

SOME OF KEBEDE'S COMMENTS FOR THE RECORD

(PLEASE NOTE THAT MY COMMENTS DO NOT IMPLY GOING BACK INTO T FOR THE RECORD]

1. [THE MINUTES OF MEETING RELATED TO THE APPROVAL IS EXPECTED TO REFLECT THE AGREEMENT WE ARRIVED AT REGARDING POSSIBILITY OF MAKING FURTHER AMENDMENTS.....]

2. ETC.

3.

**INTERIM GOVERNANCE RULES
FOR
CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE - ETHIOPIA
(CoST-ETHIOPIA)**

November 2015

Definition of Terms

Multi-Stakeholder Group:	is a wide family of stakeholders who have stake in the Construction Sector.
General Assembly:	is an assembly of the wide family of stakeholders of the Construction Sector registered as member/s of CoST – Ethiopia
Institutional Membership:	is the membership of institutions in CoST – Ethiopia.
Individual Membership:	is a membership of individuals in CoST – Ethiopia.
Affiliate Membership:	is a membership of institutions with similar objective/s
Honorary Membership:	is a membership of both institutions and individuals to give recognitions to the achievements they attained in the construction sector.
NMSG – EC:	is a National Multi-Stakeholder Group Executive Committee comprising of members representing Government Sector, Private Sector, Civil Society and prominent individuals elected by each stakeholder group

1 STATUS

- 1.1 The Governance Rule of Construction Sector Transparency Initiative - Ethiopia hereinafter called "CoST- Ethiopia" is set out to promptly guide the activities of the Initiative. The Governance Rule also defines the vertical and horizontal relationships of the Initiative within itself, with stakeholders and other external bodies giving due respect to the rights of all members of the stakeholder group to express their ideas and notify their stands in all cases.
- 1.2 CoST is a Multi-Stakeholder initiative comprised of members from the Government, Private and Civil Society Sectors and exercises its functions through its elected National Multi Stakeholder Group Executive Committee, hereafter called "NMSG – EC" Secretariat Office and Administrative Host for the fulfillment of the objectives set out in Article 2. CoST - Ethiopia, shall have its Champion represented by the Government to show its commitment. The role of the Champion is a high level advocacy and supporting the Initiative as required.

2 OBJECTIVES

The main objective of CoST-Ethiopia to enhance transparency and accountability in publicly financed construction projects through disclosure of Project Information. The expectation is that improved transparency will be supportive of better management and use of public finances and prevents mismanagement and corruption.

3 PRINCIPLES

- 3.1 The NMSG of CoST-Ethiopia shares a belief that delivery of public sector infrastructure projects should support sustainable economic growth which contributes to sustainable development and poverty reduction, but mismanagement during construction can undermine their potential social and economic benefits and value for money
- 3.2 The NMSG of CoST- Ethiopia believes that Transparency and Accountability in Construction Projects highly reduces mismanagement and abuse..
- 3.3 The NMSG of CoST- Ethiopia considers that disclosure of basic project information throughout the project cycle could be an effective and efficient way to improve value for money of construction projects over time, and that greater transparency during project implementation should be supported by open and transparent procurement processes in its full cycle.
- 3.4 NMSG of CoST- Ethiopia believes that a collaborative multi-stakeholder group can play an important oversight and interpretative role in ensuring greater transparency and public understanding of disclosed information of projects.
- 3.5 CoST - Ethiopia complements the country level and international level efforts towards increased transparency and accountability.

4 MEMBERSHIP

- 4.1 Any entity or a person who shares the Principles and Objectives of CoST-Ethiopia set out in Articles 2 and 3 may become a member of CoST - Ethiopia Multi Stakeholder Group by filling the form annexed with this document.
- 4.2 Membership shall be grouped into four categories: Institutional membership, Individual membership, Affiliate membership and honorary membership.
- 4.3 Membership applications shall be submitted to the CoST-Ethiopia Office. The application shall be reviewed by the NMSG – EC. The NMSG – EC may approve interim membership. Full membership shall require endorsement by the General Assembly. Honorary members are nominated, based on a defined sets of criteria, by the NMSG – EC or any member of the NMSG. The NMSG – EC reviews the nomination for honorary membership. The NMSG – EC can award interim honorary membership. Full membership can only be attained following the approval by the General Assembly

5 THE ORGANISATION OF CoST

- 5.1 CoST - Ethiopia is run through the National Multi Stakeholder Group (NMSG) and its Executive Committee (NMSG-EC), the Secretariat and the Administrative Host and such other working groups as may be endorsed by the CoST General Assembly.
- 5.2 The General Assembly is the top most leadership level of CoST – Ethiopia. The NMSG – EC, elected by the General Assembly shoulders the responsibility to oversight implementation of the plans endorsed by the NMSG - EC.

6 GENERAL ASSEMBLY OF NMSG

- 6.1 A General Assembly of NMSG is held at least once in a year. The NMSG – EC may call an extra ordinary General Assembly to get matters that cannot wait the regular General Assembly addressed.
- 6.2 The General Assembly is an instrument to address strategic issues and appointment of Executive Committee of the NMSG. All members shall have the right to attend CoST General Assembly. Other observers may be invited by the NMSG-EC to attend CoST General Assembly.
- 6.3 At the NMSG – EC's invitation, each stakeholder group (Government, Private Sector and Civil Society) shall nominate three representatives each to serve on the NMSG – EC. The NMSG – EC shall nominate and invite the participation of the additional two members.
- 6.4 The categorization of the member institutions (to the stakeholder group) is drafted by the NMSG – EC and indorsed by the General Assembly

- 6.5 The quorum for any NMSG General Assembly shall be one third of all Voting Members and any Voting Member may be entitled to participate in the meeting by telephone conference if requested.
- 6.6 The NMSG Annual General Meeting shall:
- 6.6.1 Review and adopt the strategic directions and policies for CoST - Ethiopia
 - 6.6.2 Comment on and approve the CoST reports and accounts for the current year and the plans (including sources of funding) prepared by Secretariat and reviewed by the NMSG-EC.
 - 6.6.3 Ratify the Auditors of accounts for the following year.
 - 6.6.4 Appoint members of the NMSG-EC by grouping into four syndicates of Government Sector, Private Sector, Civil Society and others (Media, Academia, Individuals, ...)

[JUST FOR THE RECORD, THE ABOVE PROVISION IS ONE OF MY BIGGEST CONCERNS. WHAT ABOUT AN NMSG-EC MEMBERS WHOM IT WAS SAID THAT THERE WOULD BE SUCH A MEMBER MANDATORILY BE SELECTED OR APPOINTED FROM THE HHOST INSTITUONS, CURRENTLY, FEACC?]

7 CHAMPION

- 7.1 The Champion is a senior government official pioneering the Principles and Objectives of CoST – Ethiopia.
- 7.2 The role of the Champion is promoting and institutionalizing CoST across Government.
- 7.3 The Champion renders support to CoST – Ethiopia in consultation with the NMSG – EC.

8 NATIONAL MULTI-STAKEHOLDER GROUP EXECUTIVE COMMITTEE (NMSG-EC)

- 8.1 The NMSG shall consist of 11 members and shall include three representatives each from Government, Private sector and Civil Society. The additional two members shall be drawn from any other relevant discipline or stakeholder group such as academia, media and may also include private individuals),
- 8.2 Two alternate members shall be elected from individuals to replace the additional two members in cases where they are not in a position to continue with their membership

- 8.3 All the members to be elected as an NMSG – EC member should have:
- 8.3.1 adequate experience in the Construction Industry, in Transparency, or related areas;
 - 8.3.2 defined stake in the construction industry
 - 8.3.3 exemplary integrity;
- 8.4 Individual members to be elected should have no ownership or other association with construction related firms
- 8.5 All NMSG – EC members fill a form to declare that they do not see cases which may have conflict of interest with their positions as NMSG – EC members.
- 8.6 If a member ceases to be connected to the sector or institutions that appointed him/her, he/she should stand down and a reappointment pursued.
- 8.7 The host institution shall be a member of the NMSG – EC and the focal person of the Hosting Institution
- 8.8 The term of an NMSG – EC member shall be three years. Year zero starts when the Constitution is signed and endorsed by the General Assembly. The General Assembly may extend the term for all or part of the NMSG – EC members for one more term. Under all circumstances, one third of the members, who served for only one term, of the NMSG – EC, as nominated by the General Assembly, will remain within the NMSG – EC for institutional memory.
- 8.9 The NMSG – EC can form an Advisory Council consisting of previous members and other institutions / individuals who support CoST - Ethiopia on voluntary basis.
- 8.10 Donors and/or relevant International Institutions may participate in the NMSG – EC as non-voting observer members
- 8.11 NMSG – EC of CoST – Ethiopia organizes the Office of CoST – Ethiopia by employing a Country Manager, an Administrative Assistant and other services and professionals as may be required during planning and implementation of its plans.
- 8.12 Apart from its national level activities, CoST – Ethiopia shares directions from the International Secretariat.
- 8.13 The NMSG – EC will have a regular meeting once in a month. As required, intermediate meetings may be called to discuss matters that cannot wait till the regular meeting.
- 8.14 The quorum number for the Meeting of NMSG – EC is six.

- 8.15 For the NMSG – EC and Advisory Council meetings and event attendances, the members shall be compensated for expenditures as per the rule set by the International Secretariat or the donor organization.
- 8.16 Agendas for the meetings shall be crafted by the Office in consultation with the chair person, and vice chairperson. Every member of the NMSG – EC can register agendas by consulting the office.
- 8.17 Notification of meetings and agendas for the meetings shall be distributed to all members at least three days ahead.
- 8.18 On all major issues and in so far as possible, decisions shall be passed by consensus. If no consensus is reached, the candidate decision point with simple majority wins. When there are equal votes, the candidate decision favored by the chair wins.
- 8.19 The NMSG – EC may form committees under it to look through different specialized cases. It determines the domains and authorities of each committee formed.
- 8.20 The NMSG – EC conducts procurements of services and goods following the regulations of the Federal Public Procurement and Property Administration Agency (FPPA) or the donor organization/s as may be required.

9 PARTICIPATION OF NMSG – EC MEMBERS

Members of the NMSG – EC should have active participation

10 DEFAULTING MEMBERS

- 10.1 If a member of NMSG – EC misses attendance of any activities for consecutive three months, a precautionary letter shall be written to it with carbon copy to the representing institute.
- 10.2 If the member repeats similar defaults for the second time, it will be canceled from its membership.
- 10.3 If a member of NMSG – EC has been found in any activities that jeopardizes the principles and objectives of CoST and this is supported with sufficient evidence/s, its membership shall be cancelled.
- 10.4 Cancellation of the membership shall be notified to the representing institution and request made to replace the member.
- 10.5 For a member to be removed the removal is to be supported by majority members and at least one member from each sector.

11 DUTIES AND RESPONSIBILITIES OF THE NMSG-EC

The NMSG – EC:

- 11.1 Provides oversight of the work of the Secretariat
- 11.2 Recruits and Remove CoST Country Manager and Administrative Assistant for the secretariat; and endorses other staffs recruitment by the Manager Form an executive sub-committees for the purpose of addressing day to day specific items

- 11.3 Ensures financial and technical sustainability of CoST
- 11.4 Endorses Terms of Reference of the Assurance Team
- 11.5 Establish Terms of Reference, the qualification and mode of appointment of members of the Assurance Team
- 11.6 Handles other duties and responsibilities as may be delegated by the General Assembly
- 11.7 Provide an interface between the Host Institution and the NMSG Prepares annual work plan and budget for approval by the General Assembly.
- 11.8 Identifies funding for CoST
- 11.9 Provides feedback to the public Organizations the Annual Stakeholders Forum and other desired Technical Meetings
- 11.10 Provides an interface between those with specialty and detail knowledge of the structure and workings in the construction sector and a wider set of interested and affected stakeholders
- 11.11 Identifies and builds, upon existing structures, procedures and initiatives relating to the provision of transparency.
- 11.12 Select projects for disclosure by setting transparent criteria
- 11.13 Establishes information templates that define the nature and extent of information to be disclosed by procuring entities
- 11.14 Identifies similar initiative locally, regionally and internationally for Complementarities and synergy
- 11.15 Reviews the reports of the national secretariat on quarterly, semianual and annual basis.

12 CHAIRPERSON

- 12.1 CoST – Ethiopia shall have a Chair Person
- 12.2 The Chairpersons shall be elected by the CoST NMSG –EC
- 12.3 The term of the Chair persons shall be one term which shall be subject to renewal for one more term.
- 12.4 Election of Chair Persons shall be conducted by nominating three candidates from the NMSG – EC and conducting a secret voting.

- 12.5 The candidate with the highest vote shall be the Chair Person and The candidate with second highest vote shall be the Vice Chair Person.

The Chairperson:

- 12.5.1 convenes and chairs the CoST- Ethiopia General Assembly.
- 12.5.2 signs all contracts and MoUs, within the jurisdictions of CoST – Ethiopia, on behalf of the CoST – Ethiopia.
- 12.5.3 closely directs the Country Manager in high level engagements
- 12.5.4 calls and chairs the meetings of the NMSG-EC
- 12.5.5 based on the assessment by the NMSG-EC, shall inform the General Assembly about the performance of the Administrative Host.
- 12.5.6 Issue statements on behalf of CoST- Ethiopia within the scope of a mandate agreed by the NMSG-EC.
- 12.5.7 Can delegate some of its responsibilities to the vice chairperson, any other NMSG – EC member or the country manager.
- 12.5.8 Supervises the performance of the secretariat and more specifically the Country Manager
- 12.5.9 Does annual performance appraisal of the Country Manager
- 12.5.10 Handles any other duties and responsibilities to be delegated by the NMSG – EC.

13 VICE CHAIRPERSON

- 13.1 CoST – Ethiopia shall have a Vice Chair Person
- 13.2 The Vice Chairperson accomplishes the duties and responsibilities of the Chairperson in its absence.

14 COMMON DUTIES AND RESPONSIBILITIES OF THE CHAIR PERSONS

- 14.1 Checks shall signed by the Chair Person and Focal Person of the Hosting Institution. If representative of the Host Institution is either the Chair Person or Vice Chair Person, the two Chair Persons shall be signatories.

15 NATIONAL SECRETARIAT

- 15.1 Prepare draft strategic and annual plans for approval by the NMSG - EC
- 15.2 Address the strategic issues and implement the annual plans as per the direction given by the NMSG - EC
- 15.3 Facilitate the works of the Assurance team and NMSG - EC
- 15.4 Organize meetings of the NMSG – EC and Annual General Assembly
- 15.5 Liaise with the Administrative host in carrying out administrative works of CoST
- 15.6 To be responsible for day to day activities of CoST under the direction and guidance of NMSG - EC
- 15.7 The day to day activities of CoST secretarial shall include:
 - 15.7.1 Implementing decisions, instructions from the NMSG Annual General Assembly and NMSG - EC.
 - 15.7.2 Propose action plans of CoST taking into account the strategic directions and policies adopted by the NMSG - EC and NMSG Annual General Assembly.
 - 15.7.3 Prepare the quarterly, semi-annual and annual reports as may be directed by NMSG - EC.
 - 15.7.4 Assess applications and recommend new members (and termination of membership) to the NMSGEC.
 - 15.7.5 Provide administrative support to the Assurance Professionals in accordance with the operational guidelines and rules of CoST
 - 15.7.6 Where necessary perform its duties through CoST Administrative Host.

16 ADMINISTRATIVE HOST

- 16.1 The Administrative Host is the institution assigned by the Government. For the prevailing condition, it is the Federal Ethics and Anti Corruption Commission.
- 16.2 The services to be provided to CoST by the Administrative Host may include, but not limited to, the following:
- 16.3 Availing of an account for CoST funds and property as custodian and trustee for CoST
- 16.4 Providing personnel and logistical services including contracting the services of the Country Manager, members of assurance team and staff of the secretariat.

- 16.5 Secretarial support
- 16.6 Provision of office accommodation and utilities
- 16.7 Procurement and contracting
- 16.8 Assisting the Office in obtaining information
- 16.9 Assigns a focal person

17 COUNTRY MANAGER

- 17.1 The Country Manager shall be recruited by the NMSG-EC on contractual basis, which may be subject to renewal.
- 17.2 The Country Manager shall be the Manager of the Secretariat. It shall be responsible for the day to day activities of the Secretariat and shall be answerable to NMSG-EC.
- 17.3 The Country Manager, or his/her appointee from the Secretariat, shall serve as Secretary to NMSG-EC meetings, NMSG General Assemblies and Technical Meetings and minutes of all such meetings shall be kept in books prepared for such purpose.
- 17.4 The Country Manager:-
 - 17.4.1 Promotes the CoST and solicit funding for CoST programs.
 - 17.4.2 Implements the decisions of the NMSG General Assembly and the NMSG-EC.
 - 17.4.3 Executes instructions from the Chairperson and the NMSG-EC.
 - 17.4.4 Presents the annual report, annual accounts and the annual action plan of CoST to the General Assembly
 - 17.4.5 organizes NMSG - EC meetings, the General Assemblies and Technical Meetings by covering the tasks of communications, distribution of papers and other dissemination activities that are required in support of such meetings.
 - 17.4.6 is responsible for ensuring the effective implementation of CoST activities as approved by the NMSG - EC and NMSG General Assemblies.
 - 17.4.7 Facilitates committees and groups established by the NMSG - EC.
 - 17.4.8 Scrutinizes applications for (and termination of) Membership of CoST.
 - 17.4.9 Handles other items to be given in Job Description

18 COMMUNICATIONS OF CoST – ETHIOPIA

- 18.1 Communications of CoST – Ethiopia within itself and with external bodies shall be made in accordance with its Communication Protocol.

19 FINANCE

- 19.1 CoST shall solicit funds through voluntary support, contributions and grants from governments, development funding agencies/development partners and others. The NMSG-EC may seek other sources of financing.
- 19.2 The Country Manager shall ensure that the annual accounts are prepared for approval by the NMSG - EC and presentation to the CoST General Meeting.

20 AMENDMENTS

- 20.1 Any member of the NMSG can raise points of amendment on these Rules to the NMSG – EC. The points of amendments shall be presented to the General Assembly if they win at least one-third vote of the NMSG-EC. The proposal for an amendment shall be seen by the NMSG-EC and circulated to all Members 15 days in advance of the General Assembly.
- 20.2 The record of any amendment adopted in accordance with the preceding sub-article shall be maintained by the Country Manager in accordance with Article 17.

21 WITHDRAWAL AND DISSOLUTION

- 21.1 Any Member can withdraw from CoST - Ethiopia at any time by giving a written notice to the NMSG-EC.
- 21.2 A member withdrawing from the NMSG – EC should get a letter clearance from the NMSG - EC

22 ENTRY INTO FORCE

- 22.1 These Rules enter into full force, as interim Rule, and effect upon their adoption by the decision of the NMSG -EC .
- 22.2 The Interim Rule shall be presented to the General Assembly for endorsement after which time it serves as Governance Rule of the Initiative.

[THE MINUTES OF MEETING RELATED TO THE APPROVAL IS EXPECTED TO REFLECT THE AGREEMENT WE ARRIVED AT REGARDING POSSIBILITY OF MAKING FURTHER AMENDMENTS.....]

23 DEPOSITORY

The CoST-Ethiopia Secretariat shall be the depository of these Rules and any amendments thereto. The Depository shall maintain a List of Members and update the same following every NMSG General Assembly. Applications from new members must be accompanied by a signed Annex of Adherence to these Rules of CoST-Ethiopia.

24 EFFECTIVE DATE

This Rule shall enter into effect this day of November 2015

Construction Sector Transparency Initiative – Ethiopia (CoST – Ethiopia)
Addis Ababa, Ethiopia