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Raising awareness of the EU

The first 2007 issue of the EFCA Bulletin contains information on EU policies and initiatives.

So will the next issues, as we step up awareness of the EU's relevance, opportunities and challenges for the engineering consultancy business.

One article in this *EFCA Bulletin* will probably not pass unnoticed. Page 6 carries a note on the Eurobarometer surveys on citizens' and businesses' views on the future of the Single Market. This debate on the European political agenda illustrates the impact of the Commission's approaches and instruments

for ensuring the free circulation of goods, services, capital and labour on European firms.

Some examples of policy areas related to the Single Market concern the development of:

- a well functioning and integrated services market;
- a stable and level playing field;
- an innovation-friendly business environment;
- market-driven standardisation.

Each *EFCA Committee* is monitoring whether these EU policies work effectively, and at what costs for the industry. Based on their expert views and proposals, EFCA advises the European decision-makers on how to ensure reasonable and workable policy options.

Information on the European financing programmes that contribute to the EU's objectives and reflect policy priorities is systematically presented under a separate heading in the *EFCA Bulletin*. It is worth noting that although the Commission is politically responsible for the distribution of the EU budget, national and local authorities administer 80% of all EU funds.

EFCA communication to build up the understanding of the EU regulatory process is crucial in mounting campaigns on business issues. A strong link between the firms, associations, national authorities, and the federation is also essential.

Your comments and contributions to the EFCA Bulletin are therefore welcome. If you have information for inclusion in the next issue, please contact the Secretariat at efca@efca.be.

2007 EFCA Conference to highlight role of firms and growth models in changing markets

At the 16 January 2007 D&S meeting, the president of HELLASCO, Panos Antonaropoulos, presented the theme and suggested topics of the 8 June 2007 EFCA Conference.

The theme of the business programme is “The evolution of business conditions for the European engineering consultancy industry”.

The Greek host association is currently finalising the programme, which is addressing two aspects of industry trends:

- Market changes,
- Changes in business practices.



Speakers from various countries will demonstrate how their firm fits into the bigger industry picture and explore a range of elements of business performance and practice issues.

Discussions will review the legal challenges ensuing from the ongoing debate in the European institutions on forms of cooperation between public authorities and the world of business (PPPs).

The conference programme and a communication campaign will be set up very soon.

More will follow on the EFCA web site!

Services Directive: national implementation will be the key to success

The Services Directive was finally adopted by the European Parliament and the Council in December 2006. It will have to be transposed by the member states by 27 December 2009.

As reported at the 16 January 2007 D&S meeting, EFCA's Professional Liability and Public Procurement committees continue their examination of the impact of the Directive on the engineering consultancy industry.

In line with its public procurement transposition guidance, EFCA will elaborate guidance on the Services Directive, and effects on the engineering consultancy industry.

Examples of the impact of the (variations in) national transposition of EU public procurement Directives clearly demonstrate the relevance of, and the member associations' need for such guidance on areas of particular concern.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006L0123:EN:NOT>

Traditional practice of engineering consultancy firms challenged

EFCA is developing various initiatives in the light of ongoing national (legislative) developments in member states regarding public private partnerships (PPPs) and the introduction of the new procurement procedure, i.e. the competitive dialogue.

The EFCA Project Financing Committee thoroughly examined PPPs with regard to the current EU legal framework on public procurement and concessions.

In December 2006, EFCA issued its position on institutionalised public private partnerships (IPPPs, i.e. public service undertakings, held jointly by both a public and a private partner).

This position paper has been submitted to the European Commission as a contribution to its upcoming interpretative Communication on IPPPs.

The second EFCA document, Award Procedures for Public-Private Partnerships for project delivery, provides information on the essential characteristics of PPP projects and current applicable law for the award of such projects. It gives an overview of the elements in the decision process on the PPP project delivery, and deals with the various phases throughout the PPP project and the roles of engineering consultants. It sets out recommendations on a wide range of critical issues and puts forward justifications to benefit the industry's interests.

Both documents are available on the EFCA website (see 'Latest News').

The Project Financing Committee, together with the Public Procurement Committee, is finalising two documents on the competitive dialogue.

A position paper, setting out the background, the industry's concerns, and the EFCA views and proposals, is targeted at the Commission.

The guidance is complementary to the position paper. It clarifies the use of the procedure, gives practical examples, and is

designed to assist both awarding authorities and engineering consultancies.

The guidance will be debated with other construction-related federations that are involved in the political debate on the competitive dialogue.

EFCA examines possible benefits of the proposed ENGCARD

The Commission approved a proposal for a feasibility study on the 'ENGCARD' (European Engineering Professional Card). FEANI (European Federation of National Engineering Associations) and Eurocadres (European Council of Professional and Managerial Staff) are responsible for the project.

Within the context of the Directive 2005/36 on the recognition of professional qualifications, FEANI examined approaches to increasing transparency in the comparability of professional engineering qualification criteria. FEANI concluded that a 'common platform' (i.e. a set of criteria, suitable for compensating for substantial differences between engineering training requirements in the member states) was not possible.

Subsequently, FEANI suggested developing a 'qualifications' passport, which is aimed at enhancing transparency and comparability to facilitate mobility of engineering professionals.

Whilst 'professional qualification' is a technical matter that is primarily the responsibility of professional institutions, the EFCA Board of Directors will examine the FEANI proposal in the light of the linkage between diplomas and both the firms' management (HR, salary scales etc.) and the evaluation of CVs for the award of contracts.

EIB-EFCA-FEACO seminar series continues in 2007

The next seminar, scheduled in Brussels on 10 May 2007 will address 'energy, water & environment'.

A second seminar on the theme of 'External Aid' is scheduled for 21 June 2007, in Brussels.

More details will be announced via the EFCA website.

If you would like to be added to the mailing list for the EIB-EFCA-FEACO seminar, please send an e-mail to vdalle@efca.be

Hotels in Brussels - EFCA corporate rates 2007

For 2007, the EFCA Secretariat has negotiated special corporate rates with four already known hotels and one new hotel.

The recently renovated *Hotel Astrid* is located in the heart of Brussels and offers modern and simple rooms.

The *Hotel Husa President Park* (former President WTC) is situated near the train station 'Nord' and has a large number of spacious and comfortable rooms as well as a large garden.

The *Hotel Melia* near the Avenue Louise offers comfortable rooms in an English, colourful and cosy style.

The brand-new *Hotel Progress* close to the train station 'Nord' offers stylish and elegant rooms with upscale amenities.

The hotel *Crowne Plaza Brussels City Centre 'Le Palace'* close to the train station 'Nord' faces the botanical gardens, combines the Art Nouveau style with Art Deco style and offers a large number of comfortable and newly designed rooms with upscale facilities.

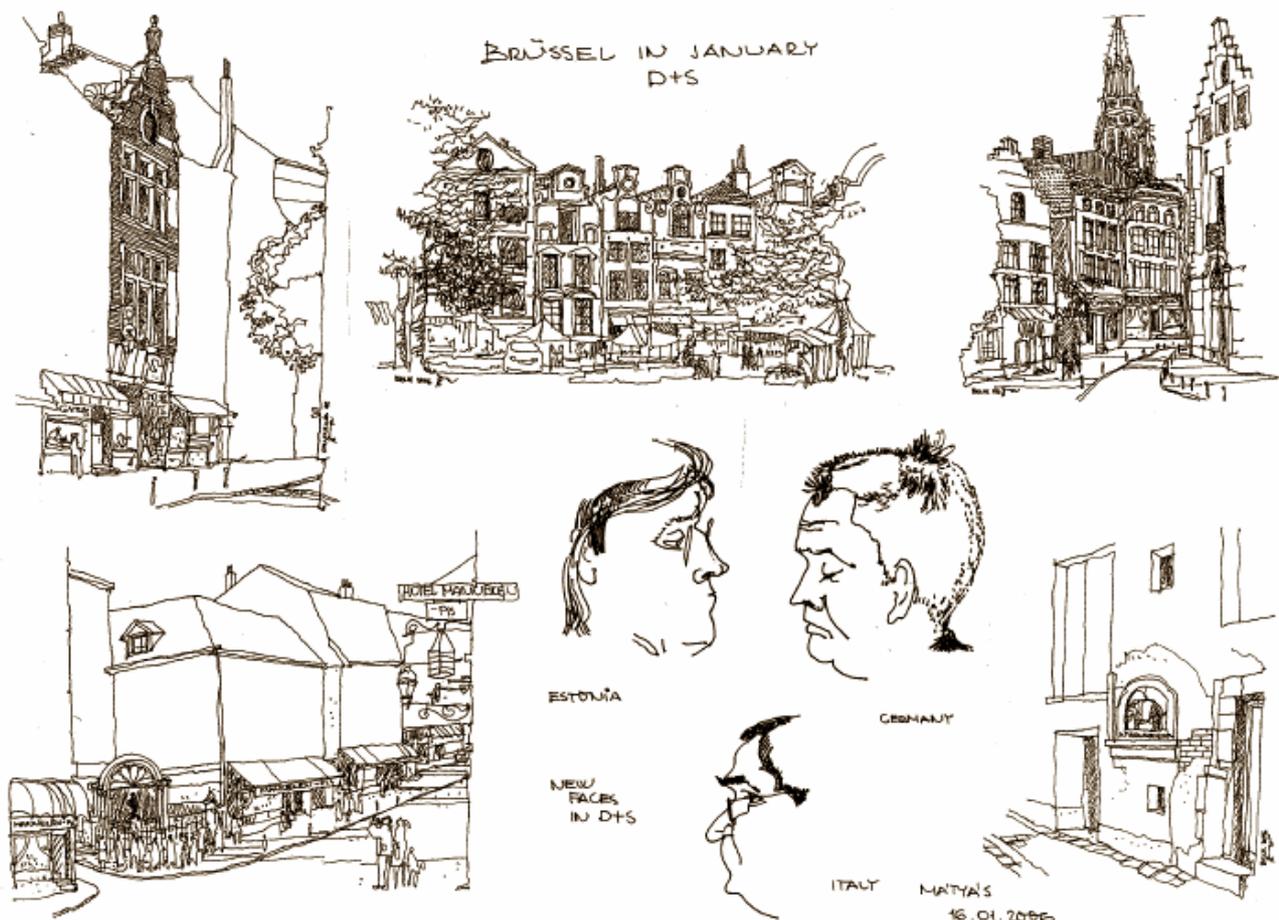
The 2007 list of hotels as well as a map with their location are available on request, on the EFCA Website (Calendar/Hotels) and on Extranet for the members (Useful Papers/Useful Documents).

Please do not hesitate to contact the EFCA Secretariat (Virginie Dalle, vdalle@efca.be), should you need assistance or more information. We would appreciate your comments on these hotels.

For your information, some of the hotels do not always guarantee the special corporate prices during the so called 'blackout dates', e.g. the congress periods in Brussels: Intensive Care 26-31/03/2007, Seafood 23-27/04/2007, Decosit 7-12/09/2007, Label Expo 25-30/09/2007.

E F C A A G E N D A

Board of Directors	Brussels	22.02.2007 [11:30-16:00]
Partnership for Development Committee	Brussels	26.02.2007
Standardisation Working Party	Brussels	23.03.2007
Public Procurement Committee	Brussels	28.03.2007
Project Financing Committee	Brussels	29.03.2007
Board of Directors	Brussels (tbc)	26.04.2007
Professional Liability Committee	Brussels	27.04.2007
2007 EFCA GAM & Conference	Greece (Rhodes)	07-08.06.2007
Board of Directors	Ljubljana (tbc)	28.09.2007
D&S meeting	Bucharest	26.10.2007
Board of Directors	tbd	06.12.2007



16 January D&S meeting in Brussels

By courtesy of Máttyás Borostyánkői



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INTERNAL MARKET

Heads of EU businesses call for more harmonisation and further liberalisation

The results of a Eurobarometer enquiry suggest that more than a decade after the launch of the Single Market, certain barriers still remain.

The surveys were carried out in July-August 2006 (in the 10 member states that joined the EU in 2004) and in January-February 2006 (in the EU-15). Nearly 7,500 executives were interviewed on subjects such as the impact of the Single Market on

their firms' activities and the level of competition; which Single Market measures have had the most positive impact; and whether their firms have recruited staff from other member states.

Some 46% of company executives affirm that there has been an increase in competition from other EU firms as a result of the Single Market. Ensuring a level playing field is of the utmost importance. The majority of executives consider that enlargement has not had an impact on their business activity. However, when the perceived positive and negative impacts are weighed up, access to new markets is by far the main benefit attributed to the enlargement.

The proportion of companies recruiting staff from other member states is only 27%.

The Eurobarometer surveys (business and citizens) and the report on the Public Hearing are available at:

http://ec.europa.eu/internal_market/strategy/index_en.htm#hearing

Reform of auditors' liability regimes and insurance conditions in member states

The Commission opened up a public consultation on four options for a possible reform of auditors' liability regimes.

A study on the economic impact of current rules on auditors' liability regimes and the insurance conditions in member states was published in October 2006. It demonstrated both the increasing trend of litigation against auditors and the lack of sufficient insurance to cover the risk. As a result, a failure of the network of one of the 'Big Four' could lead to major consequences for the wider economy, such as a significant reduction in large company statutory audit capacity.

The Commission's options now under review are:

- the introduction of a fixed monetary cap at European level;

- the introduction of a cap, based on the size of the audited company (measured by its market capitalisation);
- the introduction of a cap, based on a multiple of the audit fees charged by the auditor to its client;
- the introduction by member states of the principle of 'proportionate liability,' which means that each party (auditor and audited company) is liable only for the portion of loss that corresponds to the party's degree of responsibility.

The Commission's consideration of a statutory capping regime to alleviate the problems of disproportionate liability of auditors could open a way for EFCA to reinvigorate its strategy to achieve a limitation of the engineering consultants' liability.

http://ec.europa.eu/internal_market/auditing/liability/index_en.htm

EU FUNDS & PROGRAMMES

FP7: up and running

The first calls for proposals under the EU's new 7th Framework Research Programme were launched on 22 December 2006.

The FP7 will run for a period of seven years over the period 2007-2013 and it has been allocated a total budget of 50.5 billion euro.

The first calls, 42 in total, will together account for the allocation of around 4 billion euro of the overall FP7 budget.

<http://cordis.europa.eu/fp7/calls/>

2007-2013 Financial Framework mobilises resources for cohesion

The Financial Framework translates the Union's policy priorities into financial terms. Greater ownership of the growth and employment agenda is on the part of the EU regions.

The 2007-2013 Financial Framework is focused on:

- preparing for EU enlargement and increasing the Union's competitiveness;
- achieving the concept of European citizenship by completing the area of freedom, justice and security;
- strengthening the Union's role in the world;
- bringing in the reform of the Common Agricultural Policy (CAP) and
- increasing the effectiveness of the Structural Funds and the Cohesion Fund in the poorer regions and member states.

During the period 2007-2013, the greatest investment ever made by the EU through cohesion instruments will be worth 308 billion euro (in 2004 prices) to support regional growth agendas and to stimulate job creation.

These resources will be channelled through the Structural Funds into investments in key elements of EU competitiveness – human capital and physical infrastructure, innovation, telecommunications and information technology, research and development.

The member states define priorities, and establish indicative annual allocations and operational programmes.

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm

Upon Commission approval of these National Strategic Reference Frameworks, the member states then pass to the next stage, which is negotiation of the operational programmes' content.

The management of programmes which receive support from the Structural Funds is also their responsibility.

http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm

JASPERS helps in bringing forward high quality projects in good time

JASPERS (Joint Assistance in Supporting Projects in European Regions) is a joint technical assistance initiative of the European Commission, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

JASPERS will help member states to design and prepare large projects supported by EU Structural Funds and the Cohesion Fund.

The new regional JASPERS office was opened in Warsaw on 12 January. Two other offices, one in Vienna and the other in Bucharest, are expected to follow in the next few months.

The JASPERS regional office in Warsaw will accommodate experts from different disciplines (engineers, economists and financial experts) who together with support staff will help the authorities in Poland, Estonia, Latvia and Lithuania to prepare major investment projects for the 2007-2013 period. The expert team will also provide advice on financing mechanisms, such as public private partnerships (PPPs).

The team in Warsaw has already begun work on action plans agreed with the national authorities covering a wide range of investments, including road and rail projects, environmental protection, urban public transport and energy projects.

Assistance from JASPERS will be provided free of charge to the beneficiaries and is based on the contribution of staff resources from the EIB and the EBRD combined with the financial resources from the technical assistance budget of the European Commission.

<http://www.jaspers.europa.eu/>

See also the presentations made at the EIB-EFCA-FEACO seminar of 29 May 2006 at:

http://www.efca.be/menuBoven/Calendar/Event_Subsites/SPECIAL_EVENTS_ARCHIVE/EIB_Seminar.aspx

4.5 million euro for Environment and Enlargement programme

At the end of December 2006, the Commission decided to allocate 4.5 million euro to four Phare projects.

The assistance is aimed at reinforcing the capacity in Bulgaria, Croatia, Romania and Turkey to gradually complete the adoption and implementation of the Community *acquis* (the entire European legislation) in the environmental domain.

The decision also concerns an EU contribution to strengthening other partners' capacities (civil society and regional authorities). They will be given assistance in learning how to get involved in implementing environmental legislation.

MISCELLANEOUS

Basic precepts of EU budgetary and financial management reviewed

The Financial Regulation is setting the broad principles and basic rules governing the Community budget.

It also lays down rules on the keeping and presentation of accounts, public procurement and the award of grants.

Furthermore, the Financial Regulation establishes the rules governing the liability of authorising officers, accounting officers and internal auditors and sets out the arrangements for external control and the discharge procedure. Finally, it lays down special provisions applicable to the EAGGF Guarantee Section, the Structural Funds, research and external action.

Detailed technical arrangements are laid down in the rules for the implementation of the Financial Regulation, adopted by the Commission.

The revised Financial Regulation will apply from the date of entry into force of the linked Implementing Rules, and at the latest from 1 May 2007. Some provisions concerning

agricultural and structural funds apply as of 1 January 2007.

With the adoption of the new Financial Regulation, the member states agree to publish the names of fund beneficiaries, in particular for the Structural Funds (from 2008) and the Common Agricultural Policy (from 2009).

On the conclusion of a complex procedure involving implementing rules, each state will be obliged to publish, annually and on an ex-post basis, the names of EU fund beneficiaries. It has not yet been announced whether other details would be requested, nor the form in which this information must be presented.

http://ec.europa.eu/budget/documents/implementation_control_en.htm

EU performance in research and development needs further improvement

In 2005, the EU27 spent just over 200 billion euro on research and development (R&D).

R&D intensity (i.e. expenditure as a percentage of GDP) in the EU27 stood at 1.84%, the same as in 2004. R&D intensity remained significantly lower in the EU27 than in other major economies. In 2004, R&D expenditure was 2.68% of GDP in the United States, 3.18% in Japan, while it reached 1.34% in China in 2005.

The business sector finances the highest share of R&D expenditure (55%), followed by the government sector (35%) and funding from abroad (8%).

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_P_REREL_YEAR_2007/PGE_CAT_PREREL_YEAR_2007_MONTH_01/9-12012007-EN-AP2.PDF

In its efforts to support the ongoing construction of the European Research Area (ERA), the Commission launched ERAWATCH.

This online information platform on research systems and policies within the EU collects data on national and regional research

profiles, policy documents, research programmes, funding agencies, research performance as well as major indicators such as expenditure, publications and patents.

<http://cordis.europa.eu/erawatch/index.cfm>

Romania and Bulgaria join the EU, Slovenia joins the euro

A series of appointments as well as procedural amendments in the European Union's institutions are made to coincide with the accession of Bulgaria and Romania on 1 January 2007.

The accession of Bulgaria and Romania has changed the European Union markedly. The area covered by the EU increases to around 4.2 million square kilometres (the seventh largest territory in the world) and now stretches as far as the Black Sea. With 480 million citizens, the European Union is now the third largest 'family of democratic European countries' in the world. The EU member states together account for the world's largest economy by GDP.

On 1 January Slovenia joined the Euro Zone countries. Hence it is the 13th member of the Euro Zone.

From now on the Euro Zone has a population of 316.6 million inhabitants, including 2 million Slovenians.

FP7 Energy and Transport 'Information Days'

Date: 13-14 February 2007

Place: Brussels

This event aims to provide information on FP7 and the research areas open in the First Calls for Proposals (themes: Energy and Transport), and a forum to potential project partners.

Registration:

http://ec.europa.eu/research/transport/events/info_days_en.html



DOCUMENTS & WEBSITES OF INTEREST

EU LEGISLATIVE INITIATIVES

Proposals & Regulation

Legislation on REACH

The new EU Chemicals Legislation - REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), was published in the Official Journal on 30 December 2006. REACH will enter into force on 1 June 2007.

[HTTP://EUR-LEX.EUROPA.EU/LEXURISERV/SITE/EN/OJ/2006/L_396/L_39620061230EN00010849.PDF](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/L_396/L_39620061230EN00010849.PDF)

Implementing regulation for Cohesion Policy 2007-2013

The Regulation replaces the 9 Commission Regulations currently in force regarding the management of the Funds in the period 2007-2013, thus simplifying the regulatory framework: one set of detailed rules will now apply to the Structural Funds and the Cohesion Fund.

<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2006:371:SOM:EN:HTML>

Action programme for reducing administrative burdens in the EU

The programme sets out the way in which the Commission intends to work with Member States to cut administrative burdens on businesses by a quarter by 2012.

It focuses on information obligations in thirteen priority areas including company law, employment relations, taxation/VAT, statistics, agriculture and transport. The measures could reduce the burdens on businesses by 1.3 billion euro on an annual basis.

http://ec.europa.eu/enterprise/regulation/better_regulation/index_en.htm

http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0023en01.pdf

Energy Package

European Commission strategic documents that cover a series of themes linked to the Community's energy policy.

The package contains: a global strategy, a report on the internal energy market, the final report from DG Competition on its sector inquiries (electricity and gas), a priority interconnections plan, a road map for renewable sources of energy, a report on the implementation of the 'green electricity' Directive, an overview of the EU's nuclear industry, a report on the implementation of the Biofuels Directive, a communication on 'clean' fossil fuels, a strategic plan for technology and a draft regulation on energy statistics.

The annexes (impact assessments) contain calculations, scenarios and various analyses.

http://ec.europa.eu/energy/energy_policy/index_en.htm

REPORTS

2005 Report on PHARE, Pre-accession and Transition Instruments

http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0003en01.pdf

World Energy Technology Outlook – WETO H2

The report sets the European energy system in a global context.

http://ec.europa.eu/research/energy/pdf/weto-h2_en.pdf

Cross-border euro payments significantly cheaper

The EC report on the functioning of the 2001 cross-border payments regulation, found that consumers now pay on average 2.50 euro to transfer 100 euro abroad, compared to 24 euro prior to the EU action.

http://ec.europa.eu/internal_market/payments/docs/reg-2001-2560/report-070111_en.pdf

Construction output up by 1.2% in the euro area - Up by 0.7% in the EU25

November 2006 compared to October 2006

This is the first time that Eurostat publishes the construction index on a monthly basis. This is due to an improvement in the quality of the underlying data and meets a demand for better information on current output trends within the euro area and the EU25.

The construction index is one of the indicators that reflect the evolution of the business cycle.

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2007/PGE_CAT_PREREL_YEAR_2007_MONTH_01/4-18012007-EN-AP1.PDF

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