

## Joint BWI-CICA Statement

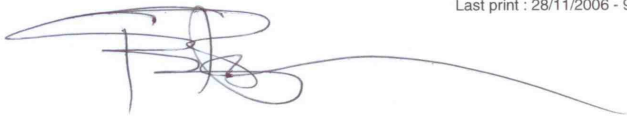
on

### Corporate Social and Environmental Responsibility (CSER)

- Noting the Memorandum of Understanding IFBWW-CICA dated March 16, 2001 herewith attached and recognizing the need for fair and open industrial relations
- Acknowledging the importance of the: MDGs (Millennium development Goals) which refer to the need to fight against poverty and its consequence and the now publicly acknowledged need for large infrastructure with reference to the World Bank Infrastructure Action Plan;
- Recognizing that awarding contracts only on the basis of the lowest bidder rule increases the risk that the statutory requirements of social security as well as health and safety are not fully respected;
- Recognizing that these concerns are acknowledged by such International Organizations as ILO (through its Construction Action Programme); the WB (through the extension of social clauses in its harmonized Standard Bidding Documents); and the IFC (through its recently issued IFC policy guidelines);
- Acknowledging that "guidelines" and contractual provisions that cast the responsibility of Corporate Social and Environmental Responsibility (CSEER) solely on the Contractors are insufficient as long as both Owners and Engineers continue to focus on costs and schedules.
- Stressing the need to involve Borrowers, Executive agencies, Owners (Employers according to FIDIC contractual terminology) and Engineers into the process technically as well as financially during the entire procurement process and project cycle,
- Acknowledging that the Borrower (the Country) is responsible for the ratification and implementation of ILO Conventions and that the ILO Conventions can be fully effective only if appropriate laws are enacted and enforced by the Borrower Country.
- Recognizing the need to avoid distorting the competition through "social dumping", which entails that the cost for social standards including welfare, health and occupational safety be distinguished from the costs of delivering the construction of the permanent works for which the Contractor is being hired ,

#### **The Parties to this agreement**

1. Recommend that the following elements be included in the technical specifications and bidding documents of future Contracts of Construction:
  - a. The full and complete details of the social requirements
  - b. The inclusion, as far as possible, of such requirements as measurable and priced items of the bill of quantities.



- c. The commitment that the Owner pays the Contractor, through monthly instalments, for the services actually carried out by the Contractor. This provision is made to make sure that the Owner monitors and the Contractor complies with the contractual requirements listed in the Contract as stipulated in a. and b. above.
  - d. The commitment that, in no case, shall these items be paid through "lump sums" or deemed to be included in the overheads of the unit prices, which would make the implementation of these requirements impossible to check by the Owner and the Engineer.
2. Suggest in a no limitative way as examples of the social requirements referred to under § 1 above, the following elements:
  - a. Workers' transportation
  - b. Health facilities and sanitary service on or in the close vicinity of the site;
  - c. Workers' accommodations and services related;
  - d. Dwellings for the families of the permanent staff on the site and/or organization of shifts allowing workers to live a decent family life by returning home at reasonable intervals;
  - e. Training, prevention and equipment for health and occupational safety
  - f. Recognizing the construction of scaffoldings as works subject to technical specifications regarding the safety of the workers.
3. Agree that these measures must and can be perfectly compatible with productivity and innovation.
4. Acknowledge that this approach must be adapted to the specifics of the project, among which its size, its location and its duration as well as to the human and social environment in which the Works have to be carried out and consistent with the economics of the Project.
5. Converge on thinking that the increased involvement of Owners and Engineers alongside the principles above defined could greatly improve the conditions of the workers in the Construction Industry.
6. Urge the International Organizations to take the lead in such a move in order to create a momentum that could in a second stage have beneficial consequences on local Projects funded and managed by private and public sector of the borrowing countries.

