision to form an MSG emerges from the discussions that take place during the 'engagement' period that is described in [Guidance Note 2 'Joining Cost'](#). The preliminary steps should encourage broad discussion on the role of the MSG and its relationship and function relative to existing bodies representing the construction sector in the country. The discussion also needs to consider the composition of the MSG to ensure it represents the different stakeholders involved in public construction. The intent is to develop consensus on the need for and form of an MSG that is appropriate to the country. At this stage, good use should be made of the knowledge and experience of multi-stakeholder initiatives available through the literature, specialists, and existing MSGs in CoST countries and other initiatives.

When forming an MSG, a number of decisions have to be made including:

### What is the composition of the MSG?

The MSG's composition should balance the representation from all stakeholder groups, and take into account the differing roles within each group (e.g., oversight entities and procuring entities in government; contractors' and consulting associations in the private sector; and public interest and technical interest organisations in civil society).



Photographs courtesy of the World Bank

### Box 1: Definitions

**Stakeholder:** An individual or entity that can affect and/or be affected by, the results of (in this case) the construction sector.

**Sectors:** the broad categories into which stakeholders can be divided, i.e. government, industry and civil society.

**Multi-Stakeholder:** A process that brings together stakeholders to share risks and responsibilities and work together for a common purpose.

### Checklist 1: Forming the Multi-Stakeholder Group

- ✓ What is the size and composition of the MSG?
- ✓ How to identify potential MSG Members?
- ✓ How to appoint or elect MSG Members?

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In terms of size, 10-12 members is usually appropriate but existing examples of CoST MSGs range from 5 to 20 members. Some MSGs have maintained a direct link to a broader forum of 40-100 stakeholders that meet periodically to interact with the MSG (see Box 2).

## How to identify potential MSG members?

The first step in determining membership of the MSG is to identify the stakeholders in public construction. This can be achieved by carrying out a stakeholder analysis as part of the Scoping Study. The next step is to bring the various stakeholders together in a consultative meeting and decide on a process for selecting representatives. The consultative meeting should be convened by an organisation or individual who is respected by all stakeholders and can help facilitate the discussion.

### Box 2: Tanzania Electoral College

Under their Rules of CoST, CoST Tanzania established an electoral college for electing the Multi-Stakeholder Group. The Electoral College consists of members of the CoST Tanzania Association (which comprises representatives from the public sector, private sector and civil society). A weighted voting system is used whereby each stakeholder group has the equivalent of one collective vote per group regardless of the number of organisations or individuals within each of those groups. Each group votes to elect the civil society, private sector and public sector representatives in turn. This means that representatives are likely to require the support of the other stakeholder groups in order to be elected; for example, a private sector member is likely to require the support of civil society and government as well their own sector to be elected. A Chair and Vice Chair are then elected on the same weighted voting system by the elected MSG. A third of the MSG is elected each year on a rotational basis. This means a member will serve for 3 years.

## How to appoint or elect MSG members?

The process for appointing or electing MSG members must be seen to be legitimate by all stakeholders. It should be discussed and agreed by all those involved before it is implemented. It is preferable that elections are used by each stakeholder group (which are usually grouped sectorally i.e. government, industry and civil society) to elect their representatives. Where all relevant stakeholders agree, it can also be achieved through a transparent appointment process.

The MSG should elect a chairperson and if deemed appropriate a deputy chairperson. Both nominations should have the broad support of all three stakeholder groups represented on the MSG and be prepared to act objectively.

## Establishing the Terms of Reference

Key to an effective MSG is a clear process where members agree upon the 'rules of the game' in advance and set them out in detail. Failure to agree and clearly articulate those 'rules' may well prove to be fatal to the enterprise. The rules are usually established in the form of Terms of Reference (ToR) that all the participants agree and adhere to. The ToR should describe the purpose, mandate, structure and appropriate composition of the MSG. It will also set the standard for information disclosure and the Assurance Process.

The ToR should be clearly written and as concise as is practicable. It should anticipate all the questions that might arise when the MSG performs its role of overseeing the CoST programme. To achieve this, the MSG has to make a number of decisions.

## What are the core functions of the MSG?

The core functions must be determined by the MSG during its initial meetings and relate to the strategic objectives of its country programme. The functions are likely to include:

- **Strategic objectives:** To identify the objectives, the MSG should examine the specific problems CoST is seeking to address, the challenges in making public sector construction transparent and accountable and the standards of transparency and participation that should be set to address the problem.
- **Disclosure:** The MSG sets the standards for procuring entities to disclose information from publicly funded construction projects.
- **Assurance:** Develop the methodology for the Assurance Process and identify an independent entity or procure a team to carry out the function.

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- **Communications:** The MSG is the public face and driver of the CoST programme. It should develop a strategy to underpin all its communications activities.
- **Advocacy:** The MSG should conduct advocacy in support of information disclosure by government, and for institutional, regulatory or legal changes that will support the CoST principles.
- **Management and oversight:** Oversee the CoST activities undertaken in its country through a National Secretariat – see section 3 of this Guidance Note.
- **Identification and management of financial resources:** Identify the financial resource needs and budget to deliver the country programme. This includes the costs of the National Secretariat and the identification of the technical and financial assistance required to implement CoST. The MSG oversees all financial expenditure and reporting to the CoST International Secretariat or other funders. Unless the MSG has its own legal personality, it is likely to delegate formal fiscal responsibility to a host organisation (see below).
- **Lesson sharing:** Share learning and experiences with MSGs in other countries through an on-line forum and international events.

## How are decisions made?

Decisions will usually be made by consensus. It is important that the Chair creates an environment in which all members feel confident to express their views and that discussion and decisions are not dominated by particular individuals or interests. The Terms of Reference (ToR) should provide guidance on how decisions are taken in circumstances when a consensus cannot be achieved.

## What is the MSG legal status?

The issue of independence, perceived or actual, needs careful attention when setting up the MSG and National Secretariat. The legal status of the MSG, and its authority to manage funds and procurement, are critical issues. Options include:

- A host organisation such as a construction industry council, a professional body or a government oversight authority is appointed by the MSG to manage the CoST programme on their behalf. The management arrangements are formalised either as part of the ToR and/or in a Memorandum of Understanding (MoU) between the host organisation and the MSG.
- Establishing the country programme as a non-profit legal entity either as a foundation, charity or a not-for-profit company limited by guarantee. Typically, members of the MSG will be appointed as trustees or directors for the legal entity.

## How long should MSG Members serve?

The MSG must agree how long Members including the Chairperson may serve and how new Members are elected or appointed. For example, Members may serve for a three-year term with a maximum of two consecutive terms. A requirement could be made that a third of the membership will be open to election or appointment annually on a rotational basis. This process brings in fresh Members with new ideas whilst ensuring continuity and institutional memory.

## How should MSG Members participate?

Members need to have a common view of their role and of what CoST involves. They participate in the MSG as individuals and members of a team, not as representatives of a constituency to which they are directly accountable. Personal commitment, integrity, experience, vision, and skills are important criteria in the member selection process.

Although the activity of the MSG requires a commitment of time, membership in the group should remain voluntary and Members' remuneration should normally be limited to meeting expenses or a small per diem in accordance with [CoST Policies and Procedures](#).



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## How to identify and manage conflict of interest

Members should declare any potential interest at the earliest opportunity. The MSG can then decide if the interest represents a conflict for the Member concerned. The interest may relate to procuring consultants for a Scoping Study or Assurance Team. It may also relate to issues arising from the disclosure of information concerning the Member's employer.

The risk of conflict of interest for the private sector can be minimised by having representation by associations rather than a firm, and a procuring entity represented by an agency that is not directly involved in construction projects.

For further guidance on conflict of interest situations, please refer to CoST Policies and Procedures available from the CoST website.

### Box 3: CoST Philippines Foundation

During the pilot, and prior to obtaining legal status, the Philippines MSG had particular concerns about its legitimacy. It also had legal and administrative concerns regarding financial arrangements as the host agency was the account holder of the CoST bank account and this slowed down the decision-making process. The MSG formed a foundation with the MSG members named as trustees that could employ its own staff and had its own accounting and governance procedures according to applicable local laws. This gave CoST Philippines independence and legitimacy in the eyes of all the different stakeholders. Other MSGs are also investigating the possibility of registering CoST as an independent legal entity in their countries.

## MSG operations

The previous sections should enable the MSG to establish clear systems and procedures to guide its activities. Consideration should also be given to the less tangible aspects of its operations such as the culture and values that underpin them. These will vary depending on the particular circumstances of the country, but some general considerations include:

- The MSG should embed transparency and accountability in its own operations, especially in procurement and disclosure. There should be an assumption for example, that all papers and reports are published, unless there is a legitimate reason (e.g. if it would breach regulations or undermine commercial confidentiality) not to.
- Administrative and management tasks are best delegated to a National Secretariat or project unit (see below). The division of responsibility between the MSG and Secretariat should be clearly described in the ToR or MoU (see above) and closely observed in practice.
- The MSG should be perceived as being legitimate and trustworthy by all stakeholders. It should maintain professionalism and objectivity in its operations and be willing to expose itself to scrutiny by the media and all stakeholders.
- The MSG has a responsibility to quality assure all the outputs of the CoST programme. This is particularly true of the Assurance Process which will require support from technical professionals or academics.

## National Secretariat

A properly authorised and resourced National Secretariat is key to a successful CoST programme. The Secretariat is responsible for preparing and managing an implementation plan that must be approved by the MSG. Tasks include:

- Providing financial and administrative support to the MSG
- Procuring and administering consultant services (e.g. for the Assurance Process)
- Coordinating the participation of all stakeholders
- Facilitating technical support and capacity building for the procuring entities
- Arranging meetings for consultation and dissemination
- Implementing the communications strategy of the MSG
- Maintaining liaison with the International Secretariat
- Supporting international visits.



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The National Secretariat staff may be provided by a host organisation (see above). If this is the case, staff will be accountable to the MSG for the CoST programme and not to the host organisation. This arrangement might be unfamiliar to those involved and making it work effectively will require agreement about lines of reporting and accountability.

Two alternative models have emerged for staffing the unit:

- Outsourcing model, led by a Manager supported by an Administrative Assistant who are responsible for project management and administrative duties, communications, and some technical support. The main CoST programme functions such as assurance, technical support to procuring entities, and monitoring and evaluation, are outsourced to external consultants; or
- In-sourcing model, where the Manager and Administrative Assistant are augmented by technical staff who handle the functions of assurance and technical assistance to the procuring entities. Only monitoring and evaluation is outsourced.

Although these positions may be part-time during the preparation phase, they will normally become full-time positions during the implementation phase. The annex contains a job description for a Manager and Administrative Assistant which can be adapted to suit the country context.

## Conclusion

This Guidance Note has described the process of establishing an effective MSG and National Secretariat. It is not intended to be a blueprint and those responsible for establishing CoST institutions are encouraged to be creative in finding solutions that are relevant to their particular circumstances. Whilst the specific solutions might vary, the central importance of these institutions to the success of the CoST programme will not. For that reason it is important that sufficient time and effort is invested in making them effective.

## Guidance notes in this series:

1. Impact Stories
2. Joining CoST
3. Developing an Implementation Plan
4. Establishing a Multi-Stakeholder Group and National Secretariat
5. Completing a Scoping Study
6. Designing a Disclosure Process
7. Designing an Assurance Process

## For more information and to contact us:



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# Guidance Note 4: Annex

## Job description

Job Title:	Manager
Responsible to:	Chairman, Multi-Stakeholder Group
Purpose of Job:	To manage the delivery of the CoST [Country] Implementation Plan within budget and advise the Multi-Stakeholder Group accordingly to ensure a successful programme.

## Responsibilities

### 1. Financial Management

- 1.1 Prepare annual budget and funding applications to deliver the activities specified in the CoST Implementation Plan.
- 1.2 Manage the preparation of quarterly management accounts for the Multi-Stakeholder Group and the International Secretariat.
- 1.3 Manage the preparation of end of year accounts in line with current legislation and in consultation with auditors.
- 1.4 Manage income including updating donor records, handling donor relations preparing payment requests to donors.
- 1.5 Monitor the income and expenditure of funding, preparing reports as required.
- 1.6 Approve payments to suppliers and consultants in accordance with agreed procedures.
- 1.7 Ensure payroll is functioning

### 2. Administrative Management

- 2.1 Lead on the preparation for Multi-Stakeholder Group Meetings such as consulting on the agenda and advise the Multi-Stakeholder Group on key issues.
- 2.2 Manage the delivery of all other meetings such as disclosure events, annual general meeting etc.
- 2.3 Maintain appropriate insurance cover for CoST and its activities.
- 2.4 Maintain and develop office systems and procedures.

### 3. Project management

- 3.1 In partnership with the Multi-Stakeholder Group, manage the delivery of the country Implementation Plan within the agreed budget.
- 3.2 Coordinate technical assistance (TA) and capacity building activities as reflected in the Implementation plan.
- 3.3 Procure and manage consultants to deliver technical assistance such as the Assurance Process and baseline studies in line with the Implementation Plan.
- 3.4 Implement the Multi-Stakeholder Group agreed quality Assurance Process for all published documents.
- 3.5 Co-ordinate and manage fundraising for the CoST country programme.

### 4. Technical

- 4.1 Work with relevant Ministries and Procuring Entities to identify capacity building requirements for the disclosure of CoST Project Information.
- 4.2 Work with civil society organisations to identify their needs to identify capacity building requirements to use and respond to the disclosed CoST Project Information.
- 4.3 Coordinate the Scoping Study exercise at a country level, in consultation with the Multi-Stakeholder Group and International Secretariat.
- 4.4 Produce policy documents, procedures, terms of reference, guidance materials etc. for the CoST [country] programme as agreed with the MSG.

### 5. Reporting

- 5.1 Prepare regular progress reports on a quarterly basis for submission to the Multi-Stakeholder Group and International Secretariat.

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- 5.2 Ensure the Implementation Plan is updated and submitted to the Multi-Stakeholder Group and International Secretariat on a quarterly basis.

## 6. Stakeholder engagement and communications

- 6.1 Produce and implement a communications plan for the CoST [country] programme.
- 6.2 Engage with donor country offices, government, private sector companies and civil society organisations to build a wider coalition of supporters for the country programme
- 6.3 Use a range of communication tools such as newsletters, social media etc for communicating with country stakeholders
- 6.4 Organise and deliver CoST [country] stakeholder events within budget.
- 6.5 Maintain frequent communication with the International Secretariat to keep them updated on progress, any difficulties arising and additional support required within the country concerned.
- 6.5 Act as a National Secretariat public enquiry point for in-country stakeholders.
- 6.6 Provide a National Secretariat contact point for local media.
- 6.7 Ensure contributions are made to the International CoST bulletin.
- 6.8 Provide relevant information to the International Secretariat for inclusion on the CoST website in a timely manner.
- 6.9 Maintain the CoST website to ensure information is available to stakeholders throughout implementation.

## 7. Staff management

- 7.1 Coordinate the recruitment of new staff and Multi-Stakeholder Group Members.
- 7.2 Set, support and monitor performance objectives of staff members.

## Person Specification

### 1. Essential Criteria

- Educated to degree level, or equivalent experience;
- Significant financial and administrative experience;
- Significant experience of managing complex projects;
- An understanding of how public construction projects are procured and managed;
- Experience of producing year end accounts;
- Experience of budget preparation and control;
- Experience of preparing financial reports for management committees;
- Experience of producing technical documents for a range of different audiences;
- Experience of procuring and managing consultants
- Good MS Office skills including Excel, Access and email;
- Good written skills;
- Ability to report in English
- Excellent communication and interpersonal skills – able to liaise and network with a wide range of stakeholders;
- Ability to manage own workload, including complex and routine tasks, with a minimum of support;
- Ability to work with volunteers, as well as on own initiative;
- Accuracy and eye for detail;
- Commitment to the work and values of CoST.

### 2. Desirable criteria

- Knowledge of national laws (e.g. employment) relating to a small organisation;
- Experience of organising meetings and events;
- Experience of minute writing
- Experience of producing a communications plan
- Experience of engaging with the media
- Experience of managing a website

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## Job description

Job Title:	Administrative Assistant
Responsible to:	Manager
Purpose of Job:	To provide administrative support to the CoST programme and support the Multi-Stakeholder Group to ensure the efficient and smooth running of the programme.

## Responsibilities

### 1. Financial administration

- 1.1 Administer the day to day cash flow.
- 1.2 Assist in the preparation of quarterly management accounts for the Multi-Stakeholder Group and the International Secretariat.
- 1.3 Assist in the preparation of end of year accounts in line with current legislation and in consultation with auditors.
- 1.4 Administer income including updating donor records, handling donor relations preparing payment requests to donors.
- 1.5 Monitor the income and expenditure of funding, preparing reports as required.
- 1.6 Process payments to suppliers and consultants in accordance with agreed procedures.
- 1.7 Keep copies of all receipts and invoices
- 1.8 Liaise with payroll where applicable
- 1.9 Handle petty cash.
- 1.10 Assist in the preparation of budgets in support of country programme submissions in consultation with the Multi-Stakeholder Group.

### 2. Administrative Management

- 2.1 Organise Multi-Stakeholder Group meetings (involves identifying venue, sending invitations, preparing the meeting agenda, taking meeting minutes, recording meeting attendance, disbursing transport allowances etc).
- 2.2 Organise all other meetings such as disclosure events, annual general meeting etc as required including room bookings and catering.
- 2.3 Maintain and develop office systems and procedures.
- 2.4 Handle all incoming and outgoing mail deliveries.
- 2.5 Support the recruitment of new staff and Multi-Stakeholder Group Members.
- 2.6 Order office supplies and equipment and ensure the maintenance of office equipment.
- 2.7 Maintain an inventory of capital equipment.
- 2.8 Administer the contacts database.

### 3. Country programme assistance

- 3.1 In partnership with the Multi-Stakeholder Group, assist in the delivery of the country Implementation Plan within the agreed budget.
- 3.2 Provide assistance in the procurement of consultants to deliver technical assistance such as the Assurance Process and baseline studies in line with the Implementation Plan.
- 3.3 Provide administrative assistance to fundraising for the CoST country programme.

### 4. Reporting

- 4.1 Assist in the preparation of regular country progress reports on a quarterly basis for submission to the Multi-Stakeholder Group and International Secretariat.

### 5. Stakeholder engagement and communications

- 5.1 Support the implementation of a communications plan for the CoST [country] programme.
- 5.2 Assist in producing newsletters, social media content, press releases etc for communicating with country stakeholders.



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- 5.3 Provide administrative support (such as send out invitations, registering delegates, preparing delegate packs, liaising with speakers etc) for CoST [country] stakeholder events.
- 5.5 Provide relevant information to the International Secretariat for inclusion on the CoST website in a timely manner.
- 5.6 Maintain the national CoST website to ensure information is available to stakeholders throughout implementation.

## Person Specification

### 1. Essential Criteria

- Passed International Baccalaureate, A Levels or equivalent;
- Some financial and administrative experience;
- Some experience of producing year end accounts;
- Some experience of budget preparation and control;
- Some experience of preparing financial reports for management committees;
- Experience of organising meetings and preparing agenda's, minutes etc;
- Good MS Office skills including Excel, Access and Outlook;
- Good written skills;
- Excellent communication and interpersonal skills – able to liaise and network with a wide range of stakeholders;
- Ability to manage own workload with minimum of support;
- Ability to work with volunteers, as well as on own initiative;
- Accuracy and eye for detail;
- Commitment to the work and values of CoST.

### 2. Desirable criteria

- Some experience providing administrative support for meetings and events;
- Some experience of minute writing
- Some experience of communications
- Some experience of website administration