Annex A:
Model Terms of Reference for a CoST Multi-Stakeholder Group

1. Open statement on the purpose of the CoST programme
[The MSG may wish to open the ToR with agreed principles setting out the purpose and objectives of the CoST member or affiliate programme.]

2. Roles, rights and responsibilities of the MSG
[It is important to clarify the roles, rights and responsibilities of the MSG to ensure that the MSG has a clear mandate and to avoid confusion and overlaps.]

2.1 RESPONSIBILITIES AND FUNCTIONS OF THE MSG
[The MSG should specify the functions and responsibilities of the MSG. This should include but not necessarily be limited to (i) approval of work plans; (ii) oversight of the disclosure of infrastructure data, (iii) the appointment, approval of the Terms of Reference, oversight of the Independent Assurance Team, and endorsement of CoST Assurance Reports; (iii) development of annual activity reports; (iv) a social accountability plan and; (v) outreach and liaison with stakeholder groups; and (vi) communication activities.]

2.2 RESPONSIBILITIES OF MSG MEMBERS
[The MSG may wish to define the specific role of MSG members, e.g. the Chair. If constituencies have different responsibilities, these can also be defined here. If necessary, the MSG may wish to address capacity issues related to meeting responsibilities.]

Members need to have a common view of their role and of what CoST involves. Whilst members are appointed or elected by their constituency, they are not on the MSG to serve or pursue the narrow interests of this group. A member is there to contribute their insights and experiences towards delivering the collective goal shared by all MSG members of improved transparency and accountability. A member should engage their constituency to consult on key issues, use its influence when appropriate and share the results and lessons from the programme. Personal commitment, integrity, experience, vision, enthusiasm and relevant skills are important criteria in the member and representative's selection process plus an understanding of the culture expected in a not-for-profit organisation.

Although the activity of the MSG requires a commitment of time, membership in the group should remain voluntary and members should only expect to receive meeting expenses in accordance with CoST Policies and Procedures.

2.3 MSG SUBGROUPS OR EXECUTIVE GROUP
[Several CoST members have established MSG subgroups to handle specific tasks that the MSG needs to carry out, for example related to CoST reporting or communications. This can be an efficient way for ensuring that progress in made in between MSG meetings. The MSG may wish to specify whether permanent subgroups should be established, including their roles and responsibilities, or whether the ToR should provide for establishment of subgroups on an ad hoc basis. In addition, there are examples of MSGs appointing a small executive group to oversee operational delivery and make decisions between MSG meetings]

Examples:
CoST Thailand has a high-level MSG with broad representation that meets once or twice a year to agree the strategy for an agreed period. It has then appointed officials from the Controller Generals Department and Anti-Corruption Thailand to form an executive that meets regularly and delivers the CoST Thailand programme.

CoST El Salvador MSG appoints a small Executive Board that meets twice a month and reports to the full MSG four times per annum. The Executive Board has a two-year term.

2.4 SECRETARIAT
[It is recommended that a member CoST secretariat be established to support the work of the MSG and take responsibility for day-to-day CoST activities. The MSG should define the MSG's relationship with the secretariat, including the roles and responsibilities.]

Example:
CoST El Salvador's programme regulations clearly defines the roles of the manager, financial assistant and assurance team, and their period of appointment.

2.5 CODE OF CONDUCT
[The MSG should include guidelines on the conduct of MSG members. This typically includes the values of the CoST member programme, the expected behaviour and guidance on disclosing conflicts of interest, treatment of confidential information, etc.]

2.6 MSG MEMBER EXPENSES
[The MSG can define whether there will be a need to cover reasonable out of pocket expenses for attending formal CoST meetings. This practice should be transparent, should not create a conflict of interest, and must comply with policies of the funders of the CoST member programme.]

3. MSG membership
[The MSG should agree procedures for nominating and changing multi-stakeholder group representatives and the duration of the mandate. Each stakeholder group must have the right to elect or appoint its own representatives and be adequately represented. This does not mean that there must be an equal number of members from each constituency.]

3.1 NOMINATIONS AND TERMS OF MEMBERSHIP
[The MSG is advised to specify the total number of MSG members and the number of members from each constituency. It is required that the ToR clarifies (i) the mechanism for selecting and replacing MSG members and its representatives; and (ii) determine the length of the term of the MSG and whether members can be re-appointed after the term ends; and (iii) specify whether MSG member have alternates and how they are selected or nominated]

Example:
The Costa Rica MSG is nominated on the basis of an executive decree, signed by the President of the Republic.

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.

3.2 OBSERVERS
[The MSG may wish to specify a policy on observers who can offer support and advice.]

Examples:
Since their programmes were established, donors have participated as observers in both CoST Malawi and CoST El Salvador's MSGs. The role of the donor has been as a critical friend that can provide strategic advice and help open doors of key stakeholders. It has also led to funding for each programme from the respective donors.

CoST Afghanistan invited the National Procurement Authority to become an MSG observer after it became apparent that they were working on similar issues, including the Afghanistan Government's adoption of the Open Contracting Data Standard, and it would be an important ally in driving institutional changes.

4. MSG operations and proceedings
[The MSG ToR should set out the internal governance rules and procedures of the MSG]

4.1 FREQUENCY AND NOTICE OF MEETINGS
[There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption. This enables MSG members to prepare for meetings and discussions. Any member of the MSG has the right to table an issue for discussion. The MSG is advised to ensure that the ToR specify the minimum notice of meetings, the frequency of meetings and the process for calling meetings.]

Example:
CoST El Salvador's MSG ToR state that the MSG meets four times a year with a smaller executive committee meeting twice a month.

4.2 DECISION-MAKING
[CoST requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. The ToR should specify the agreed procedures for decision making. This could include guidelines on quorum, voting rules, and procedures for decision-making in between MSG meetings.]

Example:
The CoST Honduras MSG has set out specific articles on decision-making in its ToR. Decisions are taken by a simple majority of the members present. In the event of a tie, voting is repeated by secret ballot. If a tie remains, the matter is postponed to a subsequent meeting, which may be extraordinary, and is decided by public vote. A qualified majority of two thirds of the members of the MSG is required to approve modification of the annual work plan, terms of reference for consultants, contracts and appointing the CoST Manager. In exceptional cases, the MSG may meet virtually or make decisions by e-mail.

4.3 RECORD KEEPING

[The MSG must keep written records of its discussions and decisions and are encouraged to publish the MSG meeting minutes. It is recommended that the MSG ToR clarify the procedures for circulating and agreeing MSG meeting minutes. It is recommended that the minutes from each MSG meeting are published on an appropriate website.]

Example:
The CoST International Board has published the minutes of each meeting on the CoST website since it published an open information policy in 2014.

4.4 MSG MEMBER PARTICIPATION

[Participation of members at MSG meetings is vital. The code of conduct should be established to indicate how non-participation of an MSG member should be managed.]

5. Core functions

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 the following.

- **Strategic objectives:** To identify the objectives, the MSG should examine the specific problems CoST is seeking to address, the challenges in making public infrastructure transparent and accountable and the standards of transparency and participation that should be set to address the problem.

- **Disclosure:** The MSG proposes the standards for procuring entities to disclose data from public infrastructure projects.

- **Assurance:** The MSG should be well informed about and approve:
  - either the identification of an independent entity or the selection of a team to carry out the assurance function, based on approved ToR;
  - the approach and methodology adopted for the assurance process; and
  - key decisions regarding the conduct of the assurance process and acceptance of the assurance report.

- **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 disclosure by government, and for institutional, regulatory or legal changes that will support the CoST principles.

- **Management and oversight:** The MSG should oversee CoST activities delivered by a Secretariat without becoming unduly involved in operational details – see **Section 3** of this Guidance Note.

- **Discuss, agree and oversee use of financial resources:** The MSG should identify the financial resource needs and budget to deliver the country programme. This includes the costs of the Member 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 **Annex B**).

- **Lesson sharing:** The MSG should support share learning and experiences with MSGs in other countries through social media and international events.

Infrastructure Transparency Initiative

Annex B:
Purposes and functions of key entities within a CoST Programme

ENTITY	DEFINITION	PURPOSE	FUNCTION
CoST Champion	A CoST Champion is a senior individual usually in government	To provide political leadership to a CoST member programme	Provides strategic and policy advice to the MSG on institutionalising CoST into government systems, promotes CoST across government, encourages media and other interest and support, and opens doors when necessary
MSG	A Multi-Stakeholder Group consists of representatives from government, the private sector and civil society	To establish strategy and policy of a CoST member programme	Sets policy and standards for the CoST programme, monitors implementation and ensures that the disclosed data and assurance reports contribute to public debate and government acts to improve public infrastructure
Host or fiscal agency	An organisation from government, the private sector or civil society that provides a legal basis for delivering a CoST member programme	To operate a CoST member programme	Oversees financial management, and recruits and employs staff and consultants
Secretariat	The Secretariat is a small team of employees that is responsible for delivering a CoST programme	To deliver a CoST member programme in line with the MSG- approved strategy and implementation plan	Manages financial resources and provides strategic, policy and administrative support to the MSG including developing fundraising proposals, procuring and managing the assurance team, facilitating technical support and capacity building, leading stakeholder engagement and acting as the principal point of contact with the International Secretariat on a day-to-day basis