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From the Director

Commission for Africa

With the launch of the Make Poverty History Campaign in January, the UK's presidency of the EU and G8 and the release of the Commission for Africa Report, poverty reduction and the plight of Africa's poor are at the heart of the international agenda in 2005. EAP particularly welcomes the recommendations of the Africa Commission to scale up investments in infrastructure to approximately \$150 billion over the next 10 years. This edition of *the Spark* includes a look at some of the issues that form a backdrop to these efforts.

Absorbing the magnitude of investment recommended by the Africa Commission will present significant challenges. For example, the capacity to apply engineering sciences and technology for development is very low in many African countries and foreign companies can be reluctant to work in what they see as 'high risk' countries. This edition of *the Spark* reports on the African Engineers Forum (AEF) and its recent efforts to build the capacity of professional engineers in the region to improve water and sanitation. Matthew Lynch then goes on to explain how EAP is supporting and encouraging engineering services companies to get involved in developing countries through the development of a practical toolkit for the management of risks and opportunities.

Another challenge is to ensure that the additional resources recommended by the Africa Commission do not fuel corrupt practice. In this respect, the recent release of Transparency International's (TI) Global

Corruption Report and its focus on the construction sector is very timely. EAP and TI are both providing support to an Industry based Anti-Corruption Forum established by UK consultants. You can read about the goals of the Forum in a report on its latest workshop held in London.

As this edition of *the Spark* shows, highlighting the social, ethical and environmental issues (SEE) in the international engineering and construction sector is an increasingly important part of EAP's work. Ian Neal has written about the recent launch of EAP's newswire which alerts readers to the latest SEE related developments. Another important initiative is EAP's work with the Development Education Association and a range of industry bodies to identify how to improve access to development education resources for professionals in the engineering industry. You can read about a workshop that will be held next month to drive this process forward.

African Engineers Forum gears up to improve water and sanitation

The African Engineers Forum (AEF) is launching a major new programme aimed at improving water and sanitation in the Southern African Development Community (SADC) region. Representatives from sixteen SADC countries met recently in South Africa to identify the capacity building needs of engineering professionals in the region and to develop a strategy for sharing best practice.

Water underpins all social and economic development and is therefore crucial to achieving the UN's Millennium Development Goals. Currently 64 per cent of the population of Sub-Saharan Africa lack adequate sanitation services and 22 per cent is denied access to clean drinking water. The AEF/SADC initiative is aimed at helping to improve this situation.

Established in 1995, the AEF comprises professional engineering institutions drawn from twelve countries including Kenya, Uganda, South Africa, Zimbabwe and Ghana. Its purpose is to support and encourage networking between its members and to help increase the capacity of the engineering industry to contribute to sustainable development.

Representatives from EAP and the World Federation of Engineering Organisations were invited to attend the AEF meeting and make presentations on their respective programmes. Chairman of EAP and Immediate Past President of the ICE Douglas Oakervee said after addressing the meeting "many African countries have struggled to develop the technical capacity necessary to ensure sustainable water supply and sanitation services. The AEF/SADC initiative is a striking example of how this situation can be reversed. EAP will do all it can to support the efforts of the AEF and its members."

EAP strikes deal with South African Institution of Civil Engineering

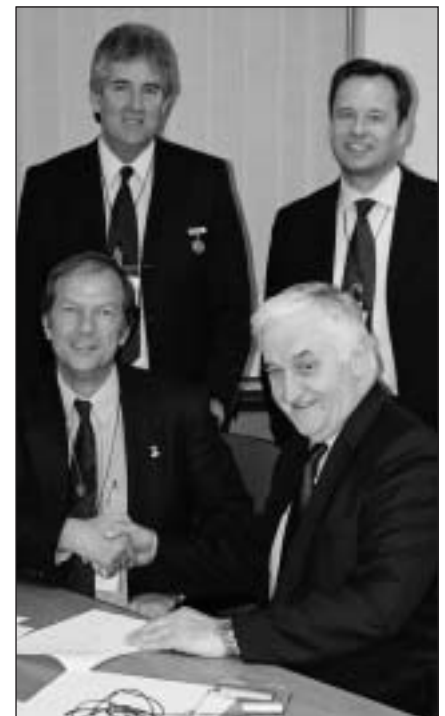
The South African Institution of Civil Engineering (SAICE) has become the latest professional body to pledge its support to EAP. The relationship was formalised recently through the signing of a Memorandum of Understanding between the two organisations.

EAP's relationship with SAICE is key to its efforts to establish a programme presence in Africa. SAICE has a track record spanning almost 100 years and has developed a powerful network of contacts throughout the region. It will now use these contacts to help create

programme development opportunities for EAP.

Ron Watermeyer, Immediate Past President of SAICE, has been nominated to EAP's Board of Trustees. Ron has been a leading figure in the transformation of South Africa's engineering industry. He was the coordinator of Soweto's Contractor Development Programme, a member of Government's Procurement Forum's Procurement Task Team and a member of the Secretariat of the Interministerial Task Team for Construction Industry Development.

Commenting on EAP's new relationship with SAICE, EAP Director Petter Matthews said "We are



delighted that SAICE have recognised the value of our work and feel certain that its support will help boost our contribution to achieving the Millennium Development Goals in Africa".

EAP Backs CIDB Best Practice Guidelines

EAP has given its support to a series of best practice publications issued by the Construction Industry Development Board (CIDB) of South Africa. The series is aimed at expanding employment in the construction sector and providing better skills development opportunities.

South Africa's official unemployment rate is currently 26.2 per cent and other estimates suggest that the true figure could be as high as 42 per cent. There is also a massive shortage of skilled workers as a result of apartheid era educational and industrial policies. Despite these problems, South Africa is creating new jobs and a recent employment report produced by brokerage firm T-sec, showed that jobs in the construction industry grew by over 5 per cent in 2004.

The CIDB series is aimed at accelerating this trend. It provides technical support and advice to industry and government on a range of issues related to labour-based technologies and methods in employment intensive works. The series is available free on the CIDB's website at www.cidb.org.za.

EAP supports the Make Poverty History Campaign

EAP has joined with nearly 400 UK based charities, campaigns, trade unions, faith groups and celebrities who are united by a common belief that 2005 offers an unprecedented opportunity for global change. In particular the campaign seeks to maximise the opportunities presented by the UK hosting the G8 conference in July, the charring of the EU in June and the UN MDG Conference in September. The campaign is raising awareness of the issues and opportunities that exists and is calling on Tony Blair and other world leaders to deliver trade justice, debt cancellation and more and better aid for the world's poorest countries. Details of the campaign are available from BOND at www.bond.org.uk and from the campaign's own website at www.makepovertyhistory.org

UK Consultants coming together to fight corruption

UK consultants are determined to do all they can to stamp out corruption in international engineering and construction. This was the message of an anti-corruption workshop organised by the industry based 'Anti-Corruption Forum', in London recently. The event was attended by many of the UK's leading consultants who were joined by trade associations, government officials and representatives from professional institutions. Civil society was represented at the event by Transparency International and EAP.

The Anti-Corruption Forum was established in 2004 by the Association for Consultancy and Engineering, the British Consultants and Construction Bureau, the Institution of Civil Engineers and Transparency International. Its purpose is to bring together UK companies and trade and professional associations to produce industry led solutions to corruption.

Participants of the workshop agreed that corruption results in projects that are unnecessary, unreliable, dangerous and over-priced. This often hits the most vulnerable because it blocks development and

entrenches poverty. It is also bad for companies because it results in tendering uncertainties; increased project costs and makes employees vulnerable to extortion and blackmail.

The workshop produced a series of recommendations aimed at galvanising effective and co-ordinated action to reduce corruption. These recommendations will be published soon in the form of an action statement and a leaflet aimed at giving practical advice to those working in and associated with the industry. EAP will continue to publicise these important efforts in future editions of the Spark and on its website.

Engineering the World – Technology for All

UK engineers are working in a diversity of ways to help promote sustainable development and fight poverty in the developing world. This was the message of a recent event organised by the Birmingham Young Members Panel (BYMP) of the Institution of Mechanical Engineers entitled ‘Engineering the World – Technology for All’.

The keynote speakers were Petter Matthews, Director of EAP and Mark Parry, Director of JPM Parry and Associates. Their presentations helped illustrate the range of practical policies and innovative technological solutions that form part of the UK engineering industry’s contribution to international development.

The audience heard Petter Matthews describe how EAP is working with British companies to more effectively align their commercial drivers with the national poverty reduction strategies, to help deliver pro-poor economic growth and development. Mark Parry spoke about his company’s achievements in improving the livelihoods of poor people in Africa, Asia and Central America through developing and exporting new technologies that are appropriate to local markets in cost, complexity and environmental effect.

The event was also significant because it was supported by young ICE members in the region. BYMP Vice Chairman Caspar Lucas told the Spark “We are delighted that ICE colleagues joined us for this event. It shows that young engineers across the disciplines share a concern for how our profession impacts on the developing world.”

Development Education for Industry Professionals

EAP and the Development Education Association, the UK’s largest development education specialists, will host a joint workshop in June to bring together key actors from government, business, NGOs, engineering institutions and academia. Participants will discuss how the professional development of those working in the engineering sector can be used to raise awareness of the principles of development education.

Many professionals gain this knowledge through hard won experience. A programme of professional development would help equip professionals at an early stage to better understand how the industry impacts on international development and in turn, how international development effects industry.

Box 1 identifies the common mis-

takes of past investments in infrastructure. It is taken from DFID’s publication ‘Making Connections’ (2003). The issues cited – including corruption, maintenance capacity, environmental impacts, participation in planning and evaluation – constitute the softer social, environmental and ethical (SEE) issues that form the context in which technical solu-

Box 1

Investing in infrastructure: how to avoid repeating the mistakes of the past (DFID Making Connections)

In the past, investment in major transport, energy, irrigation and telecommunications infrastructure paid undue attention to the export and overseas investment needs of companies based in donor countries. While projects largely succeeded in their immediate engineering objectives, evaluations by DFID and other donors reveal a range of common problems and their solutions:

1. A clear and accountable process of prioritization and transparent procurement systems are needed to minimise corrupt practices. Perverse incentives can skew choices towards large-scale and technologically sophisticated projects rather than more appropriate alternatives.
2. Institutional capacity-building with a focus on maintenance is crucial to avoid deterioration of the assets created. For example, in parts of Africa in the 1990s, the road net-

work was deteriorating faster than it was being constructed.

3. Planning has to minimise environmental damage, such as land use changes, deforestation, loss of biodiversity, and migration to and from project areas.
4. Attention is needed to service delivery as the purpose of infrastructure, to the existing role of the private sector and to the contribution users must make to obtain benefits.
5. Gender and livelihoods issues need to be addressed in detail, in planning and in evaluation. Too many large-scale infrastructure projects had unanticipated negative consequences for the poor, especially where displacement was involved.

Source: review of DFID and other donor evaluation <http://www.dfid.gov.uk/pubs/files/mak-con-jan03.pdf>

tions are realised. Development education can assist professionals to adapt technical solutions to the specific conditions in any given context. The success or failure of the increased investments in infrastructure recommended by the Africa Commission will be determined in part by the extent to which professionals are able to adapt project design and work practices to meet the challenges of different political, economic and cultural environments.

There are also commercial implications to improving knowledge of SEE issues. Companies that are able to demonstrate how their operations can be aligned with the wider development priorities of the countries in which they work, are likely to secure a competitive advantage over those they bid against.

The roundtable meeting in June will explore ways in which SEE issues and global perspectives can be better incorporated into the training and professional development of industry professionals. A full report of the workshop will appear in the next edition of the Spark.

EAP launches news service

EAP will produce a free monthly news service alerting readers to recent news and upcoming events from the interface of engineering and poverty reduction including social, environmental, ethical issues relevant to the engineering sector and its operations in less developed countries (LDCs). The newswire is divided in to 6 sections:

1) Engineering and the Millennium Development Goals:

Primary engineering and developments relevant to the provision of essential public services and infrastructure involving engineering such as transportation, water, sanitation, shelter, agriculture and information technology in LDCs

2) Extractive industries and related engineering news: Social, environmental, ethical issues relevant to the oil, gas, mining and

energy sectors in LDCs

3) International development news

4) Corporate Social Responsibility: Wider role of business in society news including corporate governance and transparency, partnership approaches, risk and opportunity management, reporting processes, procurement processes, labour and employment rights, SME development and stakeholder engagement

5) Upcoming events

6) Foresight: Exploring the issues and developments that may (or may not) transform the marketplace and role of engineering in LDCs including rapid onset climate change, 'peak oil' and genetic and nano technologies

To subscribe: send an email titled Newswire Subscribe to i_neal@imeche.org.uk

Overseas Development Institute publishes briefing notes

The Business and Development Programme of the Overseas Development Institute, headed by Michael Warner has recently published a series of papers and reports that build on earlier work done with EAP. Many of the lessons captured in these papers on procurement, reporting and enhancement of social performance are broadly applicable to the engineering and construction sectors.

- **Briefing Note 2** 'Involving Large Contractors in Enhancing Social Performance During Construction' is aimed at engineering services companies and the proponents of large-scale capital projects. [http://www.engineersagainstpoverty.org/docs/BN2_](http://www.engineersagainstpoverty.org/docs/BN2_working_2400_A4nomarks.pdf)

[working_2400_A4nomarks.pdf](http://www.engineersagainstpoverty.org/docs/BN2_working_2400_A4nomarks.pdf)

- **Briefing Note 3** 'Levers and Pulleys' argues that lead contractors are currently an underused resource for enhancing the economic multiplier effect of extractive industry projects. The note looks at the extractives sector's contracting processes and identifies a range of options and mechanisms for incentivising contractors to increase their contribution. The paper also identifies the risks involved and how managing these risks means also looking higher up the 'transaction chain'. http://www.odi.org.uk/PPPG/activities/country_level/odpci/msp/ODI_EngineeringBN3_pulley.pdf

- **Briefing Note 4** 'Meeting the Social and Local Economic Performance Standards of International Project Finance Institutions' provides guidance for those involved in the Extractive Industries. http://www.odi.org.uk/pppg/activities/country_level/odpci/msp/ODI_ExtractiveBN4_IFIs.pdf

http://www.odi.org.uk/pppg/activities/country_level/odpci/msp/ODI_ExtractiveBN4_IFIs.pdf

- **'Bridging the Economic Benefits Gap: A Management Framework for Improved Economic and Socio-Economic Performance Reporting by Energy Companies'** develops a framework describing how energy companies contribute to the economic and social development in less developed countries. http://www.odi.org.uk/pppg/activities/country_level/odpci/msp/ODIEconomicBenefitsStudy_full.pdf

http://www.odi.org.uk/pppg/activities/country_level/odpci/msp/ODIEconomicBenefitsStudy_full.pdf

EAP and Just Pensions collaborate on Construction Sector Research Notes

Meg Brown from Just Pensions met recently with EAP programme staff, Ian Neal and Camilla Herd, to discuss EAP's experience and learning from working with AMEC and Balfour Beatty. They focused specifically on the incorporation of social, environmental and ethical risks (SEE) for construction companies operating in developing countries. This learning has been incorporated into the Just Pensions construction sector research note which is available at <http://www.uksif.org/J/Z/Z/jp/publ/main/index.shtml>

Just Pensions sectoral research notes identify the most important material SEE risks including at least one risk relevant to developing country operations for the top 10 UK sectors in the FTSE 100.

The short research notes are distributed to pension fund trustees and others, and at UKSIF/Just Pensions sectoral events. Just Pensions is a programme of the UK Social Investment Forum (UKSIF) – the UK's membership network for socially responsible investment (SRI).

Just Pensions aims to educate and influence UK pension funds and other institutional investors about the importance of international development issues in their practice of SRI.

EAP developing practical toolkit for risk and opportunities management

EAP is developing a toolkit that will provide practical advice to engineering services providers on how to modify opportunities and risk management for enhanced social performance. This initiative builds on work completed last year with Balfour Beatty and the Overseas Development Institute.¹

Our previous work showed that forward-thinking companies are increasingly alert to the business development opportunities that can flow from enhancing their social performance, especially in the area of risk management. As well as improving their own corporate image with institutional shareholders and various opinion formers in their domestic market, effective social risk management, when aligned with the wider social performance objectives of their client, can become a competitive differentiator. Over the next five to ten years we expect to see some contractors gain commercial advantage by offering a social performance "service" to their clients based on exploiting the contractor's own close physical interface with local society and their expertise in procurement, training technology transfer and project management.

The goal of the Risk and Opportunities toolkit is to improve project social outcomes and to highlight and assist the realisation of the

commercial benefits of enhanced social performance. EAP is aiming to have an initial version of the tools available for review and testing by mid-2005.

Our approach is not to develop new systems of risk and opportunities management but to provide practical tools and guidance to support existing processes used by engineering service providers. We are seeking to utilise existing and established methodologies, tools and resources where available and adapt them where necessary.

The tools are to be developed through consultation and collaboration with target users and other knowledgeable parties and will be supported by relevant case studies. Anyone with an interest in this work can contact Matthew Lynch at m_lynch@imeche.org.uk

¹ *Modifying Project Opportunities and Risk Analysis for Enhanced Social Performance* (EAP/ODI 2004)

EAP Kenya visit

In January 2005, Camilla Herd of EAP contacted and met various construction stakeholders in Kenya. These included local and UK engineering consultants and contractors, Institution of Civil Engineers (ICE) country representatives, local engineering associations, government, and international donors. The purpose of the meetings was to introduce the EAP programme and to get a sense of the Kenyan engineering construction climate, its application of social and environmental management systems and development needs.

The visit found that investment and activity in infrastructure projects in Kenya is picking up, including roads and water, with school building construction planned. Most large projects are funded by the World Bank and the EU, and are administered by the Ministry of Public Works in collaboration with donors. Contractor selection tends to be lowest price and this may generate competition and 'short cuts' in input quality and performance. Kenyan contractors may lack resource capacity and tend not to work on the larger projects except in road maintenance and bypass work. Their capacity has been affected by erratic work flow and lack of finances to fund works and advance payments. Their access they say is also restricted by selection criteria that requires high annual turnovers and experience of

managing large projects.

Environmental management systems are included in contract works, yet specification is often not well defined and standards are lacking, for instance in road construction. Authorities now require all business to undertake environmental impacts assessments (EIAs). In addition donors are beginning to request social management of selected issues in contracts such as management of HIV/AIDS, community resettlement, community dialogue etc. This drive excludes any clauses relating to labour development/training. Social and environmental management standards are needed to guide infrastructure work. Despite environmental and social management systems being included in contracts they are not always implemented as contractors seek to save costs.

Various capacity building initiatives are ongoing in Kenya to support the business and technical activity of local contractors in roads construction. These have attracted international funding. There will be training on environmental and social management included in one such initiative entitled, the Roads 2000 Programme. Donors have also encouraged small contractor participation in projects by breaking bids into instalments although this requires increased administration and no standard has evolved.

Respondents listed various recommendations for improvement of environmental and social management in infrastructure projects and all stated a willingness to support local contractors' capacity and development. EAP followed this up by presenting to and participating in a conference hosted by The Institution of Engineers of Kenya (IEK) on 'Engineers and the Millennium Development Goals' in April 2005 and EAP is in discussion regarding social standards for road construction and capacity building for medium/small Kenyan contractors in social and environmental management practices. All initiatives tie into the ongoing MDGs appraisals that emphasise the importance of infrastructure works to social development.

UK sets out its goals for international CSR

Corporate Social Responsibility Minister, Nigel Griffiths, has announced the publication of a framework setting out the Government's approach to CSR at the global level. Following consultation with business and non-governmental organisations, the framework sets out the key objectives and priorities for the Government in its efforts to push the CSR agenda internationally.

The publication, which is available at www.csr.gov.uk focuses on maximising the positive contributions of

UK business to social, economic and environmental development. The framework objectives are to spread best practice, encourage innovation and bring together the relevant international and government institutions to address the challenges of sustainable development.

In a speech at Chatham House in March 2005, 'Corporate Responsibility 2005 – Tackling Global Challenges', Nigel Griffiths said: "The UK is seen as leading the way internationally on CSR and I want to make

sure that we continue to add to the policy debate. The framework gives a clear direction in pushing progress globally. The framework also sets out our objectives to see business do more of the good things and cut out the bad.

"To help us with this task, I will be appointing an advisory group, drawn from business, academia and civil society groups to help implement the framework and measure the impacts business and government can have in this important area. This is a vital role and will help to inform our policy direction."

The advisory group, which will be time-limited, will be supported by a government secretariat. Plans for establishing the group are in progress and details of the terms of reference and membership will be announced shortly."

EAP broadening funding base

EAP recently undertook a comprehensive review of funding opportunities and strategies. A series of recommendations will enable EAP to develop a broader funding base through winning the support of additional institutional donors and grant making trusts. The review identified a close alignment between EAP's programme activities and the funding priorities of several international donor agencies and trusts.

EAP will also seek to increase the level of charitable gifts from individuals. This will reduce our reliance on institutions, safeguard our organisational independence and enhance our ability to plan for the long term. Below an overview of our income is given. The figures come from our forthcoming Annual Report and Accounts.

Fundraising consultant Eileen Hammond who completed the review said "These are exciting times for EAP. The organisation has devel-

oped a strong range of programme activities that are beginning to make a significant contribution to promoting sustainable development and fighting poverty. The challenge is to build on this success and attract new funding sources that will allow us to develop the programme further."

Analysis of the of EAP's income in 2004



'Engineering the MDGs: Delivery'; An Evidentiary Enquiry

Friday 3rd June 09:30-16:30,
Institution of Civil Engineers,
One Great George Street,
London. SW1P 3AA

What needs to be done to scale up delivery of the MDGs? What principles are needed to ensure that engineering genuinely delivers development and poverty reduction? The Institution of Civil Engineers' Presidential Commission, 'Engineering without Frontiers' will stage an evidentiary inquiry (based on the model of House of Commons Select Committees) to explore and answer these issues. The event will be of interest to development professionals involved in finance, strategy, advocacy, engineering, and in project delivery. Attendance will be primarily through invitation. However, you are invited to apply for one of a limited number of additional (free) places.

To enquire about securing one of these please email your details to: engineering-without-frontiers@sistech.co.uk

Staff news

■ EAP are pleased to welcome **Matthew Lynch**. Matthew joined the EAP team as a Programme Officer in February 2005.

Matthew graduated with an Honours Degree in Environmental Engineering from the University of New South Wales and also has a Graduate Certificate in Project Management from Curtin University of Technology. He worked in environmental management in the mining and petroleum industries in Indonesia and Australia for five years, with his most recent role as a Senior Environmental Engineer for Iluka Resources Limited in Western Australia. At Iluka, Matthew supervised a team providing internal engineering and technical services to two major mineral processing facilities, managing an array of programme and project activities and a multi-million pound capital expenditure budget.

In 2002-03 Matthew served as an Engineering Adviser for Coordination of Afghan Relief, a large community devel-

opment NGO based in Kabul Afghanistan as part of AusAID's Capacity Building Support for Afghan Civil Society Groups Project. In this role, he provided project management advice and technical support to infrastructure and poverty reduction programmes throughout Afghanistan. Before coming to EAP, Matthew was the Programme Development Officer for the South Asia Cooperative Environment Programme (SACEP) in Colombo, Sri Lanka. SACEP is the intergovernmental environment body for the eight governments of the South Asia region. SACEP promotes sustainable development in South Asia through programs in areas such as environmental law and policy, state of the environment reporting, and biodiversity conservation.

Matthew believes that engineering already makes a vital contribution to promoting sustainable development and fighting poverty. He joined EAP as he is interested in building the business case for project clients and engineering services providers to enhance their social performance, as this is one of the most effective ways of driving a sustained contribution to poverty reduction from the engineering sector.

EAP supporters

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The Institution of Civil Engineers
The Institution of Mechanical Engineers
The South African Institution of Civil Engineering

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