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## From the Director

# Welcome...

**Public confidence in large companies is perilously low. In a recent 'Voice of the People' survey conducted by Gallup across 46 countries, more than half of those asked did not trust large companies to act in society's interest. The constant drip of corporate scandals and excessive boardroom payments in the media, can only do further damage to corporate reputations. It is perhaps surprising that this low point in public confidence has occurred at a time when corporate investment in social responsibility (CSR) is higher than ever.**

Some NGOs claim that CSR will never deliver substantial social and environmental improvement, precisely because it is based on trust rather than compulsion. They argue that voluntary self-regulation must be replaced by an international system of legally binding regulation to guarantee ethical standards and human rights. Such an approach is anathema to many corporations who argue that less, not more regulation is the surest route to growth and prosperity. This view seems likely to prevail in the Government's new Companies Bill, despite pressure from campaign groups.

The relationship between NGOs and corporations is complex, particularly in relation to CSR issues. Steve Tibbet, head of campaigns at War on Want, wrote recently that 'after years of co-operation, there is now a major rift between development campaigners and big business'. If CSR discourse is a battle of ideas between the corporate and NGO sectors, it is one that the NGOs appear to be winning. The

'Voice of the People' survey also revealed that NGOs, including social advocacy and environmental campaigners, enjoy the second highest trust rating with the public.

It would be wrong however to think that relations between big companies and NGOs are necessarily antagonistic. Forward-thinking companies are exploring ways in which partnerships with NGOs can add value to their core business activities. EAP for example is working with engineering services majors such as AMEC and Balfour Beatty, to implement a series of pilot multi-sector partnership projects. The article by Ian Neal in this edition of our newsletter makes the case for multi-sector partnering in international engineering.

We are convinced that large companies can play a positive role in international development. Multi-sector partnering has a vital contribution to make and has the potential to bring about a step change in the poverty reducing impact of engineering services. The extent to



*Social housing project in South Africa, USAID*

*continued from page 1*

which this actually occurs is of course dependent on a number of factors including importantly, the ability of NGOs and companies to forge genuine partnerships.

This is our first newsletter since undertaking a substantial reappraisal of our programme approach. I hope that together with other publications and our website ([www.engineersagainstopoverty.org](http://www.engineersagainstopoverty.org)), future editions will make a valuable contribution to the CSR debate. I urge you to support this newsletter by reading it, recommending it to friends and colleagues and by writing for it.

***How NGOs and other civil society organisations can add value to international engineering services companies...***

- Complexity of local political, economic, social and environmental context
- Appropriate and participatory needs assessment methods
- Appropriate technology and design
- Sustainable livelihoods approaches
- Building on local capacity
- Design for long term sustainability
- Accountability, transparency and participatory monitoring and evaluation method

# The case for multi-sector partnering in international engineering

The need to track and anticipate change is widely recognised across the organisational spectrum. This article aims to explore two key areas of change affecting the international engineering sector: namely the evolution of integrated business strategies and the rising influence of corporate social responsibility. It then goes on to explore the implications of these trends for international engineering companies and the role of multi-sector partnering in helping these companies meet the challenge of delivering both business performance and social and environmental performance.

## **Changes to the business model of international engineering companies**

The last twenty years has seen considerable shifts in the relationships between government, business and society throughout the world with a blurring of the traditional boundaries. The market in which international engineering companies operate has been transformed and these changes are continuing apace.

International engineering companies are diversifying from their core of creating physical infrastructure and moving into 'front-end' and 'back-end' activities. Front-end: with regard to pre-construction activities such as the assessment of needs and impact, project design and social and environmental management plans and project financing. Back-end: with regard to post construction activities such as the operation, maintenance and up-grading of systems, service delivery, training and capacity building and the transfer of facilities. This diversification has profound implications for how engineering companies work and the skills and competencies they will need to demonstrate.

## **The rise of corporate social responsibility**

The second trend is the rise of corporate social responsibility (CSR) over the past 15 years. Companies especially large trans-national companies face increasing scrutiny of their social performance from many quarters: international donor organisations, ethical investors, lawyers, company shareholders, NGO (non-governmental organisation) campaigners, company employees and their public and private sector clients. When it comes to CSR, the business world presents a broad continuum. On one end are those with little interest in the concept and continue with 'business as usual', at the other end are companies whose leadership has changed practices throughout an industry. The majority of companies sit somewhere in the middle.

It is increasingly recognised by the more enlightened companies that to secure long-term growth, companies need to do more than limit their negative impacts upon society. This is particularly true where huge trans-national companies (TNCs) invest and operate in poorer countries. By imaginatively and proactively seeking to engage



*Drilling of a borehole for community water supply project WEDC*

with a range of actors from the private, public and civil society sectors in these countries, leading TNCs have the potential to make a significant contribution to poverty reduction.

### **Multi-sector partnerships**

Many business leaders are coming to realise, however, that 'CSR is not about being 'nice'. The potential to limit expenditure, maintain or improve employee and community relations, control risk and promote reputation means, that applying corporate social responsibility strategies is simply good business sense' (Kent, 2001). Partnership models and a growing awareness and commitment on behalf of trans-national companies to their wider social role show the way forward.

**The Business Partners in Development (BPD)** initiative sought to enhance the role of international business in development. In developing and adapting the BPD model to the international engineering sector, EAP has teamed up with The Overseas Development Institute (ODI). EAP's Partnership Programme aims to produce practical examples of how multi-sector partnerships (MSPs) can be a more effective way of (1) managing social risk and (2) contributing to sustain-

able development. The BPD Initiative makes a strong case for MSPs adding value in these first two areas, but a third area of potential benefit exists, namely strengthening the core business. Allow me to expand.

The move of international engineering companies into front-end and back-end activities has two major implications. Firstly the company is making a longer term commitment to a region and its people and secondly, the company's ability to take on upstream and downstream activities relies on strong local knowledge, sensitivity to the local culture and context and good, deep relationships with the key local stakeholders.

If we dissect the core activities of leading international engineering companies, we see they focus on project design, project management and increasingly service delivery and capacity building of local sub-contractors. The strategy is based on multi-discipline teamwork, strategic business alliances and on-going learning, yet this mirrors the core activities of many of the leading development NGOs. If we explore further what characterises good practice in the two sectors, we will see many similarities. Concepts such as teamwork, valuing learning

and diversity, employee empowerment, participation in decision making and understanding the customer or 'primary stakeholder' are common to both sectors.

Despite this, there is much mutual mistrust between the NGO and business sectors. Whilst both sectors are increasingly aware of the advantages of partnerships that focus on poverty reduction, there is less awareness of the business contribution that development actors in poor countries can make to an international engineering company.

The theory of engaging with poor people, understanding their needs and their lives, building trust and partnership and involving them in decision making and action may appear straight forward. Many years of experience tackling poverty around the world demonstrate that the practicalities of working across cultures and backgrounds are considerably more complex and challenging.

Case studies arising from the BPD Natural Resource cluster have demonstrated the pitfalls of TNCs taking on the role of development agencies or local government as deliverers of services and social investment. This is neither in the interest of the TNC or the host country government and civil society. Instead a partnership approach which recognises the respective strengths and weaknesses of TNCs and host country actors offers both more effective and sustainable solutions, building as it does on host country capacity.

As DfID's policy paper *Making Connections: infrastructure for poverty reduction* (2003) notes, many large infrastructure projects fail to

# Technical Support Service Research

have the desired development impact precisely because the international contractor and client fail to adequately assess what is appropriate and sustainable to the local context and local capacity. As international engineering companies increasingly engage in front-end and back-end activities, they will do well to reflect on the experience of the extractive industries and the benefits of multi-sector partnerships in coming to understand and form synergies with host country actors.

By aligning activities with local and central government development plans and budget expenditure frameworks for infrastructure and supporting institutional building within government, TNCs have much offer and gain from partnerships with host government actors.

Multi-sector partnerships, when entered into with honesty, transparency and a little humility, offer pathways to not only win future business but to address some of the legitimate concerns of the TNC critics. Partnerships between companies and local development actors in poor countries are not just about meeting CSR demands but about enabling the company to do its core role better. Front-end and back-end activities demand local development expertise and partnerships allow companies to access this expertise. This benefits both the company and their low income customers.

**Ian Neal works as a programme officer for EAP.**

Ref: Toby Kent, CSR Investment is not a choice, Ethical Corporation Mag, 16 Jan 2001. [www.ethicalcorp.com](http://www.ethicalcorp.com)

**EAP has undertaken research amongst over 50 national and international development agencies, international engineering companies and low income country governments to assess existing provision, use and benefits of technical support services. Our report will be available at the end of June. If you wish to receive a copy, please email:**

**[info@eap-engineers.org.uk](mailto:info@eap-engineers.org.uk).**

EAP will be promoting existing technical support services from a range

of specialist agencies including RedR, WEDC and WELL, ITDG, Oasis, SKAT and VITA through our website, as well as encouraging technical advisors from around the world with relevant skills to use and contribute to these services.

Later this year, EAP will be launching its own specialist advice service focussing on the brokering of multi-sector partnerships and promoting the social performance of the international engineering companies.

The service will be accessed via our website.



*Community construction flood storm drainage chan*

# Campaigns and policy news

■ Members of the **UK Trade Network (UKTN)** have been invited to submit evidence to the UK Government International Development Select Committee as part of consultations on the General Agreement on Trade in Services (GATS) and the wider WTO process. Papers are available direct from member organisations, including ACTSA, Bretton Woods Project, CAFOD, Christian Aid, Save the Children, WDM and WILPF

■ **CORE (The Corporate Responsibility Coalition)** is campaigning for a new CORE Bill to hold companies accountable for their social, environmental and ethical performance. Further details from <http://www.foe.co.uk/campaigns/corporates/core/about/>

■ In February, **BOND** opened discussions on a new **Policy Coherence campaign** (details: <http://www.bond.org.uk/advocacy/policycoherence.pdf>) and have since held follow up meetings to further explore the campaign's message and strategy.

■ **Christian Aid** have recently released a report: *Fuelling Poverty* exploring the links between oil, war and corruption. This report shows that for many developing countries, oil reserves are more likely to prove a curse than a blessing. New research from Christian Aid – along with important studies from some of the world's leading development specialists, and research by both

the World Bank and the International Monetary Fund – indicates that poor countries dependent on oil revenues have a higher incidence of four great and interconnected ills.

Oil, in these conditions, becomes the key ingredient in a 'lethal cocktail' of:

- greater poverty for the vast majority of the population
- increased corruption
- a greater likelihood of war or civil strife
- dictatorial or unrepresentative government.

Christian Aid cites the experience of Sudan, Kazakstan, Angola and Nigeria to illustrate these connections and is using the research to call for a new Global Oil Deal. Among the measures it recommends are:



*Community participation of road culvert, WEDC*

- regulations requiring oil companies to publish what they pay to oil-producing countries
- transparency of oil money in these countries' budgets, with public-sector contributions to governments being used as the lever to achieve this
- a proportion of oil revenue being held in trust for the people of the country
- a system of restrictions and embargos within the oil trade to restrict the sale of 'blood oil'.

These measures echo the voluntary measures promoted by DfID's Extractive Industries Transparency Initiative. The report is available from Christian Aid or their website <http://www.christianaid.org.uk/independent/0305cawreport/cawreport03.pdf>

■ As G8 leaders gathered in Evian, France, **Amnesty International** urged them to make good on their promises, made at last year's summit, "to promote peace and security in Africa."

"...If the G8 are serious about change in Africa, they must act on the sources of conflict – the trade in arms and in natural resources that fuels wars across the continent," Amnesty International said.

<http://web.amnesty.org/library/Index/ENGPOL300022003>

■ A **Friends of the Earth** report alleges poor social and environmental practices from 8 leading trans-national companies. <http://www.foei.org/media/2003/0528g8.html>

# Website and publications review

• Department for International Development (DfID): ***Making Connections: Infrastructure for poverty reduction*** (ISBN 1 86192 506 9), email: [enquiry@dfid.gov.uk](mailto:enquiry@dfid.gov.uk).

Published at the end of last year, this 30-page policy paper is important from a range of perspectives. Within DfID and the international donor community, it challenges the popular perception that investment in infrastructure is an ineffective and discredited means of poverty reduction. Building on acknowledgement of past mistakes, the paper draws some important and well-founded lessons that should guide all those of us who work in the interface of engineering and poverty reduction.

The paper mirrors many of the key messages of EAP:

- The value of multi-sector partnerships
- The need to link investment to local and national agendas
- The paramount need to engage

with and understand the lives of the poor

- The need for accountability, transparency and wide participation in decision making
- The need to work with and build local capacity, especially in the operation and maintenance of infrastructure services.

Finally the paper sets out the role DfID sees donors, like itself, playing. The call for wider participation in national policy formulation through Poverty Reduction Strategy Papers (PRSPs) and at the international level, in ensuring the General Agreement on Trade in Services (GATS) work in support of the 'pro-poor infrastructure agenda' are to be welcomed. However, the jury must surely still be out on whether PRSPs and GATS can be made to work in the interests of the poor.

*Making Connections* is essential reading for all those engaged in infrastructure provision in poor countries and an important rallying cry to the engineering sector.

oil and gas project in West Papua, Indonesia. Such approaches demonstrate the potential for extractive industries and humanitarian agencies to learn from each other as they grapple with the complexities of operating in insecure and sensitive regions. An acceptance strategy based on strong community relations has long underpinned security management techniques employed by leading humanitarian agencies in some of the world's most insecure environments.

• ***DfID Extractive Industries Transparency Initiative*** promotes increased transparency in relations between governments, companies and civil society in revenues generated by extractive industry. [http://www.dfid.gov.uk/News/News/files/eiti\\_guide.htm](http://www.dfid.gov.uk/News/News/files/eiti_guide.htm)

- ***The World Business Council for Sustainable Development (WBCSD)*** has just published a series of papers of 'cross cutting themes'
- Corporate Social Responsibility
  - Eco-Efficiency
  - Ecosystems
  - Innovation & Technology
  - Risk
  - Sustainability & Markets

They can be downloaded from their website at <http://www.wbcsd.org>

The key note and background papers from the Private Sector Participation (PSP) in Kenya's Infrastructure Conference, (May 15, 2003) Nairobi are available from <http://www.buildkenyatogether.com>. Papers cover all the main infrastructure areas from leading business and donor representatives. The conference explored the role of the international engineering sector in the infrastructure development of Kenya following the recent elections

• ***The Social Aspects of Construction***, a DFID funded project which aims to mainstream the adoption of labour standards in national and international procurement and construction, has produced a sourcebook: ***Implementing Labour Standards in Construction***. The book, SAC website and related links to the ILO/ASIST websites should be of interest to anyone responsible for labour standards and labour intensive approaches within construction.

Further details:  
<http://www.lboro.ac.uk/wedc/projects/sac/>

• ***Oasis Technical support service: Free water consultancy***. A new global resource centre, providing access to world-leading water expertise for developing countries, NGOs and international agencies, was launched in February. More information at [www.oasis-water.net](http://www.oasis-water.net).

• ***BP in West Papua***: Article from New Internationalist site, <http://www.newint.org/issue344/beyond.htm>  
An interesting article exploring BP's experimentation with 'community security' strategies on the sensitive Tangguh

# Conferences, training and events

## ■ **World Economic Forum Africa Economic Summit 2003** –

Harnessing the power of partnership, Durban, South Africa, June 11-13 2003.

## ■ **The Institution of Civil Engineers Annual conference**, Belfast, June 18-21 2003. Developing a sustainable infrastructure – a challenge for civil engineers. Details from hannah.wilson@ice.org.uk

hannah.wilson@ice.org.uk

## ■ **Sustainable Development and Financial Management** Thursday 19 June 2003 2.00 p.m. to 4.00 p.m. at RIBA 66 Great Portland Street, London W1B 1AD

Jimmy Brannigan, Partnership and Learning Manager for the Environment Agency.

Phil Case, Environmental Director, Barclays Bank.

Emma Hunt, Head of Sustainable Finance Education, Centre for Sustainable Investment, Forum for the Future.

This is a continuing professional development workshop run by Professional Practice for Sustainable Development that is free of charge and open to any interested professionals. To attend please register by contacting Lynette Fuller at IES giving your name, organisation and contact details on 01778 394846 or by e-mailing: ies-uk@breathemail.net

## ■ **Working together: a collaborative approach**: June 26 2003, RIBA, London, UK. Half day conference on integrated working within construction. Details from T 020 7505 8614 or E Natalie.rubinstein@emap.com.

Details from T 020 7505 8614 or E Natalie.rubinstein@emap.com.

## ■ **CSR Europe: Sustainable trade** – what does it mean for business?

24-25 June 2003, Brussels. Exploring what current debate on the Doha trade round, WTO, globalization, sustainable impact assessment, corporate responsibility, foreign direct investment means to leading companies. Details from <http://www.csreurope.org/home/default.asp>

## ■ **Trade, GATS & the Environment** – Threats & Opportunities Thursday June 26th 2003 The Brunei Gallery, SOAS, Russell Square, London WC1

David Hales Co Chair, Stakeholder Forum  
Ulrike Hauer European Commission, Trade in Services  
Rt Hon Baroness Symons Minister of State for Trade & Investment, DTI  
Valli Moosa South African Minister for Environment & Tourism

### TOPICS:

- From Doha to Cancún via Johannesburg
- GATS and Sustainable Development
- Trade and Multi-lateral Environmental Agreements
- How can these be mutually supportive?
- GATS Challenges for Local and Regional Government
- GATS Challenges for the Pharmaceutical Industry
- GATS Is Water a Private Commodity or a Public Good?
- Is GATS another MAI?
- Is Education a Public or Private Good?
- Beyond Cancún

A PDF file of the Conference programme, and a booking form can also be accessed from [www.stakeholderforum.org](http://www.stakeholderforum.org)

## ■ **Scale up for Trade Justice**: June 27-28, across the UK A weekend of action for Trade Justice including

lobbying MP's. More details: <http://www.tradejusticemovement.org.uk/scaleup/index.shtml>

## ■ **Schumacher College, Business and Sustainability short courses** including Greening the Boardroom, Greening Society June 29 - July 4 2003 with Jonathon Porritt and Peter Melchitt. More details

<http://www.schumachercollege.org.uk/business/2003-Courses.html>

## ■ **The RedR Challenge**, July 5-6 2003, Ascot, UK. Details from [Julie@redr.org](mailto:Julie@redr.org)

## ■ **Corporate Social Responsibility for the Energy Industry**: Houston, Texas, 21-23 July 2003. Corporate Social Responsibility is no longer a luxury for the energy sector. Learn how the leading energy companies at the forefront of corporate social responsibility are turning progress into profit. For more information, please visit <http://www.oilandgasiq.com>

## ■ **2003 World Water Week/Water Symposium**, 11-14 Aug 2003 Stockholm, Sweden. For more information, please visit, <http://www.siwi.org/waterweek2003/frameset.html>

## ■ **Cancun, Mexico. The Fifth WTO Ministerial Conference** will be held in Cancún, Mexico from 10 to 14 September 2003. The main task will be to take stock of progress in negotiations and other work under the Doha Development Agenda. More details: <http://www.wto.org>

## ■ **Making Partnering Work**: October 21 2003, Birmingham. One day training day hosted by Construction Best Practice exploring 'Partnering in construction'. Details from Nass Ameri, T 01242 577277, E [namari@camarguepr.com](mailto:namari@camarguepr.com)

# Organisation profiles

## ■ **Community Development Resource Association**

CDRA is based in Cape Town, South Africa and offers training, support and advice to NGOs throughout Southern Africa. Their website, [www.cdra.org.za](http://www.cdra.org.za), offers some excellent articles, opinions and a great links page. Although primarily aimed at an NGO audience, its material is equally relevant to commercial or public organisations, whether based in the North or South. Some of the topics covered in their articles such as participation, empowerment, accountability, developing capacity and learning organisations are universally relevant.

## ■ **One World**

[www.oneworld.net](http://www.oneworld.net) is a huge portal of international development sites spanning the globe. Over 1500 NGOs are members of OneWorld. The site includes news, member profiles, articles from featured members, in-depth subject guides, training, careers and a comprehensive search engine. If the site has a flaw, it is that there is just too much information and so pin-pointing a relevant nugget can be time consuming.

## ■ **British Overseas NGOs in Development, BOND**

BOND ([www.bond.org.uk](http://www.bond.org.uk)) is the major network of UK based international development agencies. Established in 1993, BOND currently has over 300 member organisations and has grown in size and

influence. It offers a range of services including training, conferences and events, a register of members and training providers, policy and advocacy work and supports a range of networks including the UK Trade Network.

## ■ **ECA Watch**

ECA Watch is an organizing and outreach feature of the larger international campaign to reform Export Credit, Finance and Insurance Agencies (ECAs). Participants in the campaign include environment, development, human rights, community, labor, anti-corruption and other non-governmental organizations and bodies. The goals of the campaign are described in the Jakarta Declaration on ECA reform. The actions of the ECA campaign include advocacy, grassroots organizing, lawsuits, research, education and media engagement. Targets of the ECA campaign include specific ECA-backed projects and ECA policy reforms taking place at national and multilateral levels.

The ECA campaign is a growing network of non-governmental organizations and bodies focusing on various aspects of ECA reform. Caucuses focus on issues including specific ECA-backed projects:  
<http://www.eca-watch.org/>

## ■ **Public-Private Infrastructure Advisory Facility**

The Public-Private Infrastructure Advisory

Facility (PPIAF) is a multidonor technical assistance facility aimed at helping developing countries improve the quality of their infrastructure through private sector involvement. Launched in July 1999, PPIAF was developed at the joint initiative of the governments of Japan and the United Kingdom, working closely with the World Bank.

PPIAF is owned and directed by participating donors, which include bilateral and multilateral development agencies and international financial institutions. PPIAF was built on the World Bank Group's Infrastructure Action Program and has been designed to reinforce the actions of all participating donors. PPIAF is governed by a Program Council comprising representatives of participating donors and is managed by a small Program Management Unit.

## ■ **PPIAF pursues its mission through two main mechanisms:**

- Channeling technical assistance to governments in developing countries on strategies and measures to tap the full potential of private involvement in infrastructure.
- Identifying, disseminating, and promoting best practices on matters related to private involvement in infrastructure in developing countries.

<http://www.ppiaf.org/>

## EAP people

■ We are sorry to see **Lisa Gee** move on from EAP after over 3 years with us. We wish Lisa every success in her new position, working with vulnerable and homeless people in South East London

■ **Sue Sherry** joins EAP as Office Manager having worked at London School of Hygiene & Tropical Medicine. Sue has extensive experience in international development, environmental health, training and project management

■ There are currently no vacancies with EAP.

## EAP patrons

AMEC  
Balfour Beatty  
The Institution of Civil Engineers  
The Institution of Mechanical Engineers  
The Royal Academy of Engineering

## Future newsletter themes and invitation for articles

This newsletter is an occasional publication. If you would like to submit any articles, feedback or offers of help for future editions please contact Ian Neal at [i\\_neal@imeche.org.uk](mailto:i_neal@imeche.org.uk).

Future editions will focus on

- Promotion of Corporate Social Responsibility
- International development: policy and practice
- Adapting technology and services to a poor world context

## ENGINEERS AGAINST POVERTY

Chair: Professor George Fleming  
Director: Petter Matthews

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The views expressed in this newsletter are not necessarily those of EAP