

ENGINEERS
AGAINST
POVERTY

Strategy 2018 — 2022

Improving the governance of infrastructure



Strategy 2018—2022

02	Foreword
07	Introduction
08	The infrastructure we need
11	Our role
16	Vision, mission and values
18	Areas of focus
20	Goal and objectives
21	Measuring success
24	Conclusion

Foreword

Infrastructure is a vital component of efforts to meet the most pressing global challenges of our time. Unless we can accelerate the delivery of good quality infrastructure and services, our ability to meet the Sustainable Development Goals (SDGs), deal with the effects of climate change, improve livelihoods and achieve inclusive economic growth will be seriously undermined. However, achieving this acceleration is a complex governance challenge.

Governance in the context of infrastructure concerns the prioritisation, planning, financing, contracting and delivery of built assets. These processes have always been difficult to manage, even in high-income countries where institutions are relatively effective. The challenges in low-income countries are even more pronounced with corruption, mismanagement and inefficiency often being deeply entrenched.

This analysis is now widely accepted and most international agencies have identified governance as the principal barrier to scaling-up the delivery of infrastructure. The Organisation for Economic Co-operation and Development for example speaks for many when it says that: 'Infrastructure is mainly a governance challenge'.

Engineers Against Poverty (EAP) has a track record of developing innovative solutions to governance challenges and of promoting the uptake of these solutions by government, industry and leading international agencies. Working with a wide range of partners, we have helped to improve the delivery of infrastructure and benefitted people throughout Africa, Asia, Latin America and the Middle East. This puts us in a strong position to help translate the renewed international emphasis on governance into practical improvements.



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As we launch our new strategy and implementation plan, we take pride in having met the key challenges we set ourselves in the period 2012—2017. This would not have been possible without our highly committed team and the support of our strategic partners. We will continue to rely on them as we work to meet the ambitious objectives outlined in this strategy.

Whilst we take pride in past achievements, we have no intention of resting on our laurels. We enter the next period with a sense of restlessness, renewed urgency and a determination to do more and better.

Paul Jowitt



Paul Jowitt
Chair

Petter Matthews



Petter Matthews
Executive Director

Our vision is that all people have access to adequate, affordable and resilient infrastructure enabling a world free of poverty.



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Introduction

EAP has evolved as an organisation since it was established 20 years ago. Our next five year strategy reflects a changing global context with a greater appetite for infrastructure investment and delivery to meet global challenges.

While this is a welcome development, infrastructure of the 21st century must foster inclusive growth and social equity by being affordable, accessible and resilient. It must provide value for money but also value for many.

We reflect this global context within our new vision and mission and go on to set out a new ambitious programme based on three thematic areas of work which are to:

- **Improve infrastructure governance and public investment management** through increased transparency, stakeholder participation and accountability.
- **Foster social equity and inclusive growth** through fair opportunities for local enterprises, decent jobs, skills development and good working conditions.
- **Mitigate the impact of climate change** on the poor and vulnerable through innovative and resilient infrastructure. ■

The infrastructure we need

Infrastructure is a fundamental component of delivering affordable public services which are vital to improve standards of living and sustained poverty reduction.

The adoption of the UN Sustainable Development Goals (SDGs) has contributed to renewed emphasis on the importance of investing in public infrastructure by institutions such as the International Monetary Fund, the World Bank and other Multilateral Development Banks (MDBs).

However, meeting the SDGs will require a US(\$) 3.5 trillion investment to deliver affordable and accessible infrastructure that benefits underserved and marginalised communities. The gap in Africa is proportionally greater with less than 50% of the total infrastructure financing raised. This is particularly acute in the energy sector, where still only 38% have access to electricity.

Increasingly, international institutions such as the G20 and the MDBs are promoting the mobilisation of private investment through public private partnerships (PPPs), concession agreements and by turning infrastructure into an 'asset class' as the principal approach to fill the financing gap. This seeks to exploit the fact that a vast amount of private capital in pension funds and insurance companies is currently attracting low yields. These efforts are however principally aimed at 'bankable' projects that are able to generate economic growth and provide a return on the investment. Whilst there is some merit in this approach, it is important to ensure that the public interest is not subordinate to the need to produce returns to investors. At the same time, public investment in sectors where returns are either unviable or undesirable must be prioritised and optimised from a different set of criteria. In these cases, it is even more important to find ways to ensure not only value for money but also value for many.

Mobilising the investment required and delivering the infrastructure needed is above all a governance challenge.

The ‘financing gap’ discourse does not acknowledge for example that up to a third of investment is currently lost through corruption, mismanagement and inefficiency. Reducing these losses would minimise the amount of additional investment required and will help ensure that the impact of any additional investment is maximised. To achieve this, public investment management systems anchored in transparency and participation as well as strengthened accountability mechanisms are needed.

The ‘value for the many’ approach also recognises the potential ‘double dividend’ from infrastructure. High quality infrastructure helps expanding and improving the quality of social services that are needed to reduce poverty and promote social equity. At the same time the process of actually building the infrastructure represents an opportunity to directly promote inclusive growth and social development by offering decent employment opportunities, using local supply chains and addressing social impacts upfront. This requires commitment to ensure that those at the bottom of ever more complex and opaque supply chains are paid duly and on time and that they are protected from external shocks to the projects they are working on. Workers must also be protected from unsafe working conditions which can destroy lives not only of those directly affected but of entire families.

Climate change is arguably one of the greatest challenges of our time and developing resilient infrastructure that can withstand and mitigate the impact of natural hazards and extreme weather, flash floods and droughts will be key to tackle it. It will affect all, but often the poorer and more disadvantaged people suffer the most. While the need for some level of adaptation is likely, the climactic and environmental impact from building and using new infrastructure must be minimised. At a minimum, the climate impact of new infrastructure must be neutral over its lifetime. This ambition can be expanded to entire cities where innovative infrastructure can play a key role in minimising climate and environmental impacts.

There is a need for independent organisations that recognise the need for boosting infrastructure investments and engage the private sector but who look beyond profitability and hold governments, international agencies and private investors to account for using infrastructure investments and delivery to fight global poverty. ■

Meeting the UN Sustainable Development Goals will require a US(\$)³ 3.5 trillion investment to deliver affordable and accessible infrastructure that benefits underserved and marginalised communities.



Our role

EAP is an independent, lean organisation that bridges the divide between research, policy and practice. It maximises its impact by collaborating with strategic partners.

EAP is historically rooted in the engineering community reflecting this profession's long experience of working in countries deeply affected by poverty and desire to make a difference. Our core constituency includes companies and engineering institutions supporting a progressive agenda on tackling issues like local content and the welfare of workers. They have helped establish EAP as an agenda setting organisation and thought leader within our field seeking to tackle policies, procedures and practices that perpetuate poor performance within the sector and unsustainable outcomes.

Without abandoning our roots, our focus has broadened over the years and extended beyond the role of the engineering profession. We focus on improving how public infrastructure contributes to improving quality of life, reducing poverty and mitigating the impact of climate change. We specialise in bettering the systems and procedures used to deliver infrastructure in an efficient, transparent, participatory and accountable manner.

This includes good practice in public investment management, procurement, project implementation, monitoring of cost and time overruns, supply chain management, local content, working conditions, subcontracting and evaluation.

As specialists in this field, we play a role as a trusted adviser to governments, international institutions, the private sector and civil society and we facilitate multi-stakeholder partnerships and capacity building in the sector. Our aim is to promote actions that foster inclusive growth, positive social impacts and environmental sustainability in any public infrastructure project or strategy. ■



Our key milestones

In 2018 we marked our 20th Anniversary, some key milestones since our initiation are listed below.

- 1998** The Telford Challenge is established by the Institution of Civil Engineers and other leading professional engineering institutions and with support from the Department for International Development (DFID), to promote appropriate technology in low income countries
- 2003** The Telford Challenge evolves into EAP and aims to influence corporate and public policy in relation to engineering services delivery
- 2004** First report on *Increasing local content in the oil and gas sector* is published with the support of AMEC and the Overseas Development Institute (ODI). Further reports are published with the support of Balfour Beatty and its public-sector operations
- 2006** *Modifying infrastructure procurement to enhance social development* is published marking a shift towards infrastructure policy
- 2008** Incorporating global skills within UK higher education of engineers is published in partnership with the Institute of Education

CoST - the Infrastructure Transparency Initiative (CoST) pilot project by DFID, with EAP a partner in the PwC-led International Secretariat

Guidance on promoting health & safety, local content and employment intensive construction published
- 2009** ASPIRE, a software-based tool for assessing the sustainability of infrastructure projects, is published in partnership with Arup

- 2011** *Local Procurement Guide for the extractives sector* is published in partnership with the International Finance Corporation
Research on climate change mitigation and adaptation published in partnership with the ODI
- 2012** CoST launched as a global programme with EAP leading the International Secretariat and with World Bank funding
New five-year strategy places greater emphasis on infrastructure policy and engineering practice
- 2013** *Improving employment standards in construction in Qatar* report is published the start of an on-going research programme in the region supported by the Open Society Foundation
- 2013** EAP uses evidence from CoST to publish *reports on reducing corruption* for DFID and the U4 Anti-Corruption Research Centre, further establishing EAP's work on governance of infrastructure
- 14**
- 2015** EAP invited by PwC to play a leading role in the DFID-funded Infrastructure and Cities for Economic Development programme
DFID agrees to invest £7m over five years in CoST stimulating a rapid growth in its impact
- 2017** EAP supports the Royal Academy of Engineering (RAEng) Africa Catalyst pilots that aim to build engineering capacity in Ethiopia, Rwanda and Mauritius
- 2018** *Client guide improving infrastructure project outcomes* published
Five-year strategy launched, with an emphasis on governance of infrastructure ■

Our mission is to promote infrastructure policy and practice with sustainable social, economic and environmental impacts that contribute towards the elimination of poverty.

Vision, mission and values

The positioning of EAP in the current global context recognises that there is a niche to be filled by organisations that embrace the opportunities offered by a renewed emphasis on infrastructure if it is planned and delivered in a sustainable, inclusive and equitable manner.

Our vision and mission has evolved to reflect this changing global context:

Our vision is all people have access to adequate, affordable and resilient infrastructure enabling a world free of poverty.

Our mission is to promote infrastructure policy and practice with sustainable social, economic and environmental impacts that contribute towards the elimination of poverty.



Our values reflect our role and belief in improving infrastructure outcomes for the many:

- **Social Equity** We believe that poor people should benefit more from infrastructure investment. They need decent jobs, better working conditions, opportunities to influence public policy and access to good quality and affordable public services.
- **Integrity** We are an independent organisation that behaves openly, honestly and consistently, promoting and upholding the highest ethical and professional standards.
- **Collaboration** We build strategic partnerships to share knowledge, maximise impact and encourage and build collective action approaches to identify common solutions.
- **Accountability** We are open, transparent and accountable to our stakeholders and beneficiaries. We identify issues and mechanisms that allow stakeholders to hold decision-makers to account. ■



Areas of focus

Over the next five years we will implement our vision and mission through three areas of focus.

Each area of focus provides a thematic basis for our implementation plan.

1.

Infrastructure governance and public investment management

This area focusses on improving infrastructure governance and public investment management through further strengthening transparency, participation and accountability in the delivery of public infrastructure – from the appraisal, procurement and contracting of infrastructure projects through to delivery and maintenance. This democratises spending on infrastructure, reduces corruption and inefficiency in the sector and promotes reforms that are tailored towards improving the effectiveness of infrastructure outcomes.

2.

Social equity, inclusive growth and fair opportunities

This looks at ensuring infrastructure investment, procurement and construction have positive impacts on social equity, growth and opportunities through the creation of decent and long-term jobs. This involves engaging local professionals and contractors in the supply chain and addressing gender, modern slavery and other social issues in the way it is financed, designed and built.

3.

Resilience and climate impacts on infrastructure

This area promotes the design of public infrastructure which takes into account the forecasted impacts of climate change and seeks to minimise and mitigate these impacts especially for economic and socially vulnerable groups. This requires infrastructure projects to have a resilient and innovative design and construction to achieve carbon neutrality and other positive climate impacts. ■

Goal and objectives

Our implementation plan is structured around the following strategic goal:

To scale-up our influence on global infrastructure policy and practice to promote sustainable social, climate and economic impacts that contribute towards the elimination of poverty.

The strategic goal reflects our new vision and mission and will be met by delivering the following five objectives:

1. **Produce innovative knowledge products** to inform an evidence-based advocacy strategy.
2. **Implement an influencing strategy** that strengthens the visibility and recognition of EAP as a thought leader across our areas of focus.
3. **Strengthen our brand and use a new vision, mission and theory of change** to clearly communicate how we achieve our outcomes and impacts to a global audience.
4. **Build local capacity** to work towards improved policy and practice to strengthen infrastructure outcomes.
5. **Grow and strengthen the organisation** to deliver the new strategy. ■

Measuring success

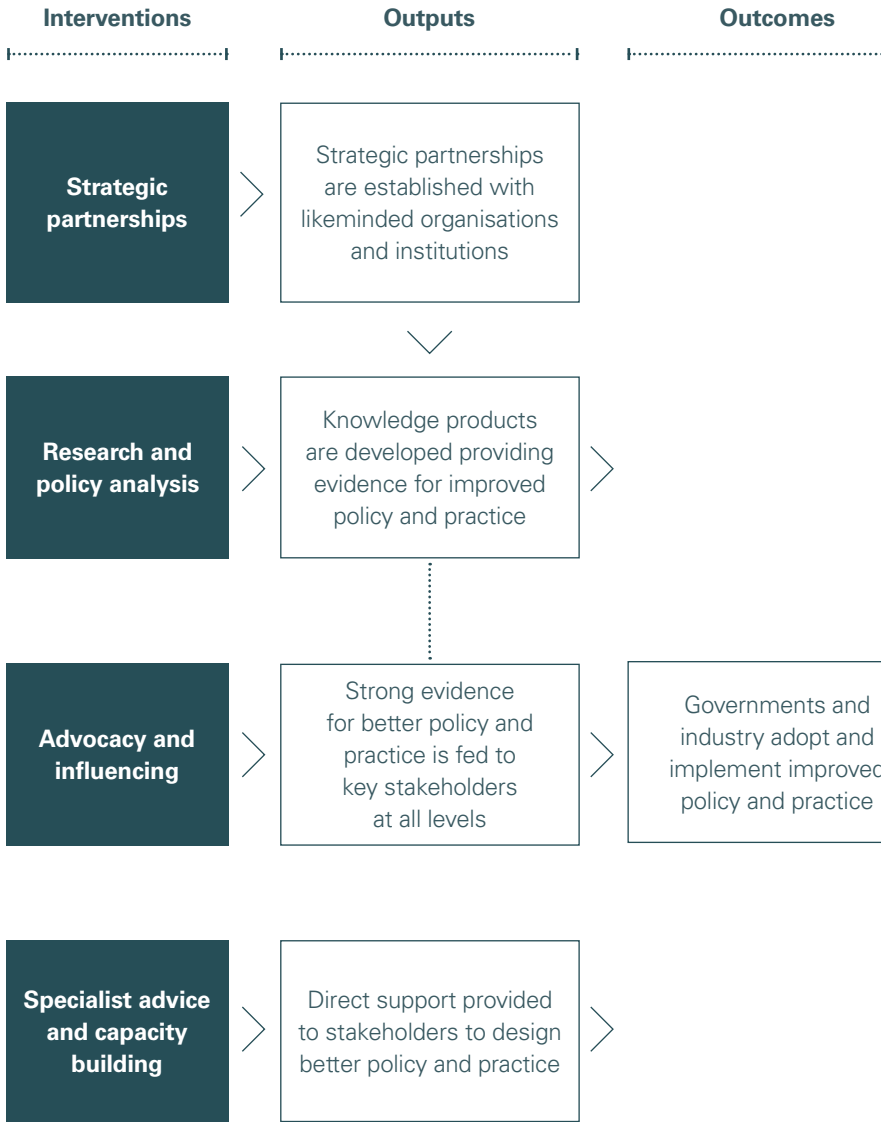
To measure progress against our vision and mission requires the development of a monitoring, evaluation and learning framework that captures the outputs, outcomes and impacts from our activities.

We would use our Theory of Change (overleaf) as a basis for identifying a small number of annual quantitative and qualitative targets that would allow the Board to monitor the progress of the organisation. The box below provides some examples of the type of indicators that could be used. Our experience with developing a similar framework for CoST has shown that it helps to identify compelling outcome and impact stories and lessons that can be shared with stakeholders to promote the organisation. ■

Examples of monitoring indicators

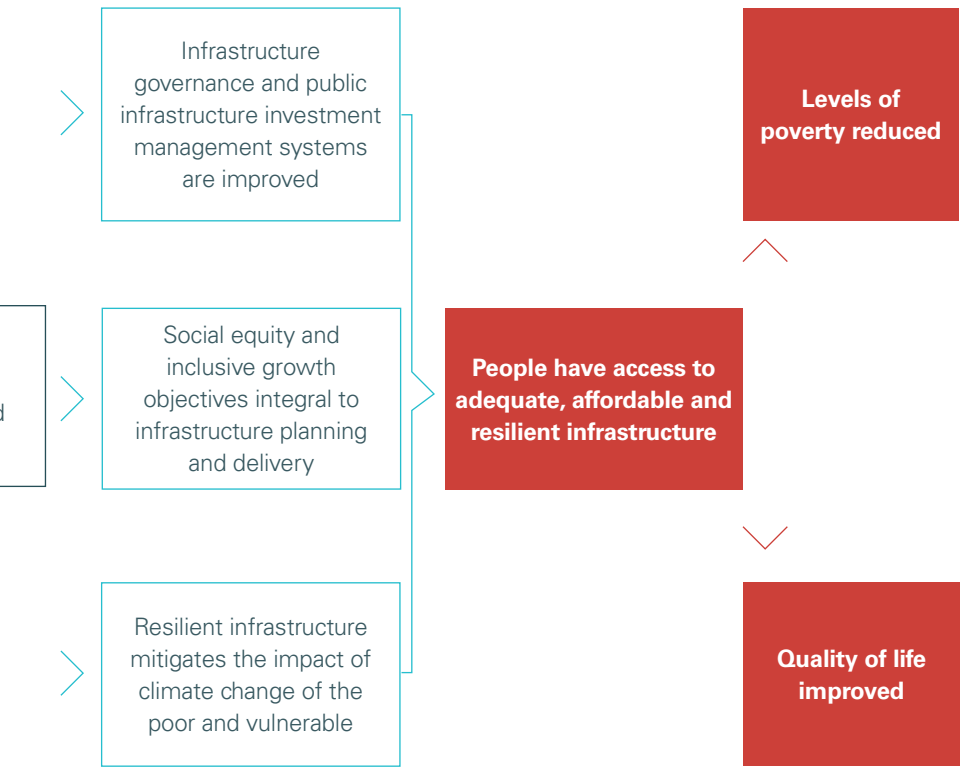
- Number of Policy and Practice briefings published.
- Number of downloads of Policy and Practice briefings from engineersagainstpoverity.org
- Number of invitations to speak at international forums.
- Number of proposals submitted / successful.
- Number of organisations who adopt EAP recommendations.

Engineers Against Poverty — theory of change



Intermediate impacts

Impacts



Conclusion

Our new strategy reflects the current global context and our potential role in making infrastructure a vital driver in the process towards fostering social equity and inclusive growth and mitigating the impact of climate change.

To achieve this, governance must be the cornerstone of any infrastructure project, plan, strategy or vision. It is undoubtedly the single most important component to achieve infrastructure outcomes that benefit citizens, governments, industry and investors in equal measure and should be the reference point determining all other elements.

A robust implementation plan will accompany this strategy which will recognise our strengths as well as areas where improvements are needed in the next five years to deliver our strategic goal and objectives. This involves continued growth of the team both horizontally and vertically as well as through strong partnerships to deepen our competences and expertise. Our continued expansion will always be in line with our integral organisational values: social equity, integrity, collaboration and accountability. ■



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