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Stabilised market at a low level of activity for European engineering consultancy services

The EFCA Autumn 2014 Barometer report demonstrates that the markets in southern Europe have stabilised after five years of decline.

However, at the same time markets in central and northern Europe appear to be slowing down.

As a general trend, the engineering consultancy industry in Europe seems to follow the general weak growth of the European economies and its growth outlook is related with the investment activity in gross fixed capital formation in Europe.

http://www.efcanet.org/Portals/EFCA/Report%20EFCA%20Barometer%20Autumn%202014_fin al.pdf

The EC 2014 Autumn Economic forecast shows that the economic recovery - started

in the second quarter of 2013 - remains fragile and the economic momentum in many member states is still weak.

http://ec.europa.eu/economy_finance/eu/forecasts/2014_autumn_forecast_en.htm

TECNIBERIA welcomed EFCA Board in Madrid at the occasion of the association's 50th anniversary

In a joint meeting, hosted by the Spanish Confederation of Business Organisations, EFCA President Flemming Pedersen underlined the need for a close dialogue in order to ensure an efficient representation of the business at national, European and global level.

After an introduction on the Spanish economic recovery, improved confidence and conditions for sustaining growth, the discussion touched on exports of engineering consultancy services.



From left to right:

Jan Van der Putten (EFCA Secretary General), José María Lacasa (CEOE Secretary General), Juan Ignacio Lema (TECNIBERIA President), Flemming Pedersen (EFCA President), Pablo Bueno (FIDIC President)

Pablo Bueno, FIDIC President, underlined the importance of experienced staff, the proposed methodology, and the firms' organisation structure and procedures for the provision of quality services.

The meeting discussed Building Information Modeling (BIM), standards for sharing BIM data and the impact of BIM adoption on business strategies and models, and the firms' competitiveness.

To demonstrate the relevance of standardisation for building a common level of understanding, reference was made to Standard EN 16310 (engineering services for the construction of buildings, infrastructure and industrial facilities) and Standard EN16311 (manufacturing industrial products and equipment).

The meeting concluded with looking at a positive forecast horizon: the need for infrastructure investment (and thus planning) shows various potential areas for expanding the business activity.

EFCA explains Finnish standardisation method for price/quality evaluation to the Commission

In order to enhance the use of the MEAT (Most Economically Advantageous Tender) criterion, EFCA sent a letter to the Commission, demonstrating the Finnish standardisation methodology as a sample of a simple and transparent evaluation approach that limits the preponderance of the price in the evaluation.

Although contracting authorities claim to use other criteria than price, in general, they focus on the lowest price but not on the economically most advantageous outcome, which is taking into account quality or life cycle cost.

Quality points are often assessed with a small variation between bidders, whereas in price evaluation the full scale is used. As a result, price points are overvalued: the award procedure is biased towards

cheapest price and is not based on value for money.

The University of Helsinki, Department of Mathematics and Statistics, has developed a standardised price/quality ratio methodology and tool, which is easy to use and has the merit of being transparent. Monetary prices and quality points are scaled so that the standard deviation of both is one. Both parameters are multiplied with a coefficient i.e. the set ratio. The parameters are summed up and the highest value wins.

Although this methodology is not perfect, as it does not work well when there are less than 4 bids, it has a proven track record in Finland.

http://www.efcanet.org/Portals/EFCA/EFCA%20files/PDF/Seminar%202014/Seminar%20May%202014_Kimmo%20Liimatainen.pdf

2nd European Engineers' Day

150 participants from industry, academia and professional organisations discussed the profession's challenges to meet the society's expectations.

The event was organised in Brussels by major European Engineers Federations FEANI, ECCE, ECEC and together with EFCA, ENAEE, CLGE and CLAIU.



Under the first theme, 'Mobility and Regulation', speakers touched on aspects of the Professional Qualifications Directive that are relevant for the engineering practice. Other topics were: mobility,

regulation and the profession's responses to the crisis.

In the afternoon session presentations as well as round-table discussions focused on 'Delivering Client Value'. Topics included novelties in the Public Procurement Directive, continuing professional development and accreditation, remuneration and internationalisation.

The federations called on the European policy makers to support the engineers' entrepreneurship and the industry's competitiveness and performance.

Press release:

<http://www.feani.org/site/index.php>

Positive Commission answer to the industry's feedback on the PRAG 2014

DG DEVCO (Development & Cooperation-EuropeAid) responds to the industry's concerns about the PRAG 2014 (Practical Guide, explaining the contracting procedures applying to all EU external aid contracts).

In a joint letter, EFCA and FEACO explained that the ratio assets/liabilities is not the best indicator of the entity's financial soundness and that the range between 1,5 and 3 (in practice 2 to 3 is applied) does not correspond to realistic financial figures of the majority of European consulting and engineering firms.

In its response DG DEVCO stated that as regards this financial criterion 'a corrigendum is going to clarify that the 1.5-3 range is proposed as example of financial selection criterion; moreover, the exemplified range will be widened as 1.1-3.' Unfortunately, DG DEVCO did not react to the industry's request for considering such ratio as an average over the past 3 years (and not as an indicator for each of the past three years).

With regard to the provision of details on the staff recruited by a legal entity in previous projects in the application form, DG DEVCO

will clarify in the corrigendum that 'only details related to key experts will have to be mentioned, those being either permanent personnel or external staff, but their names will not be requested.'

About the three-year reference period, DG DEVCO explained that rules of application (RAP) of the Financial Regulation (applicable to the general budget of the Union) sets the reference period in three years mandatorily. However, in line with the public procurement Directive, an exception is included in the Commission proposal for the ongoing revision of RAP.

Bringing together the business leaders from across Europe in Oslo to discover opportunities

Concise inspirational presentations, round table discussions and interactive dialogue systems will shape the 2015 Conference programme.

If you are interested in finding out more about megatrends that shape the market and impact on the industry's business models, and joining sparkling discussions on future business opportunities and powerful solutions, join us in Oslo on 28-30 May 2015.

Mark the date in your calendar!



E F C A A G E N D A

Barometer Task Group	Brussels	18.12.2014
FIDIC-EFCA Sustainable Development Committee	Brussels	28.01.2015
Board of Directors meeting	Berlin	19-20.02.2015
European External Aid Committee	Brussels	17.03.2015
D&S meeting	Paris	27.03.2015
Internal Market Committee	Brussels	23.04.2015
Board of Directors meeting	Brussels	24.04.2015



Board of Directors meeting	Oslo	28.05.2015
Presidents' lunch	Oslo	28.05.2015
EFCA GAM	Oslo	28.05.2015
EFCA YP Forum	Oslo	28.05.2015
EFCA – RIF Conference	Oslo	29.05.2015
CEO dinner	Oslo	29.05.2015



*Happy New Year 2015
from the EFCA Secretariat*

*Jan Van der Putten
Anne Croisiau
Virginie Dalle
Mohamed Marbouh*



EUROPEAN BRIEFING

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Late payment responsible for vast majority of bankruptcies

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Adapting to climate change reached the political agenda in most European countries

More R&D investment needed in the EU to keep up with competitors

Climate: another wake-up call

INTERNAL MARKET

Late payment responsible for vast majority of bankruptcies

Whereas losses caused by late payments in 2004 represented 1.9% of the turnover of businesses (on average), in 2013 this figure rose to 3.1% (on average) and more than 4% for SMEs.

At a seminar, business representatives advocated a review of the 2011 Late Payment Directive.

The Commission would launch a draft study on the impact of the directive in all member states in January 2015.

http://ec.europa.eu/enterprise/policies/single-market-goods/fighting-late-payments/index_en.htm

Late Payment E-desk: ENTR-LATE-PAY-E-DESK@ec.europa.eu

EU FUNDS & PROGRAMMES

Smart Cities and Communities 2015 Work Programme

A new call for proposals for Smart Cities and Communities solutions integrating energy, transport and ICT through lighthouse projects under Horizon 2020 (SCC-01-2015) opened on 10 December 2014.

An information day and brokerage event is scheduled in Brussels on 12 February 2015. The deadline date for submitting proposals is 5 May 2015.

<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/2148-scc-01-2015.html>

<http://ec.europa.eu/programmes/horizon2020/en/news/information-day-brokerage-event-horizon-2020-%E2%80%93-smart-cities-and-communities-2015-work-programme>.

Partnership Agreements pave the way for EU investments

The Commission adopted the 28 Partnership Agreements for the optimal use of European Structural and Investment Funds.

Concrete translations of the investment priorities that member states have set in the

operational programmes (OPs) are now analysed.

When adopted, managing authorities in each country and/or region select, implement, monitor and evaluate individual projects.

http://ec.europa.eu/regional_policy/index_en.cfm

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

€647 million for key energy infrastructure projects

The funding will support 34 actions, selected after a call for proposals under the Connecting Europe Facility (CEF).

Of the 34 actions:

- 16 are in natural gas and 18 in electricity sector;
- 28 grants are for studies, such as environmental impact assessments (€91.4million);
- 6 grants go to construction work projects (€555.9 million).

CEF has a €5.85 billion budget for supporting trans-European energy infrastructure until 2020.

http://ec.europa.eu/energy/infrastructure/pci/pci_en.htm

First projects of the PanAfrican programme launched

The 12 projects (in total €107 million) will support migration, higher education and research and infrastructure, as well as public finance management and the development of statistics.

The PanAfrican programme, with a budget of €845 million from 2014 to 2020, is the first EU development and cooperation programme that covers Africa as a whole.

http://ec.europa.eu/europeaid/regions/africa/pan-african-programme_en

“EU Business Avenues”

EU Business Avenues aims to strengthen the presence of European companies in South East Asia by organising one week Business Missions to Singapore, Malaysia and Vietnam.



The programme provides strategic, logistic and financial support for European SMEs. It focuses its activities on the Clean Technologies and Interior Design sectors.

<https://www.businessavenues.eu/>

Horizon 2020 victim of its own success

Horizon 2020, the €80 billion framework programme for research and innovation receives 35,000 responses to calls for proposals each month.

One of the reasons for the success is the simpler access to EU funding. Another reason is the cuts in R&I public spending in the member states.

<http://ec.europa.eu/programmes/horizon2020/>

MISCELLANEOUS

President Jean-Claude Juncker unveiled his investment package in the European Parliament

The new European Fund for Strategic Investment (EFSI), to be set up in June 2015, would be backed by €21 billion from the EU budget and the European Investment Bank (EIB).



Half of the €16 billion guarantee would come from EU budget. Of the latter amount, €3.3 billion would come from the Connecting Europe Facility, €2.7 billion from the Horizon 2020 programme and €2 billion from the EU budget's reserves (i.e. unallocated credits). The European Investment Bank (EIB) would provide a contribution to the ESIF of €5 billion.

EFSI's lifespan is initially set to run for the next three years, i.e. until mid-2018, since the Commission hopes to be able to release the first funds in 2015.

http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

A list of projects which could be implemented over the next three years – and barriers holding back investment – are presented in a report to the European Council. This report was made by a task force set up by the European Commission and the European Investment Bank, together with EU member states.

http://ec.europa.eu/priorities/jobs-growth-investment/plan/what/index_en.htm

New structure of the European Commission

The Juncker Commission officially started its term of office on 1 November 2014.

One major novelty in the Commission structure is the new Internal Market, Industry, Entrepreneurship and SME portfolio.

This change is leading to the restructuring of the department for enterprise and industry (DG ENTR) into which the parts of DG MARKT that do not deal with financial services are being moved.

http://ec.europa.eu/about/structure/index_en.htm

Agreement on long-term investment funds

The regulation establishing European long-term investment funds (ELTIFs) would allow private investors to place their capital in long-term projects or enterprises.

This new category of fund is the first concrete element of the EU's capital markets union, which Commissioner Jonathan Hill must complete by 2019.

The Council will adopt the regulation at a forthcoming meeting.

http://ec.europa.eu/finance/investment/long-term/index_en.htm

EBRD launches Infrastructure Project Preparation Facility

The European Bank for Reconstruction and Development (EBRD) created a €40 million Infrastructure Project Preparation Facility (IPPF).

The IPPF's objective is to improve the efficiency and replicability of infrastructure projects for the benefit of its clients.

The IPPF will feature two windows: a PPP Window where private finance will be featured and a Sustainable Infrastructure Window for commercialised public sector investment projects.

Global trade increasingly obstructed, EU Report says

The 11th Report on potentially trade-restrictive measures identified 170 new measures, exceeding the number identified in the previous 13 months period, and found that only 12 previously imposed measures have been withdrawn (compared to 18 last year).

http://trade.ec.europa.eu/doclib/docs/2014/november/tradoc_152872.pdf

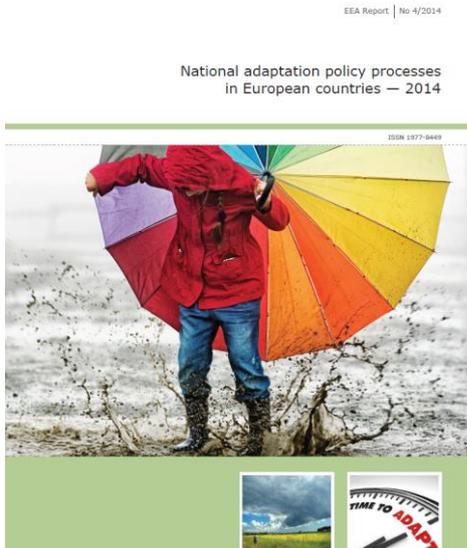
EU leaders agree climate and energy targets and policies for 2030

The agreement provides for a 40% target for greenhouse gas (GHG) emissions reduction.

The target to increase the share of renewable energy by at least 27% is binding only at Union level, meaning that each member state will set its own national goal depending on its specific conditions.

http://ec.europa.eu/clima/policies/2030/index_en.htm

Adapting to climate change reached the political agenda in most European countries



The European Environment Agency (EEA) report 'National adaptation policy processes in European countries – 2014' presents for the first time a comprehensive overview of the European countries' adaptation efforts.

<http://www.eea.europa.eu/publications/national-adaptation-policy-processes>

Adaptation of transport to climate change in Europe

<http://www.eea.europa.eu/publications/adaptation-of-transport-to-climate>

More R&D investment needed in the EU to keep up with competitors

Investment in research and development by companies based in the EU grew by 2.6% in 2013.

This is below the 2013 world average (4.9%), and lags behind companies based in the US (5%) and Japan (5.5%). The sector with the highest R&D investment in Europe is the automobile industry.

The EU Industrial R&D Investment Scoreboard contains data for the world's top 2500 companies:

<http://iri.jrc.ec.europa.eu/scoreboard14.html>

The 2014 EU Survey on Industrial R&D Investment trends analyses the responses of 186 mainly very large enterprises from a subsample of 1 000 EU-based companies:

<http://iri.jrc.ec.europa.eu/survey14.html>

Climate: another wake-up call

The United Nations Intergovernmental Panel on Climate Change (IPCC) published its 'Fifth approved summary for policymakers'.

The report will serve as the scientific basis and road map for the negotiations aiming to conclude a new international agreement in Paris in 2015.

<http://www.ipcc.ch/>

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