



# Guidance Note: 6

## Designing a Disclosure Process

### Introduction

The aim of CoST is to increase the transparency and accountability of publicly funded construction projects. Core to this aim is disclosing construction project information into the public domain. The CoST Disclosure Process requires procuring entities to ensure that information about the purpose, scope, costs and execution of publicly-financed construction projects is open and accessible to the public, and that it is disclosed in a timely manner. The information is intended to be sufficient to inform stakeholders about relevant aspects of the project in an understandable and useful way.

This Guidance Note provides those procuring entities and Multi-Stakeholder Groups (MSGs) that lead CoST national programmes with some guidelines for designing a Disclosure Process. CoST provides an overall framework, which each CoST national programme is encouraged to adapt to suit the local context.

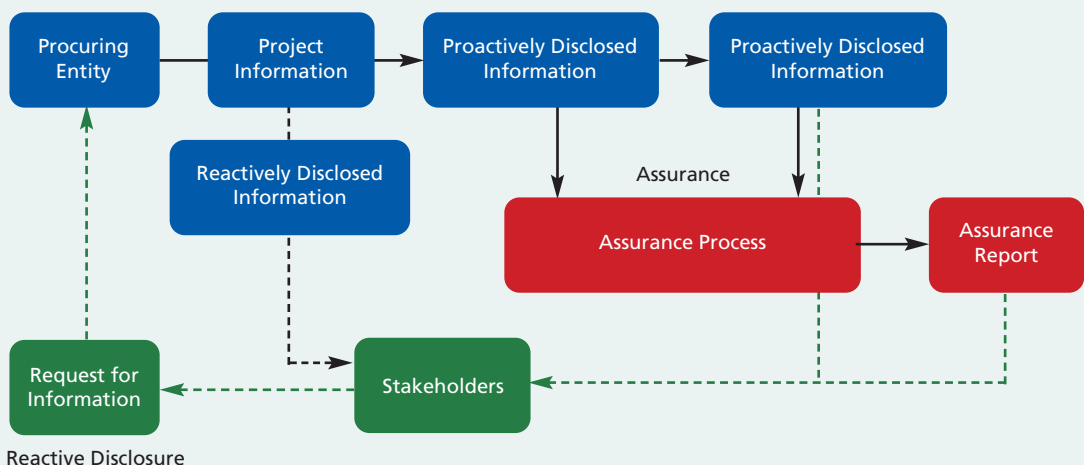
### Disclosure Framework

The disclosure framework includes three distinct processes:

- i. **Proactive disclosure** relates to information that CoST requires project owners and procuring entities to disclose for all eligible projects and contracts at specified stages during the construction project cycle. The information, in a clear and usable format, is disseminated through a public medium that is open and accessible to a wide range of stakeholders.
- ii. **Interaction with stakeholders.** Stakeholders are given a mechanism for reacting to the information, seeking clarification or additional information from the responsible procuring entity.
- iii. **Reactive disclosure** relates to additional information that project owners and procuring entities are required to make available to any eligible person or entity upon request. Reactive disclosure involves making the additional information available to the requesting party in a usable form, in an accessible place and under a specified set of conditions.

Figure 1 provides a flowchart of the Disclosure and the Assurance Processes. The Assurance Process is described in [Guidance Note 7](#).

Proactive Disclosures



Photographs courtesy of Engineers Against Poverty and the World Bank.

Figure 1 Schematic of Disclosure and Assurance Processes

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*“A Formal Disclosure Requirement is the administrative or legal basis that provides the authority and the requirement for procuring entities to disclose project information into the public domain”*

## Formal Disclosure Requirement

Formal requirements are needed to support the Disclosure Process that align with and complement the country’s existing institutional functions, policies, and laws relating to public financial management and transparency. New or strengthened formal provisions may need to be established to support disclosure under the CoST programme.

A **Formal Disclosure Requirement (FDR)** is the term used by CoST for the administrative or legal basis that provides the authority and the requirement for procuring entities to disclose project information into the public domain. Establishing the FDR may be completed in stages, by introducing an **Interim Disclosure Requirement (IDR)** to launch the CoST programme.

An IDR is likely to be based on a ministerial directive or government policy that provides sufficient authorisation for participating procuring entities to disclose project information for a limited period of time.

The IDR should be in force before procuring entities begin disclosure and should continue until the FDR is established. The FDR would be developed once the government has an adequate basis to do so. It is applied to all public infrastructure and continues to be enforced after the CoST programme ends.

## Proactive Disclosure Standard

### Information for proactive disclosure

CoST provides a standard list of project information that should be proactively disclosed by procuring entities (Table 1). It can be used as the basis for initially defining the IDR and, in time, the FDR. The standard list contains those items that are considered essential to understanding the purpose of the project and following the delivery process. The standard comprises mainly factual information found in official and administrative records. The only exception is the ‘reasons for project/contract changes’, where the information is derived from administrative documents and requires some degree of judgement as to how much information should be included. Some items such as sector and project/contract status are included primarily for indexing purposes.

**Table 1**  
Information standard for proactive disclosure

Project phase	Project information	Contract phase	Contract information
Project Identification	Project owner Sector, subsector Project name Project Location Purpose Project description	Procurement	Procuring entity Procuring entity contact details Procurement process Contract type Contract status (current) Number of firms tendering Cost estimate
Project Preparation	Project Scope (main output) Environmental impact Land and settlement impact Contract details Funding sources Project Budget Project budget approval date		Contract administration entity Contract title Contract firm(s) Contract price Contract scope of work Contract start date and duration
Project Completion	Project status ( <i>current</i> ) Completion cost ( <i>projected</i> ) Completion date ( <i>projected</i> ) Scope at completion ( <i>projected</i> ) Reasons for project changes Reference to audit and evaluation reports	Implementation	Variation to contract price Escalation of contract price Variation to contract duration Variation to contract scope Reasons for price changes Reasons for scope & duration changes

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This standard list of items can be adapted to align with country systems, legal requirements, terminology, and industry practices. It can also be amended to include other information that stakeholders will find interesting. It is recommended that any changes from the standard are highlighted to the CoST International Secretariat, as part of the development of the national programme.

The standard is split into two categories of information:

- i. **Project information:** a 'project' is defined as 'the delivery of a set of infrastructure assets in a specified location, generally under a single managing entity (project owner) and budget authority'.
- ii. **Contract information:** a 'contract' is a legal or official binding agreement to deliver a set of activities within the terms specified in the agreement between a procuring entity and a contractor or consultant<sup>1</sup>.

As a project is likely to include multiple contracts for delivering the assets, a complete set of project information includes one set of project information and multiple sets of contract information.

The proactive disclosure of information under CoST follows the construction project cycle (Figure 1). There are five phases within the construction project cycle:

- i. **Project identification** refers to the decision to develop a project within the budget and programme of a project owner, which will be the public entity responsible for executing the budget<sup>2</sup>.
- ii. **Project preparation** covers the feasibility study, environmental and social impact assessment, general scoping of the project, establishing the packaging and procurement strategy, preliminary statutory requirements on environmental and land impacts, and the resulting budget authorisation.
- iii. **Project completion** covers the handover of the assets and close-out activities with details of the final scope, cost, and delivery time.
- iv. **Procurement** is the process for selecting different services (design, supervision and or construction etc.) to deliver the project. It runs alongside the project cycle as it can occur at a number of different points.
- v. **Implementation or package delivery** covers the procurement and implementation of the planning, design and works according to the procurement strategy.

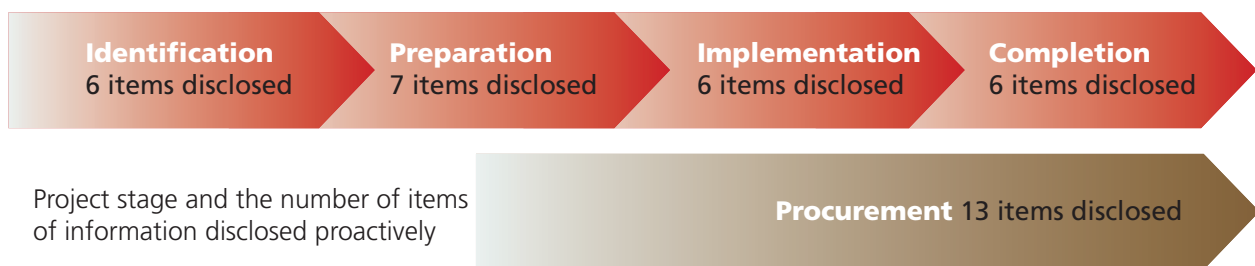


<sup>1</sup> For the purposes of disclosure requirements, the term 'contract' is equivalent to the term 'package'. This means the group of works or services to be delivered under a management contract or framework agreement. It includes in-house activities such as works, design, or supervision activities performed by the procuring entity as client or employer.

<sup>2</sup> Depending on the public financial management provisions of the country and the type and value of the project, this may be a line ministry or a publicly-owned entity. It may or may not be the same as the procuring entity of contracts or packages under the project.

**Figure 2.**

Construction project cycle and proactive disclosure of information under CoST



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*“Requirements regarding the timing and frequency of project information disclosure will normally be specified as part of the initial IDR and subsequent FDR”*

The length of the construction project cycle varies depending on the size and complexity of the project.

The standard list of items to be disclosed is formatted to make the information items concise, consistent and amenable to electronic data processing. This facilitates ready search and access to the information and allows the development of consistent indices and statistics that can be compared both within and across countries. To achieve this, the information should be published in a machine readable format such as a CSV and XLS. This format allows for the greatest re-use of the information by stakeholders as it can be read by a computer without human interaction. However, care is needed to ensure the information remains understandable to the public.

## Options for simplifying proactive disclosure

For small projects or for situations where the effort for the procuring entity needs to be reduced to a minimum - such as in fragile and conflict affected states - a shorter standard of information for proactive disclosure is available. This comprises the most basic identification of a project and contracts, and is similar to the requirements of many procurement laws. To be effective, the use of this option should be complemented by a reactive disclosure policy that provides access on request to the other items in the full standard.

## Timing and frequency of proactive disclosure

Requirements regarding the timing and frequency of project information disclosure will normally be specified as part of the initial IDR and subsequent FDR, MSG policy guidelines or as part of the CoST programme implementation plan. The requirements should include a number of options to reflect the different sectors, size and complexity of construction projects. The options for the timing and frequency of disclosure include:

- i. **Disclosure at project milestones**, enabling timely dissemination to stakeholders and timely. Milestones may include:
  - budget and project approval, i.e. end of Project identification phase;
  - invitation to tender for the works contract i.e. end of Project preparation phase;
  - contract award, i.e. end of Procurement phase;
  - contract completion; and
  - project completion.

The milestones option may be preferred at the early stages of the project cycle. For example, in cases when tasks such as design are completed for large or important projects; when the responsibility for disclosure is delegated to the project officer; or when disclosure is highly automated. The tendering and contract award disclosure events would be aligned with local procurement law requirements.

- ii. **Disclosure at regular fixed intervals**, such as quarterly or monthly is likely to be preferred during construction. It will also suit organisations with a large number of concurrent projects that are eligible for disclosure and have different and changing milestone dates. For lengthy projects, where the timing between stages for disclosure may become excessive, a milestone requirement can be either supplemented or replaced by a periodic requirement.

## Implementation procedures for proactive disclosure

The participating procuring entities are expected to assemble the information on selected projects identified under the implementation plan or in accordance with the IDR and subsequent FDR. The procuring entities will arrange for the information to be collated for proactive disclosure at each of the project stages or at fixed intervals. It is recommended that procuring entities develop a set of internal procedures which indicate:



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- the format of disclosure
- the timeframe within which the disclosures must be made
- the individuals/team responsible for collating the information
- the resource (staff time, software, funding etc.) available for collating and disclosing the information
- the location or application where information is compiled - such as a spreadsheet or database
- the quality check or approval that may be needed before information can be disclosed

The way in which the information is compiled will be dependent on the capacity of the individual procuring entity and of the broader public sector. Where procuring entities have electronic information management systems, adapting these could be relatively straightforward and should make the process of collating information much easier. The procedures for compiling and disclosing information should support the eventual transition to a fully electronic system for all data management. The significant volume of data across numerous projects, the periodic changes to or updating of data over time, and the need for accessible data that can be easily discovered, sorted, and analysed makes this transition necessary.

Where procuring entities are reliant on paper based systems, the task of collating the information will be much more time consuming. In the short-term the information can be presented in a spreadsheet format whilst information management systems are developed.

For dissemination, the format of the disclosure report should be designed to convey the important points in a simple, clear manner that is easily understood by the ordinary person. Different formats may be designed to suit the particular channel being used for communication; whether in online or printed media, or in a portfolio. Annex B provides examples of the disclosure process from Ethiopia, Guatemala and Vietnam.

## Quality assurance and clearances for proactive disclosure

Procuring entities will normally need to establish an internal quality Assurance Process for verifying the accuracy and completeness of the information, either before or after proactive disclosure. The quality assurance and clearance requirements should be clearly specified in the internal procuring entity procedures so that allowances can be built into the disclosure timelines.

## Dissemination of proactively disclosed information

Dissemination refers to the mechanism for disclosing project information into the public domain. Generally one medium should be chosen as the primary mechanism, and others may be added to serve the needs of particular interest groups or purposes. The usual modes of disclosure and dissemination are online media, print media and events.

### Online media

An easily accessible online database or other application allows for simple management and updating of disclosures from many entities and projects across project stages. It also facilitates the ability to search for, select, view and compare samples of projects or information in different formats and languages. Moreover, it can facilitate efficient interaction with the public as reactions to disclosure or requests for information and clarification can be easily submitted online, and likewise procuring entities are able to respond in this manner. The online platform will be determined by the structure of government, internet capacity and country needs. Options include:

- i. An existing or new central government web portal, such as those hosted by public procurement oversight authorities. This is likely in a more centralised structure of government
- ii. Procuring entities' official websites. This is more likely to occur where the procuring entity has



*“For dissemination, the format of the disclosure report should be designed to convey the important points in a simple, clear manner that is easily understood by the ordinary person.”*

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a high degree of autonomy. Linking procuring entities to a central site provides a central point of access for stakeholders

- iii. A CoST programme website. This may be considered as a short-term option whilst a government disclosure portal is developed.

Social media such as Twitter, Facebook and SMS messaging can be used to inform citizens that the information has been disclosed. In remote areas with poor internet access, SMS messaging has been a particularly effective tool for disseminating information to citizens. It allows them to report on areas of concern or to provide instant feedback on the quality of public services. With many construction projects in remote areas, this two-way exchange can provide vital information on the accuracy of the disclosed information.

## *Print Media*

Print media may be preferred in areas where internet access is low or unreliable, where printed publication is required for official documents, and where it is a useful supplement to reach certain target audiences. The primary drawbacks to using printed media are the volume of information to be handled (in the case that disclosure applies to a large number of projects and entities), and the fact that the information requires fairly frequent updating to be relevant and timely. When information is being summarised, particular attention needs to be paid to ensure that relevant and meaningful elements are retained.

### **Box 1: Dissemination in Vietnam**

In Vietnam the participating procuring entities are required to use a number of dissemination channels when disclosing project information. Initially procuring entities disseminate information using mass media, such as provincial newspapers and radio stations and their own websites. They are then required to make available a reference copy of the disclosed information in the Offices of the People's Committees, Commune or Ward in the immediate area of the CoST Project. Village and citizen group leaders will then deliver leaflets on the CoST projects within their immediate areas. Using these different dissemination channels maximises exposure and ensures the widest audience is reached.

## *Offices*

Where information is disseminated through print media, or in locations where internet connectivity is low, it can be useful to have a portfolio of project information sheets as a basic hardcopy document. This can be made available for reference in a procuring entity office, public information centre or community centre. Some offices also provide the public with electronic access to information stored on their local drives.

## *Events*

Events have proved effective for dissemination in some situations, and especially in the early stages of building demand for the disclosed information.

A CoST programme may use meetings to release information on key occasions, or to enable active interaction with the media in a constructive environment. The events can be large forums aimed at maximising participation, or smaller targeted workshops or roadshows that allow for more detailed discussion. The latter may be targeted at a particular sector, or at a community level, to allow explanation and discussion of issues of local concern.

## **Interaction with stakeholders**

To be effective, a disclosure policy must provide for an appropriate means for stakeholders to raise questions on the disclosed information. Provision of a formal mechanism for submitting stakeholders' questions, and ensuring that they are received by the appropriate person in the procuring entity, will ensure that this process is transparent and fair. Questions are likely to fall into one of three categories:

- a. Request for additional information;
- b. Request for specific clarification or explanation of particular issues;
- c. Complaint and request for action on an issue requiring remedy.

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The mechanism for submitting questions may differ for each of these categories. For instance, specific requests for explanation or clarification will need to be handled under a mechanism that would direct the request to the appropriate person or department of the entity responsible for handling the topic referred to in the request. The procuring entity should establish protocols for appropriate and timely handling of such requests. Both the submitted request and the response should be handled transparently, for example, being displayed on the relevant part of the website used for information disclosure. The extent to which a procuring entity makes the content of all requests and responses visible to the public is a matter of choice, and some may prefer to develop and update a series of frequently asked questions (FAQs).

Specific requests for action (for example on a safety concern) or complaints need to be handled under separate protocols and via mechanisms appropriate to that purpose.

The procuring entity should establish a process that records and classifies all requests for information and reactions from stakeholders, and the responses provided by the procuring entity or other authorities. This will enable regular publication of a monitoring report on interactions.



**Table 2: Reactive Disclosure Information available on request**

Project information	Contract information
<b>Identification and Preparation</b> Multi-year program & Budget Project brief or Feasibility study Environmental and social impact assessment Resettlement and compensation plan Project officials and roles Financial agreement Procurement plan Project approval decision	<b>Procurement</b> Contract officials and roles Procurement method Tender documents Tender evaluation results Project design report  <b>Contract</b> Contract agreement and conditions Registration and ownership of firms Specifications and drawings
<b>Completion</b> Implementation progress reports Budget amendment decision Project completion report Project evaluation report Technical audit reports Financial audit reports	<b>Implementation</b> List of variations, changes, amendments List of escalation approvals Quality assurance reports Disbursement records or payment certificates Contract amendments



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## Reactive Disclosure

It is appropriate to establish guidelines on the information that can be released in response to a request for additional information. This is likely to be governed by a country's legislation on access to information. Most disclosure regimes exclude information of a temporary nature (such as internal correspondence and draft versions of documents), as well as commercially sensitive information that could compromise market competitiveness (such as bid documents, details of qualification evaluation, etc.).

The CoST guidelines on the additional information that can be requested or made available are found in Table 2. These items provide more detailed information on the project than is available in the proactively disclosed items. They are typically documents instead of concise facts. They are also closely connected to official and technical tasks that are ongoing during project execution, which means that access to some elements may be restricted until they are in final form.

The mechanism for gaining access to the information is usually to make a recorded request to the project owner or procuring entity, specifying the documents requested. The project owner or procuring entity will be required to release the information to the requesting party, in accordance with guidelines to be provided by the IDR and subsequent FDR (see below).

## Conclusion

This Guidance Note outlines a number of steps to consider when designing a Disclosure Process for a CoST national programme. Before commencing with disclosure it is of critical importance to undertake a Scoping Study (see Guidance Note 5). This study should examine the current legal and regulatory requirements for disclosure, as well as the current practice of procuring entities in disclosing project information - i.e. what they are actually disclosing, when they disclose it and how it is disclosed. Building on these findings will make it easier to design an effective Disclosure Process.

### *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:*



## Construction Sector Transparency Initiative

Website: [www.constructiontransparency.org](http://www.constructiontransparency.org)

Email: [CoST@constructiontransparency.org](mailto:CoST@constructiontransparency.org)

Tel: +44 (0)20 3206 0489

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# Guidance Note 6: Annex A

## Alternative levels of disclosure

Project Phase	Item No	Proactive Disclosure Level 1	Proactive Disclosure Level 2	Proactive Disclosure Level 3 (Full CoST)
<b>Project Information</b>				
Project Identification	1	Project owner	Project owner	Project owner
	2		Sector, subsector	Sector, subsector
	3	Project name	Project name	Project name
	4	Project Location	Project Location	Project Location
	5			Purpose
	6		Project description	Project description
Project Preparation	7			Project Scope (main output)
	8		Environmental impact	Environmental impact
	9		Land and settlement impact	Land and settlement impact
	10	Contact details	Contact details	Contact details
	11	Funding sources	Funding sources	Funding sources
	12	Project Budget	Project Budget	Project Budget
	13		Project budget approval date	Project budget approval date
Project Completion	14	Project status (current)	Project status (current)	Project status (current)
	15	Completion cost (projected)	Completion cost (projected)	Completion cost (projected)
	16	Completion date (projected)	Completion date (projected)	Completion date (projected)
	17		Completion scope (projected)	Completion scope (projected)
	18			Reasons for project changes
	19			Reference to audit and evaluation reports
<b>Contact Information</b>				
Contract Procurement	1	Procuring entity	Procuring entity	Procuring entity
	2	Procuring entity contact details	Procuring entity contact details	Procuring entity contact details
	3	Contract administration entity	Contract administration entity	Contract administration entity
	4	Contract status	Contract status	Contract status
	5		Procurement process	Procurement process
	6	Contract type	Contract type	Contract type
	7			Number of firms tendering
	8		Cost estimate	Cost estimate
	9	Contract title	Contract title	Contract title
	10	Contract firm(s)	Contract firm(s)	Contract firm(s)
	11	Contract price	Contract price	Contract price
	12		Contract scope of work	Contract scope of work
	13	Contract start date and duration	Contract start date and duration	Contract start date and duration
Contract Implementation	14		Variation to contract price	Variation to contract price
	15			Variation to contract price
	16		Variation to contract duration	Variation to contract duration
	17			Variation to contract scope
	18			Reasons for price changes
	19			Reasons for scope and duration changes
<b>Items per Project</b>		<b>9</b>	<b>15</b>	<b>19</b>
<b>Items per Contract</b>		<b>9</b>	<b>14</b>	<b>91</b>



# Guidance Note 6: Annex B



## Example of the disclosure process

