



FEDERATION NEWS

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At the general assembly meeting in Budapest on 27 September 2006, EFCA members will discuss the federation's objectives, strategic planning and priority actions and assess its 2005 performance targets. They will also appoint a director from Scandinavia.



Neil Sandberg

Two directors elected to EFCA Board

The 9 June 2006 general assembly meeting re-elected Neil Sandberg (UK) and elected Mátyás Borostyánkői (Hungary) as directors for a three-year term.

EFCA president Yann Leblais convened the General Assembly Meeting (GAM) in accordance with legal and statutory rules, requiring that a meeting be held in the first half of the calendar year.

The meeting approved EFCA's 2005 accounts, the 2007 budget, and the organisation of the 2008 EFCA GAM and conference in Prague.



Mátyás Borostyánkői

Board targets new members in EFCA expansion plans

To strengthen its representation across the enlarged European Union, EFCA's board is aiming to recruit into membership the Baltic associations, professional associations from other new EU member states and other potential candidate countries.

An enlarged EFCA membership will benefit Europe's engineering consultancy industry.

EFCA will expand its expertise and knowledge on EU matters that influence the business environment in which firms operate and, at the same time, new members will make EFCA's voice even more powerful and influential.

EFCA membership will help the new national associations to strengthen their capacity to provide useful services to their firms and to promote their interests. They will also be able to campaign actively on the national implementation of European legislation.

EFCA members support colleagues in new EU member states

At their 9 June 2006 meeting in Brussels, EFCA national association Directors and Secretaries General agreed to support their counterparts in central and eastern Europe through an active exchange of best practices.

The so-called '4+4 Action Plan', initiated by former EFCA president Martin Guldner, aims to increase involvement in EFCA of the associations of the central and eastern European countries (CEEC). The plan, which was presented to the 2004 GAM in Istanbul, comprises four concrete actions and progress of outputs is regularly assessed.

To increase their influence on national authorities and to enhance dialogue with major clients, the EFCA's national associations agreed to share relevant public relations material with the associations in

Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

http://www.cace.cz/ceec_en.php

Procurement assessment - EFCA calls for separation of firms' ability to perform the contract and evaluation of quality of bids

EFCA explains its opinion on the evaluation of the proposed project team to the European Commission.

In mid-June EFCA issued guidance to members on the national transposition of the 2004 Public Procurement Directive.

The revised version of these guidelines includes recommendations on conflict of interest, unfair competition, abnormally low financial proposals and corruption. The EFCA guidance assists national associations when they address procurement issues with authorities.

EFCA's Public Procurement Committee also produced a policy statement on the evaluation of the qualifications of the proposed project team. It is based on the fundamental principle that the quality of bids of tenderers must be assessed on the basis of the bids themselves and not according to the experience of the candidates and their technical capability. Moreover, as technical and professional capacities are already assessed in the selection phase, they cannot be taken into consideration again when comparing bids.

EFCA explained to Commission officials that selection criteria focuses on a company's ability to perform the contract for which they are tendering. Selection criteria are used either as exclusion criteria or (financial/technical) capacity criteria. EFCA added that the qualifications of the key members of the project team should be included in the technical proposal and stressed that the capability of the project team is assessed in the award stage.

Consultants welcome Council agreement on Services Directive

Consultants from across Europe meeting at the European Consultants' Cooperation Forum in Vienna have welcomed the European Council's agreement on the proposed Services Directive.

Consultants generally believe that the proposed legislation would bring direct benefits to the industry through the removal of barriers to cross-border services. Consultancy firms are now demanding that politicians at both European and national level take the work forward with a 'European spirit'.

EFCA board member Hannes Posch and secretary general Jan Van der Putten concluded that, although there will be tangible rewards, accompanying measures for SMEs and supporting conditions in the area of standardisation, administrative cooperation between member states and better EU regulation are still required to make the legislation work effectively.

www.a-i-c.at

Project Financing Committee to lobby Commission on key issues

EFCA's Project Financing Committee is preparing input to the European Commission's ongoing analysis of the impact of a possible legislative initiative on concessions.

EFCA's positions on institutionalised Public Private Partnership (IPPPs), award procedures for PPPs for project delivery and competitive dialogue aim to explain the industry's position.

The latter policy statement is being developed in close consultation with EFCA's Public Procurement Committee.

These positions support EFCA's ongoing efforts to consolidate the industry's views and to ensure that professional services are fairly remunerated.

Conflict of interest: EFCA calls for consistent and clear rules

EFCA calls on EuropeAid to review the rules on conflict of interest in its procurement procedures.

'Conflict of interest' has two dimensions. The vertical dimension excludes firms/individuals that were involved in earlier stages from participation in subsequent project phases. The horizontal concept of 'conflict of interest' is defined as 'the exclusion of two companies from a same legal entity'.

EFCA voiced its concerns about the possible diverging interpretation and inconsistent application of the horizontal concept made by the Delegations. Yet again, EFCA made clear that potential horizontal conflict of interest issues be cleared at the level of the candidature dossier - i.e. before the establishment of the short list. EFCA also suggested that contracting authorities should provide an explanation for the rejection of a candidate.

In addition, EFCA explained that, in the case of major infrastructure projects, the consultancy assignment should cover the entire project – or at least the design and supervision phase – to enhance the quality of the output.

EFCA to improve visibility with revamped website

EFCA is set to develop a dynamic website to better promote the sector's interests, and to inform members about the federation's activities and the benefits for consultancy firms.

To act more as an information portal for the engineering consultancy industry and key issues, EFCA is listening to its stakeholders and continuously working to improve its communications.

To raise the industry's profile, EFCA's website already features national projects that highlight engineering consultants' impact on daily life. **Are firms from your national association taking part?**

EFCA invites all national associations to highlight this fantastic opportunity to promote their firms' projects and encourage them to take advantage of it. Contact Virginie Dalle at the EFCA Secretariat for full details.

As well as launching an on-line newsletter, the e-Bulletin, EFCA has also developed a concise PowerPoint presentation package, setting out the 'basics' of the federation. It explains the EFCA's relevance to member firms and what it is doing for the industry. To get a copy **contact the EFCA Secretariat.**

Recently, EFCA's Board and the Secretaries General and Directors of the National Associations invited the Communications Working Party to revise and upgrade the EFCA website. The Working Party has committed to deliver a first series of improvements at the AHCEA-EFCA-FIDIC Conference in Budapest on 24-27 September 2006.

E F C A A G E N D A

Professional Liability Committee	Brussels	06.09.2006 [12:00 – 16:00] (tbc)
Public Procurement Committee	Brussels	14.09.2006 [11:00 – 16:00]
AHCEA, EFCA & FIDIC 2006 Conference www.consulting2006.org	Budapest	24-27.09.2006
BoD meeting	Budapest	24.09.2006 [14:00 – 17:00]
Reports on Committees	Budapest	26.09.2006 [16:00 – 18:00]
EFCA GAM	Budapest	27.09.2006 [11:30 – 13:00]
Project Financing Committee	Budapest	27.09.2006 [14:30 – 18:00]
Partnership for Development Committee	Brussels	10.10.2006
Standardisation Working Party	Brussels	11.10.2006 [11:00 – 16:00]
EIB – EFCA – FEACO SEMINAR	Brussels	23 or 24.11.2006 (tbc)
BoD meeting	London	06.12.2006
EIB – EFCA – FEACO SEMINAR	Brussels	14.12.2006
2007 EFCA GAM & Conference	Greece (Rhodes)	06-10.06.2007



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INTERNAL MARKET

Breaches of EU public procurement law

The European Commission has taken action against Germany, Austria, Italy, Malta, Greece, Portugal and Spain to correct breaches of EU public procurement law.

Germany

The Commission decided to bring Germany before the Court of Justice in a case concerning waste disposal services awarded by the administrative districts of Rotenburg (Wümme), Harburg, Soltau-Fallingb. and Stade in Lower Saxony to the Stadtreinigung Hamburg, another public entity. These services are provided against remuneration until the year 2019. Germany

maintains that the case concerns public-public co-operation outside the scope of the procurement rules.

A reasoned opinion was sent to Germany concerning the award of a bus transport service concession in the city of Worms. The concession, which has a value of about 3 million euro per year, has been directly awarded to a service provider without compliance with the general principles of the EC treaty (transparency, non-discrimination).

A second reasoned opinion was sent to the German authorities over the practice of public employers to award group pension services only to a limited number of service providers stipulated in a collective agreement. According to the Commission, no justification exists for an exclusion of the application of the procurement rules.

Austria

The Commission decided to start a procedure to enforce a judgement of the Court of Justice against Austria concerning the disposal of waste in the city of Mödling. The Court of Justice ruled on 10 November 2005 that Austria violated its public procurement obligations when the city of Mödling awarded waste disposal services in 1999 to a mixed undertaking of which the city of Mödling owns 51%. The contract concluded in violation of Community law is still being executed.

In two other similar cases concerning long term waste disposal contracts in the cities of Hartberg and Kapfenberg the Commission has decided to submit reasoned opinions to Austria. These contracts have also been awarded directly to mixed undertakings of which 51% are owned by the respective cities. As the Court of Justice established in its judgement of 11 January 2005 in case C-26/03 (Stadt Halle), the 'in-house' exception from procurement law does not apply to such contract awards.

Italy

The Commission delivered reasoned opinions over the procedures used for awarding contracts to build prisons in

Varese and Pordenone and to construct a tramway in L'Aquila.

Malta

The Commission decided to send a reasoned opinion to Malta on account of the use of discriminatory criteria for the award of a contract for the provision of programme management services and technical assistance in connection with the implementation of the Sewage Master Plan for Malta and Gozo. The Commission considers that the inclusion of award criteria relating to the 'regional or local experience' or 'professional experience in Malta' of the tenderers constitutes a violation of Directive 93/38/EEC.

Greece

The Commission decided to send a reasoned opinion to Greece in relation to a procedure for the award of a public service contract, launched by ERGA OSE concerning the railway project "Phase A studies for building and electromechanical works and facilities for the Thriasio Field Station Complex". The Commission considers that the call for tenders for the award of the contract in question violated Directive 93/38/EEC. Furthermore, the call breached the principle of equal treatment of participants, the principle of mutual recognition of formal qualifications, as well as Articles 12 (discrimination based on the grounds of nationality) and 49 (freedom to provide services) of the EC Treaty. A second reasoned opinion concerned the procedure launched by the Public Power Corporation (DEI) for the design, commissioning, transportation, installation and operation of two similar steam electric stations and ancillary equipment for the steam electric station of Atherinolakkos, Crete.

Portugal

The Commission has decided to send a reasoned opinion to Portugal, as it considers the company Metro du Porto to have breached Articles 15 and 34 of Directive 93/38/EEC by awarding a contract for

advisory services relating to the construction of the Porto metro system on the basis of selection criteria such as the number of years of professional experience of the tenderers' teams.

Assessing the ability of contractors to perform the work in question and the actual award of the contract are two separate operations in the awarding of a public procurement contract and are governed by separate provisions in the Directive. It follows therefore that the quality of the bids of the tenderers must be assessed on the basis of the bids themselves and not according to the experience of the candidates and their technical capability, as this has already been assessed in the selection phase and cannot be taken into consideration again when comparing bids.

Spain

The Commission has decided to send Spain a reasoned opinion under Article 228 of the EC Treaty regarding the inadequacy of its measures implementing the European Court of Justice's judgment of 13 January 2005 (Case C-84/03). This judgement stated that Spain had incorrectly transposed Directives 93/36/EEC and 93/37/EEC (public supply contracts and public works contracts, respectively) in relation to the scope of the definition of contracting authority, the exclusion of inter-administrative cooperation agreements from the public procurement legislation and the use of the negotiated procedure without publication of a tender notice in two instances not foreseen by the Directives. Spain approved Royal Decree-Law (Real Decreto-ley) 5/2005 of 11 March to comply with the judgement.

http://ec.europa.eu/community_law/eulaw/index_en.htm

Romania speeds up preparations for the effective absorption of EU funding

On 7 July, European Commissioner for Regional Policy Danuta Hübner announced that Bucharest has implemented, well in advance of the country's EU accession, the Extended Decentralised Implementation System (EDIS).

The system enables the country to manage ISPA (Instrument for Structural Policies for Pre-Accession) projects independently and carry out proper control and audit procedures. In cases where EDIS is operational, the Commission services carry out only ex-post audits to verify the correct processing of transactions.

The early finalisation of the EDIS accreditation process might improve the preparedness of Romania for the forthcoming implementation period and help the country to avoid previous managerial irregularities.

The Commissioner pointed out that the Romanian government needs to pay particular attention to the different Sectoral Operational Programmes.

She emphasised the importance of the need to implement an effective public procurement system in Romania and to strengthen the administrative capacities of future managing structures by better staffing and training.

The latest report by the Court of Auditors, published on 19 June, pointed out that the majority of PHARE projects carried out in Romania were heavily delayed and not operating as intended.

http://ec.europa.eu/regional_policy/funds/ispa/romani_en.htm

Pre-accession assistance for 23 projects in Romania, Bulgaria and Croatia

The Commission announced the launching of 23 projects to be financed by ISPA (Instrument for Structural Policies for Pre-accession) in Romania, Bulgaria and Croatia.

The new projects include integrated waste management, upgrading of water and sewage networks, road and rail infrastructure, and technical assistance for project preparation in the environmental sector.

http://ec.europa.eu/regional_policy/funds/ispa/ispa_en.htm

EU-ACP Energy Facility launched

The EU-ACP Energy Facility was approved in 2005 with an allocated budget of 220 million euro. The lion's share of the funds (198 million euro) was allocated to a Call for Proposals which was launched on 19 June 2006.

The aim of the facility is to co-finance projects in the 77 African, Caribbean and Pacific (ACP) group countries, offering affordable and sustainable sources of energy.

The Facility is open to ACP governments, the private sector, state and non-state interests as well as civil society in the EU and ACP countries.

<http://www.energyfacility.info/>

EU-Africa Partnership: strengthening infrastructure

The Commission approved an additional 30 million euro for the final stage of a major road upgrading programme in Tanzania.

The programme is part of a wider strategy to build infrastructure links that connect countries throughout Africa. It will improve connections between Dar-es-Salaam and Tanzania's second city, Mwanza.

Strengthening infrastructure and connections across Africa are principal aims in the EU's Africa Strategy, adopted by the European Council in December 2005.

The Strategy proposes an EU-Africa Partnership for Infrastructure, which the Commission will finalise next month. The partnership will initiate and support programmes that build trans-African connections, and invest in infrastructure that crosses borders, such as roads, railways, ports, airports, water and energy infrastructure, and ICTs.

The Commission would like to see new instruments in place: a review of the funding rules to allow co-funding for projects, and the creation of trust funds in conjunction with the European Investment Bank (EIB).

http://ec.europa.eu/comm/development/body/communications/eu_africa_strategy_en.htm

More EU support to Balkan customs and tax reform

The Commission decided to provide up to 14 million euro in technical assistance to help customs and taxation authorities in Western Balkans countries to prepare for future EU membership, under a CARDS (Community Assistance for Reconstruction, Development and Stabilisation) regional programme for 2006.

The budget is split indicatively by country as follows: Albania (2 million euro), Bosnia and Herzegovina (5 million euro), the Former Yugoslav Republic of Macedonia (2 million euro), Kosovo (2 million euro), Montenegro (1.5 million euro); and Serbia (1.5 million euro).

Setting up well-functioning customs and tax systems is critical to support efforts to raise state revenues, fight organised crime and develop administration and trade.

<http://www.ear.eu.int/home/default.htm>

MISCELLANEOUS

Failures to implement Energy Performance of Buildings Directive

The Directive aims at reducing energy consumption in buildings by obliging the Member States to lay down minimum energy performance standards.

The Commission sent reasoned opinions (the second step of an infringement procedure) to Cyprus, Greece, Hungary, Malta and Sweden.

In these cases, Commission action was prompted by the insufficient information provided by these Member States as a reaction to the first letters for failure to notify implementing measures, which the Commission sent in February 2006. In the case of Hungary no reply was received.

The Commission is still examining the information received from 14 Member States which received a similar letter in February. The cases for failure to implement the Directive against Lithuania and Portugal have been closed, as these countries have notified complete implementation.

Member States should have implemented the Energy Performance of Buildings Directive by 4 January of this year.

http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_001/l_00120030104en00650071.pdf

EU coordinated mechanism on flood prevention and management

The Council reached a political agreement on a draft Directive on the prevention and management of flood risks less than six months after the European Commission tabled its proposal.

The objective of the proposal is to reduce and manage the risks which floods pose to human health, the environment, infrastructure and property. In order to attain its objective, the proposed Directive

provides for preliminary flood risk assessments of each river basin district, flood mapping in areas with a significant flood risk, a coordination mechanism within shared river basins, and flood risk management plans in vulnerable river basins and coastal areas.

The proposal applies to the whole Community territory, i.e. to flood risk in both rivers and coastal zones. Considering that most of the river basins in Europe are shared, concerted action at Community level would bring added value and improve the overall level of flood protection.

The proposed Directive provides considerable flexibility for Member States to determine the level of protection required, the measures to be taken and the timetables for implementing flood risk management plans.

Once officially endorsed, the Council's common position on the Directive will be returned to the European Parliament for its second reading.

http://ec.europa.eu/environment/water/flood_risk/index.htm

Commission proposes new EIB mandate

The current EIB mandates governing guarantees awarded to the EU by the EIB is due to expire on 31 January 2007.

The Commission proposed a comprehensive renewal of the legislative framework by a single legal basis.

The EIB currently holds two mandates: a General External Lending Mandate (Council Decision 2000/24/EC) and a separate mandate covering projects in Russia, Ukraine, Moldova and Belarus (Council Decision 2005/48/EC).

The Commission's aim is to introduce a new geographical breakdown of the ceilings to reflect the EU external policies. A reserve mandate, not allocated to any specific region, would be targeted to selected conditions: natural disasters, post-conflict

reconstruction and development in strategically important regions.

The Commission proposal includes a clarification of the nature of the Community guarantees covering political risks or those relating to state sovereignty.

The guarantee coverage would be extended to both types of financing operations specified in the EIB's Statute (loans and guarantees).

The new framework will be based on greater cooperation between the EIB and the Commission to optimise synergies between EU and EIB activities and to measure progress achieved with respect to EU-defined objectives.

http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0323en01.pdf

First enlargement of the euro-zone into the new Member States

The European Council gave Slovenia's application to join the euro-zone its seal of approval.

The Commission proposed a fixed and irrevocable conversion rate of 239.64 Slovenian tolar for one euro on 28 June. The Commission's proposal was formally adopted by the EcoFin Council on 11 July.



DOCUMENTS & WEB SITES OF INTEREST

EU LEGISLATIVE INITIATIVES

Proposals & Regulation

Thematic Strategy on the Urban Environment

The Council supports the notion of integrated environmental management and the development of sustainable transport to respond to the ecological challenges facing towns and cities.

The Council calls on the Commission to bring forward guidelines on the use of EU funds and acknowledges the importance of the Seventh Framework Programme for Research, the Eco-Technologies Action Programme (ETAP), the exchange of good practice, technology and knowledge transfer, data collection and the drafting of urban development indicators.

http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005_0718en01.pdf

Post 2007 EU - Russia relationship

The Commission agreed draft negotiating directives for a new EU-Russia Agreement. The Agreement will provide an updated and more ambitious framework for the EU-Russia relationship. It will be legally binding and will replace the previous EU-Russia Partnership and Cooperation Agreement (PCA).

http://ec.europa.eu/comm/external_relations/russia/intro/index.htm

Strategic partnership with South Africa

South Africa will be able to join five countries considered by the EU to be strategic partners, namely the United States, China, India, Japan and Russia.

The primary aim is to establish political dialogue on global questions. This shift towards more balanced relations will impact on EU development aid to South Africa. On the other hand, the European Investment Bank is expected to step up its operations in the South African market in the future.

The Commission's proposals will now be examined by the External Relations Council, probably in October, and by the European Parliament before the next meeting of the EU-South Africa Joint Cooperation Council, scheduled for November. If the EU gives the green light, a joint action plan will be drawn up to add substance to the new partnership.

http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0347en01.pdf

EU Relations with the Pacific Islands – A Strategy for a Strengthened Partnership

The strategy focuses on three main axes: strengthening political relations on subjects of common interest; giving priority to development co-operation in areas where the Pacific has major requirements and where the EU has a comparative advantage; increasing efficiency in providing aid.

http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0248en01.pdf

Timor-Leste: Country Strategy Paper (CSP) for 2006-2007

The CSP foresees an envelope of 18 million euro and is accompanied by a National Indicative Programme (NIP) that identifies sustainable rural development and institutional capacity building as the main areas for EC cooperation in the next two years.

Of the total 18 million euro, 12 million are earmarked for rural development, while 6 million will be devoted to capacity building, including a Technical Cooperation Facility that is intended to help the local authorities in the implementation of the aid package.

Under the 10th EDF, the European Commission has foreseen an indicative financial allocation of 63 million euro for the period 2008-2013. The focal areas of EC support will be identified together with the Government of Timor-Leste in the coming weeks.

http://ec.europa.eu/comm/development/body/csp_rsp/csp_en.cfm

Strengthening the Union's role as a global actor

The Communication 'Europe in the World: Some Practical Proposals for Greater Coherence, Effectiveness and Visibility' proposes three practical steps: Better Strategic Planning, Improved cooperation between Commission and Council Secretariat, and Relations with Member States.

http://ec.europa.eu/comm/external_relations/euw_global/docs/euw_com06_278_en.pdf

Communication on an EU Forest Action Plan

The Action Plan builds on last year's report on the implementation of the EU Forestry Strategy and consequent conclusions by the Council. The Action Plan focuses on four main objectives: (1) to improve long-term competitiveness; (2) to improve and protect the environment; (3) to contribute to the quality of life; and (4) to foster coordination and communication. Eighteen key actions are proposed by the Commission to be implemented jointly with the Member States over a period of five years (2007–2011).

http://ec.europa.eu/agriculture/fore/action_plan/index_en.htm

Competitiveness and Innovation Framework Programme CIP, 2007-2013

The aims of the CIP are to foster the competitiveness of enterprises, promote all forms of innovation including eco-innovation, accelerate the development of a sustainable, competitive, innovative and inclusive Information Society and to promote energy efficiency and new and renewable energy sources in all sectors including transport. CIP is composed of three specific programmes.

It gives priority to small and medium-sized enterprises and it is estimated that more than 350,000 small firms will benefit from the 2.166 billion euro.

<http://www.europarl.europa.eu/oeil/FindByProcnum.do?lang=2&procnum=COD/2005/0050>

Amended proposal for a Decision concerning the 7th framework programme of the European Community for research, technological development and demonstration activities (2007-2013)

The European Commission adopted an amended proposal for the Seventh Framework Programme (FP7), which seeks to incorporate amendments made by the European Parliament and the Council of Ministers in their first readings. The programme would have an indicative budget of 50,521 billion euro.

http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0364en01.pdf

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

Mid-term review of the European Commission's 2001 Transport White Paper

The mid-term review places emphasis on 'co-modality', defined as 'efficient use of different transport modes in isolation or in combination', and highlights energy efficiency and logistics. The objectives include a freight logistics action plan; intelligent transport systems to make mobility greener and more efficient; a debate on how to change mobility of people in urban areas; an action plan to boost inland waterways; and an ambitious programme for green power in trucks and cars.

http://ec.europa.eu/transport/transport_policy_review/doc/2006_transport_policy_review_en.pdf

http://ec.europa.eu/transport/transport_policy_review/index_en.htm

REPORTS

Report concerning Phare Investment Projects in Bulgaria and Romania / European Court of Auditors

The Court of Auditors examined a sample of 48 supply and works contracts. It found that the performance and outcome of the majority of projects was far from satisfactory. Most of them were significantly delayed. In many cases the sustainability and effectiveness of projects is questioned. It is suggested that both the acceding countries (insufficient financial resources and lack of adequate administrative capacities) and the Commission (overestimation of the management capacity of the public authorities and overambitious targets and deadlines) are to be blamed for the poor performance of the Phare programme.

http://www.eca.europa.eu/audit_reports/special_reports/docs/2006/rs04_06en.pdf

Directorates-General and Services Annual Activity Reports 2005

The European Commission adopted its Synthesis Report for 2005 on the monitoring and management of the EU budget for which it is responsible. The aim is to report on how the Commission has performed its management responsibilities and on the assurance provided by its internal control systems.

http://ec.europa.eu/atwork/synthesis/aar/index_en.htm

Fourth progress report on economic and social cohesion

Commission report on how the regions are performing in the 25 Member States plus Romania and Bulgaria, in relation to growth and employment. In this report it is noted that, on average, the least prosperous countries - the 13 with relatively lower GNI per head that are supported under the Cohesion Fund - reported 3.6 % growth over the period 1995-2005, considerably higher than the EU average of 2.2 % per year.

The report also gives an overview of the trends regarding disparities among regions and of the preparations for the new cohesion policy 2007-2013.

http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/interim4_en.htm

2005 Annual Report on Competition Policy

An overview of the most important policy and legislative initiatives and decisions, adopted by the European Commission in application of EU competition law in 2005.

http://ec.europa.eu/comm/competition/annual_reports/

CONSULTATIONS

Technical harmonisation

The European Commission launched a public consultation seeking the views from all interested parties on possible improvements, particularly in the areas of conformity assessment, accreditation, CE marking and market surveillance. The objective of the review is to simplify the legal framework pertaining to technical harmonisation in the future and to make existing legislation on products more coherent.

http://ec.europa.eu/enterprise/newapproach/review_en.htm

http://ec.europa.eu/enterprise/newapproach/index_en.htm

MISCELLANEOUS

European Portal on Sustainable Development

Following the Communication by the European Commission in December 2005 (for a cleaner Europe, more linked to the Lisbon Strategy), adopted by the European Council on 16 June 2006, a new site aimed specifically at promoting the European strategy for sustainable development is available on line.

http://ec.europa.eu/sustainable/welcome/index_en.htm

Bathing water quality - Annual report, 2005 bathing season

The 2005 report shows complete results for 20,914 bathing areas in the EU-25, 14,230 of them coastal and 6,684 inland. The Commission points out that the proportion of compliant sites decreased slightly in coastal areas and more significantly at inland bathing sites such as lakes and rivers. It expresses serious concern about the practice of some Member States deleting certain bathing zones from approved lists without explanation in order to avoid them being registered as polluted areas requiring clean-up operations.

http://www.ec.europa.eu/water/water-bathing/index_en.html

The European Institute of Technology: further steps towards its creation

In February 2005, President Barroso presented the idea of the European Institute of Technology (EIT) as part of the mid-term review of the Lisbon strategy. Following a wide-ranging consultation of stakeholders and Member States, the Commission adopted a new Communication on the proposed structure and functioning of the Institute.

http://ec.europa.eu/education/policies/educ/eit/index_en.html

Intelligent Energy – Europe (IEE)

IEE is a main means of converting EU policy for smart energy use and more renewables into action on the ground, addressing today's energy challenges and promoting business opportunities and new technologies.

IEE supports European projects, one-off events and the setting up of local/regional energy agencies with a total budget of 250 million euro, covering up to 50% of the costs.

Since 2005, the programme is implemented by the new Intelligent Energy Executive Agency (IEEA).

The priorities for the start of the Intelligent Energy Europe II programme (2007-2013) will be set out in the annual work programme 2007 (expected to be adopted in early 2007). This would mean the first call for proposals under the new programme could be expected in early spring of next year.

http://ec.europa.eu/energy/intelligent/index_en.html

Euro area labour cost up by 2.2%

Total hourly labour costs in the European Union rose at an annual rate of 2.4% in nominal terms in the first quarter of 2006, up from 2.5% in the previous quarter, according to figures released by Eurostat on 16 June.

The two main components of labour costs, wages and salaries and non-wage costs grew at annual rates of 2.7% and 1.6%, respectively. In the previous quarter, the corresponding rates were 2.6% and 2.7%.

A breakdown by economic activity shows that in the euro-zone hourly labour costs rose at an annual rate of 2.5% in industry, 2.1% in construction and 2.0% in services in the first quarter of 2006. In the EU-25, labour costs grew by 2.4% in industry and by 2.3% in both construction and services.

http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_06/3-16062006-EN-AP1.PDF

Economic Patriotism - New game in industrial policy? / Deutsche Bank Research

The study summarises the theoretical arguments against protectionist industrial policy, pointing out that the damage caused to the economy by active intervention far outweighs any benefits thus gained. All the evidence indicates that state activity should focus on creating development-friendly framework conditions in line with single market principles rather than resorting to protectionist measures.

http://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD//PROD000000000199989.pdf

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