



**FEDERATION NEWS**

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***Slovenian firms confirm European top concerns***

*The EFCA Board of Directors' meetings outside Brussels are a key instrument for reinforcing relations and communication with the EFCA stakeholders.*

NACES (National Association of Consulting Engineers of Slovenia) representatives met with the EFCA Board of Directors in Ljubljana on 6 December.

NACES Director Vekoslav Korošec provided a picture of the Slovenian engineering consultancy sector, market structure and trends, and areas of concern.

NACES President Zoran Marinšek reported that skills shortages, unfair competition (in-house performance of services), public

procurement (including public private partnerships), and professional indemnity insurance demands and premiums gave great concern to Slovenian engineering consultancies.

Recurrent changes in the regulatory environment also place an excessive burden on Slovenian firms.

Furthermore participants exchanged views on fee levels, and low-bid versus qualifications-based procurement procedures.



Chamber of Commerce - Ljubljana

***EFCA Board of Directors welcomes Michael Whitwell***

*Following his election as ACE (Association for Consultancy and Engineering, UK) Chair, Neil Sandberg stands down from the EFCA Board of Directors.*

On 6 December 2007, the Board of Directors (BoD) nominated Michael Whitwell, Past ACE Chairman, to continue the 2006-2009 mandate of Neil Sandberg.

In line with the federation's statutes, the nomination will be submitted for approval to the 2008 General Assembly.

The EFCA BoD is responsible for the strategic planning (subject to the powers reserved to the General Assembly) and the general administration and management of the federation.

The BoD is representative of EFCA's membership by geographic location and size. It consists of active professionals and directors of firms, and national associations' directors.

### ***EFCA opposes re-introduction of requirement for documentary evidence in the selection phase***

*The new version of the Practical Guide to contract procedures for EC external actions (PRAG) again stipulates that firms are required to submit proof regarding exclusion criteria in the selection phase when working on external aid projects financed by the general budget.*

The 2006 version of the PRAG introduced simplified rules concerning the submission of documentary evidence, which would only be required from the selected applicant at the end of the procedure.

EuropeAid Director General Koos Richelle confirmed this simplification rule to be effective in a letter dated 20 April 2006 to EFCA.

However, the requirement is re-introduced in the revised 2007 PRAG.

This is a major and significant setback for the industry and represents an additional administrative burden to the Delegations as they will have to check the documentary evidence from each and every applicant without any added value.

EFCA explained the industry's concerns about this administrative burden - which doesn't benefit any of the parties concerned - to Commissioners Michel and Ferrero-Waldner, and Director General Koos Richelle.

### ***EFCA to call for improved financial management of external projects***

*EFCA is set to further validate its visibility and recognition as the voice of the industry which is strongly involved in all stages of the implementation of the Community's international aid policy and external aid programmes.*

In line with the 1998-2002 practical seminars for both EC officials and the industry, EFCA will re-initiate a series of seminars on specific and operational issues related to external aid contracts.

The first seminar, planned for September/October 2008, will address the theme 'Financial management of projects'. The draft programme is currently being developed by the Partnership for Development Committee. It will include topics such as the complicated and excessive guarantee requirements (in particular for the management of so-called 'externalised direct labour operations') and taxation regimes in recipient countries.

The seminar is intended to explain and to raise the level of understanding of the industry's concerns. EFCA will also present alternative measures and concrete proposals for effective solutions, which benefit all parties concerned.

The seminar will bring together representatives of EuropeAid, DG Budget, Members of the European Parliament (Budgetary Control Committee), commercial banks and (bilateral) funding agencies to interact with the industry.

More details will be announced soon.

## ***EFCA to determine policy in relation to joint and several liability***

*Consulting engineering firms accept that they have professional liability for the services they deliver. However, EFCA strongly believes that imposing joint and several liability on engineering consultants is the wrong way for clients to seek greater protection or certainty.*

Joint and several liability is of particular concern in the construction industry due to the multi-disciplinary teams which are involved in designing and constructing projects and the greater risk of a number of those parties contributing to defects and damage.

A party who considers that others are liable or contributed to a loss, but are not pursued by the claimant, can take action against that party (parties) or have them joined in the action.

Often engineering consultants are singled out as the sole target for legal action, even when they are only one of the parties involved and may have only contributed in a minor way to the damage or loss.

The Professional Liability Committee will shortly present its views on the limitation of the engineering consultants' exposure to the loss caused by others. The policy statement will also set out alternative appropriate measures to protect the client, and balance risk, responsibility and reward.

In addition, the Committee will address concerns voiced by the industry in the new EU member states about increasing costs of professional indemnity insurance. It will develop a paper, urging public and private clients to understand the implications of excessive professional indemnity insurance demands on the firms' competitiveness and costs.

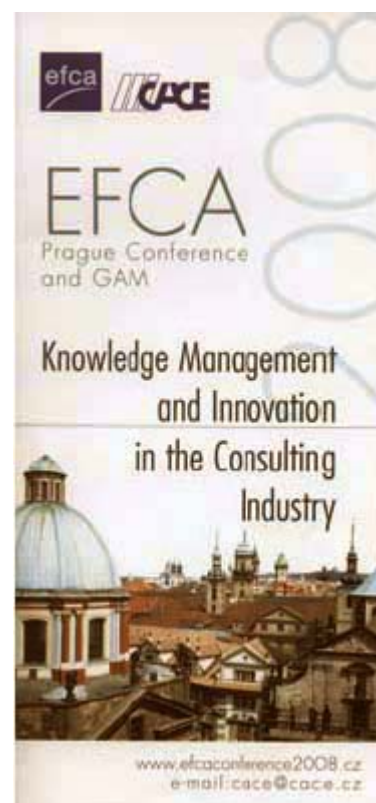
## ***2008 EFCA Conference: call for speakers***

*The 30 May 2008 Conference theme is 'Knowledge Management and Innovation in the Consulting Industry'.*

The Czech host association would welcome speakers for conference presentations on:

- engineering consultancies' experiences with knowledge management systems and tools (and challenges/liabilities and risks related to handling data flows and (un)structured information in the evaluation of solutions),
- other sectors' experiences
- firms' current policies on innovation and approaches to knowledge transfer and innovation in design
- bridging the gap between the industry and universities/research institutes
- clients' future needs and requirements (e.g. climate change, sustainability etc.): driving demand for innovative services
- the importance of public procurement in driving demand for innovative products and services.

The deadline for the submission of proposals and abstracts is 11 January 2008. ([zustma@technoprojekt.cz](mailto:zustma@technoprojekt.cz))



## E F C A A G E N D A

Project Financing Committee	Brussels	16.01.2008
Public Procurement Committee	Brussels	18.01.2008
Board of Directors	Lisbon	22.02.2008
Professional Liability Committee	Brussels	29.02.2008 [tbc]
Standardisation Working Party	Brussels	26.02.2008
D&S Meeting	Saint Petersburg	14.03.2008
Partnership for Development Committee	Brussels	01.04.2008
Board of Directors	Brussels	18.04.2008
Board of Directors	Prague	29.05.2008
<b>EFCA GAM &amp; Conference 2008</b> <a href="http://www.efcaconference2008.cz">www.efcaconference2008.cz</a>	Prague	29-31.05.2008
Board of Directors	Stockholm [tbc]	19.09.2008
Board of Directors	Brussels	05.12.2008

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### SEASON'S GREETINGS FROM THE EFCA SECRETARIAT





## EUROPEAN BRIEFING

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### EU FUNDS & PROGRAMMES

#### **10 operational programmes to support candidate countries**

*The investments, totalling 920 million euro (2007-2009 period), are made in the framework of the Instrument for Pre-Accession Assistance (IPA).*

The programmes are developed by the beneficiary countries in close partnership with the Commission. They take into account each country's medium- to long-term strategic development priorities:

- Croatia: four programmes with investment worth 180.7 million euro for regional competitiveness, transport, environmental protection and human resources development.
- Former Yugoslav Republic of Macedonia: two programmes with investment worth 56.8 million euro for regional development

(including transport and environment) and human resources development.

- Turkey: four programmes with investment worth 682.7 million euro for regional competitiveness, environment, transport and human resources development.

[http://ec.europa.eu/enlargement/financial\\_assistance/projects/index\\_en.htm](http://ec.europa.eu/enlargement/financial_assistance/projects/index_en.htm)

#### **Regions go full steam ahead with 2007-2013 programmes**

*Many of the Operational Programmes under the 2007 – 2013 Cohesion policy have already been approved.*

#### Bulgaria

The two latest Bulgarian operational programmes concern transport and environment, and plan for a Community investment of some 3 billion euro, representing almost half of the 6.8 billion euro that Bulgaria will receive from Structural Funds during 2007-2013. The transport programme (1.6 billion euro) will contribute to reducing congestion and promoting use of environment-friendly modes of transport such as railway infrastructure, the extension of the Sofia metro and the improvement of navigation on the river Danube. New motorways will be built and the existing routes will be upgraded along the Trans-European and major national transport routes. The environment programme (1.4 billion euro) targets infrastructure for water supply and waste water treatment: 65 new or rehabilitated waste water treatment plants are planned by 2013. It will also improve waste management facilities and reduce the number of contaminated sites.

<http://www.eufunds.bg>

#### Czech Republic

In total, the country will receive 26.7 billion euro during 2007-13. Three programmes on human resources (3.7 billion euro from the European Social Fund) and eight operational programmes, representing more than 7.6 billion euro of

investment from the European Regional Development Fund (ERDF), have already been adopted. A further six ERDF and Cohesion Fund programmes will be approved shortly. Regional Councils of Cohesion Regions have been designated as the Managing Authorities for the Czech Republic's regional operational programmes under the new decentralised management system, which ensures EU programmes are tailor-made for each individual region.

<http://www.strukturalni-fondy.cz/>

#### Greece

Total Community investment for the thirteen programmes, from which Greece will benefit, amounts to 20.3 billion euro. The ERDF and Cohesion Fund investments (15.8 billion euro) will focus on five regional programmes, four thematic programmes (competitiveness and entrepreneurship; accessibility; digital convergence; environment and sustainable development) and a technical assistance programme. The three programmes co-financed by the ESF (4.5 billion euro) concern the development of human resources; continuous education and training; and improving the efficiency of public administration.

<http://www.hellaskps.gr//2007-2013.htm>

#### Poland

The European Commission approved the operational programme provided with the biggest ever European funds in the framework of the Cohesion Policy 2007-2013 (27.9 billion euro). The Infrastructure and Environment Operational Programme will support the development of technical infrastructure, simultaneously protecting and improving the condition of the natural environment and health as well as preserving cultural identity and developing territorial cohesion. This programme is complementary to other regional programmes.

The Infrastructure and Environment Programme is also an important instrument for implementation of the renewed Lisbon Strategy (Lisbon-related expenditure constitutes over 66% of the EU contribution).

[http://ec.europa.eu/regional\\_policy/atlas2007/poland/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/poland/index_en.htm)

## INTERNAL MARKET

### **Commission updates Common Procurement Vocabulary**

*The EU-wide classification system for public procurement contracts is transformed into a more user-friendly classification.*

The new Common Procurement Vocabulary (CPV) is intended to meet the demands of e-procurement and new technology. It helps companies to easily identify public procurement business opportunities irrespective of the original language of the tender notice in the Tenders Electronic Daily (TED) database (<http://ted.europa.eu>).

Businesses will also have the choice to be alerted electronically about contracts in their field. Identifying contract opportunities will be simple and straightforward.

There will be a period of six months between the publication of the Regulation and its application in order to allow CPV users to make the necessary modifications to their electronic systems.

[http://ec.europa.eu/internal\\_market/publicprocurement/e-procurement\\_en.htm#cpv](http://ec.europa.eu/internal_market/publicprocurement/e-procurement_en.htm#cpv)

### **A modern single market for all**

*The European Commission has set out a package of initiatives to modernise the European single market and to bring more benefits to Europeans.*

Among the most important policy actions set out in the single market package are initiatives to

- empower consumers (2008 initiatives on consumer contractual rights and on collective redress, improved market surveillance for medicines and integrated retail financial services markets;

- increase SMEs' growth (access to European programmes, reduce obstacles to cross border activity)
- promote knowledge and innovation (common EU patent protection, 'researcher passport', interoperability of e-government systems etc.);
- help member states implement and enforce EU policies.

Besides the lead policy document 'A Single Market for 21<sup>st</sup> Century Europe', the package includes working documents on the achievements of the single market; instruments for a modernised SM policy; implementation of the new methodology for product markets and sector monitoring; and the external dimension of the single market (notably expanding the EU's regulatory framework as well as the competitive space for European firms abroad).

[http://ec.europa.eu/citizens\\_agenda/](http://ec.europa.eu/citizens_agenda/)

## MISCELLANEOUS

### ***Practical Innovation in Construction Project Management - ICPMA Award 2008***

*In 2008, ICPMA will for the first time award a prize for outstanding achievements in construction project management (CPM), especially focusing on practical innovation in CPM.*

The International Construction Project Management Association (ICPMA) is an international umbrella association founded in June 2003 by representatives of International Construction Project Management Institutes and experts. ICPMA focuses on international knowledge management.

The 2008 award is organized in cooperation with CIOB, the Chartered Institute of Building.

The closing date for applications is **Friday 1st February 2008.**

The Awards Ceremony will take place on Wednesday 14th May 2008, in Ascot, UK.

For details please refer to [www.icpma.net](http://www.icpma.net) or [www.ciob.org.uk/events/irawards](http://www.ciob.org.uk/events/irawards) or tel. +44 (0) 1344 630791, fax: +44 (0) 1344 630713, e-mail to [research@ciob.org.uk](mailto:research@ciob.org.uk)

### ***EIB opens regional office for the Pacific***

*The European Investment Bank (EIB) office for the Pacific in Sydney will serve fifteen countries and four Overseas Countries and Territories (OCTs) in the region.*

The office will facilitate communication and coordination links not only with potential project promoters but also with other donors based in the region, such as the European Commission delegations, the World Bank-IFC and the Asian Development Bank, as well as AusAID and NZAid.

Since the start of operations in the Pacific countries, the EIB has contributed more than 380 million to their development.



## DOCUMENTS & WEB SITES OF INTEREST

### EU LEGISLATIVE INITIATIVES

#### Proposals & Regulation

#### **Public Procurement Remedies Directives**

The Directive has been formally adopted on 15 November 2007 and will soon be published.

#### **DIRECTIVE 2007/60/EC on the assessment and management of flood risks**

The Directive officially entered into force on 26 November.

The Directive will be implemented in three phases.

The member states must carry out a preliminary assessment of flood risks for river basins and for coastal zones by 2011.

They must draw up flood hazard maps and risk maps by 2013. These must identify high, medium and low-risk areas, including those where occurrences of floods would be considered an extreme event.

The third phase will require member states to produce flood risk management plans by 2015. These will have to include measures: to reduce the probability of flooding and its consequences; to prevent unsustainable land use practices (by discouraging building in flood-prone areas); to protect such areas from the likelihood of floods (restoring natural flood plains); and to inform and prepare the public.

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2007/l\\_288/l\\_28820071106en00270034.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2007/l_288/l_28820071106en00270034.pdf)

[http://ec.europa.eu/environment/water/flood\\_risk/index.htm](http://ec.europa.eu/environment/water/flood_risk/index.htm)

### REPORTS

#### **Evaluation of SME Access to Public Procurement Markets in the EU**

The report concludes that medium sized enterprises are performing relatively well in public procurement above the EU thresholds. However, this is not the case of small and micro enterprises. There are very wide variations between the performances of SMEs in accessing public procurement contracts in different countries. There are also marked variations in the activities and approaches of member states and awarding authorities and contrasts in the perceptions of the problem and what should be done amongst awarding authorities and between awarding authorities and companies.

[http://ec.europa.eu/enterprise/entrepreneurship/docs/SME\\_public\\_procurement\\_Report.pdf](http://ec.europa.eu/enterprise/entrepreneurship/docs/SME_public_procurement_Report.pdf)

#### **EU industrial structure 2007 - Challenges and opportunities**

The Commission study analyzes the competitiveness of the EU economy from a sectoral perspective on the basis of export figures in the EU and the world. The sectoral approach provides insight into the relative performance of each industry, and contributes to explaining the competitiveness of the EU economy at large.

[http://ec.europa.eu/enterprise/enterprise\\_policy/competitiveness/2\\_indics/indics\\_compet.htm](http://ec.europa.eu/enterprise/enterprise_policy/competitiveness/2_indics/indics_compet.htm)



### **First progress report on the 'NAIADES' Action Programme**

Report on the implementation of the 'NAIADES' programme, which is aimed at promoting inland waterway transport in Europe. It registers progress in a broad range of areas, including initiatives that have been launched to improve market conditions, to modernise the fleet, to make the profession more attractive, and to improve waterway infrastructure.

[http://ec.europa.eu/transport/iw/prospect/index\\_en.htm](http://ec.europa.eu/transport/iw/prospect/index_en.htm)

### **Employment in Europe 2007**

The report looks at structural labour market trends, and highlights employment and training policies to improve employment security for EU workers in the changing global economy.

[http://ec.europa.eu/employment\\_social/employment\\_analysis/employ\\_2007\\_en.htm](http://ec.europa.eu/employment_social/employment_analysis/employ_2007_en.htm)

### **European Court of Auditors' 2006 Annual Report**

In 2006 the EU made payments totalling 106.6 billion euro. For spending on *structural policies* - 32.4 billion euro in 2006 - the Court identified a material level of error, estimated to represent at least 12% of the total amount reimbursed to beneficiaries. *External actions* spending - 5.2 billion euro in 2006 - was satisfactory for the transactions managed and checked by the delegations, but not so for implementing bodies carrying out the projects in the field. Errors included claims of ineligible expenditure and breach of tendering procedures.

Within *pre-accession strategy* - 2.3 billion euro in 2006 - the Court found that payments were legal and regular overall, although significant errors were found in the Sapard transactions audited.

<http://eca.europa.eu/portal/page/portal/publications/auditreportsandopinions/annualreports>

### **European Court of Auditors on Special Report concerning the effectiveness of technical assistance in the context of capacity development**

Although institutional capacity building has been recognised in the European Community's development policy as a key element in the fight against poverty, the Commission has not yet established a focussed and structured approach to the use of technical assistance, in order to provide more effective support for capacity development. Also project implementation is often hindered by a number of problems, including a long preparation and start-up phase.

The Court concluded that whilst quality of the technical assistance provided was generally found to be satisfactory, other important factors have reduced the effectiveness of the support provided.

<http://eca.europa.eu/portal/pls/portal/docs/1/525518.PDF>

### **Regions delivering innovation through Cohesion policy**

The working document shows that the planned EU investment for innovation in 2007-2013 will be above 85 billion euro - a sum equivalent to 25% of the total new envelope for the 27 member states. Innovation is defined as encompassing four groups of spending categories - RTDI, entrepreneurship, innovative ICT and human resources.

[http://ec.europa.eu/regional\\_policy/sources/docoffic/working/doc/SEC-2007-1547.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/working/doc/SEC-2007-1547.pdf)

## CONSULTATIONS

### **Encouraging innovation in the service sector**

A Commission document analyses the specific patterns of service innovation and identifies main challenges to support innovation in services with the view to fully exploiting their innovative potential and fostering growth of the service economy in Europe.

As a next step, the Commission will prepare a Communication in the first half of 2008, setting out a European strategy in support of service innovation.

Deadline: 31 December 2007

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=innoserve&lang=en>

## MISCELLANEOUS

### **Strategic energy technology plan**

Comprehensive plan to establish a new energy research agenda for Europe. The Plan is to be accompanied by better use of, and increases in financial and human resources to accelerate the development and deployment of low-carbon technologies of the future.

[http://ec.europa.eu/energy/res/setplan/communication\\_2007\\_en.htm](http://ec.europa.eu/energy/res/setplan/communication_2007_en.htm)

### **Research for Sustainable Development**

New web portal, presenting consolidated information about the multiple ways through which European research is mobilised for sustainable development.

<http://ec.europa.eu/research/sd/>

### **Remunerations of Researchers in the Public and Private Commercial Sectors**

Independent study carried out for the Commission. Almost 10 000 replies were collected from researchers at various stages of their careers, in the public and private commercial sectors across the EU-25 and Associated Countries. This revealed their net (salary taken home) and gross (net plus social security cost for both employee and employer) salaries. The data were validated, analysed and the results compared to two different groups: other European professions, and researchers in Australia, China, India, Japan and the United States.

Only Austria, The Netherlands and Luxembourg offer salaries similar to the level of those in the United States, as do Israel and Switzerland. Australia, India and Japan all have an average remuneration higher than the EU-25, while of the countries used as comparison, only China is below the EU average.

[http://ec.europa.eu/eracareers/pdf/final\\_report.pdf](http://ec.europa.eu/eracareers/pdf/final_report.pdf)

### **Proposal for a Directive on the coordination of procedures for the award of certain public works contracts, public supply contracts and public service contracts in the fields of defence and security**

[http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007\\_0766en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0766en01.pdf)

### **Pre-commercial Procurement: Driving innovation to ensure sustainable high quality public services in Europe**

This Communication addresses the concept of "pre-commercial procurement" which concerns the Research and Development (R&D) phase before commercialisation.

[http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007\\_0799en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0799en01.pdf)

## **A Strong European Neighbourhood Policy**

Proposed measures to strengthen the European Neighbourhood Policy (ENP). Since 2004 the European Neighbourhood Policy (ENP) is the EU response to the aspirations of its Eastern and Southern neighbours to jointly promote prosperity, stability and security.

It applies to the EU's immediate neighbours by land or sea – Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine.

[http://ec.europa.eu/world/enp/pdf/com07\\_774\\_en.pdf](http://ec.europa.eu/world/enp/pdf/com07_774_en.pdf)

## **Mobility, an instrument for more and better jobs: The European Job Mobility Action Plan (2007-2010)**

[http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007\\_0773en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0773en01.pdf)

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