

FEDERATION NEWS

European External Aid Committee extends mandate and increases cooperation with FIDIC	p1
EFCA contributes to the PRAG revision	p1
Construction-related federations and European Commission discuss implementation of competitiveness strategy	p2
Public procurement: national support for EFCA's advocacy	p2
EFCA and FIDIC YPs intensify cooperation	p3
EFCA President Jan Bosschem welcomed FIDIC Conference in Brussels in June	p3
EFCA agenda	p4

European External Aid Committee extends mandate and increases coordination with FIDIC

Chair Ines Ferguson looks at the quickly evolving EU external assistance policy framework and implementation and what this means for the industry and the committee's scope.

Increasing amounts of development finance are provided through budget and sector support, and blending of grants and loans. In addition, the Commission is more and more transferring the management of financing packages to international organisations, beneficiary institutions and delegated bodies from EU member states.

To reflect the introduction of these new EU aid management modalities and financing instruments and secure a coherent industry approach, the committee's scope now includes 'European (development) banks

and financing institutions' (e.g. European Investment Bank (EIB), Council of Europe Development Bank) and 'Member States institutions that manage EU external aid'. In accordance with the FIDIC-EFCA agreement, the EIB falls within EFCA's remit whilst discussions with the EBRD are jointly coordinated.

The committee chair invited all national working groups to bring forward the European industry's development issues, concerns and feedback as an input to FIDIC's longstanding dialogue with the IFIs (international financial institutions).

EFCA contributes to the revision of the Practical Guide to contract procedures for EU external actions (PRAG)

The revised PRAG will be published in parallel with the Financial Regulation for the general budget and the Implementing Rules that will apply as from 1 January 2013.

Mid May, DG DEVCO (Development and Cooperation – EuropeAid) invited feedback on its draft amendments to the guide and annexes.

EFCA's submission to the Commission comprised the recommendation - among others - to establish a mediation procedure and body, and provided details on the FIDIC Dispute Adjudication Board (DAB) system.

Early July, Laurent Sarazin, Head of Unit R3 Resources - Legal Affairs, called a meeting with stakeholders, including EFCA, to discuss all submissions.

Construction-related federations and European Commission discuss implementation of competitiveness strategy

Commission and construction industry representatives looked at challenges to deliver growth, jobs and environmental protection.

Ahead of the Commission's promised action plan on the Sustainable Competitiveness of the Construction Sector, EFCA secretary general Jan Van der Putten and peers of seven other federations attended a meeting with DG Enterprise and Industry officials (see: 'Areas with growth potential for the European construction industry', page 6).

In the discussion, EFCA drew attention to:

- the need for active promotion of the Eurocodes outside the EU,
- the lack of professionalism on the side of the public clients which often results in an innovation and risk averse procurement approach,
- the need for the promotion of life cycle costing for fostering innovation and discouraging the use of the lowest price,
- the quasi inexistence of a truly European construction market,
- the growing skills shortage,
- the order stocks of consultancies that reveal the low level of current investments.

The Commission intends to call for a High Level Group (HLG) or Forum, with member states and sectorial representatives (including EFCA) to oversee the implementation of the strategy, and make recommendations on any necessary adjustments or new initiatives to be launched.

Public procurement: national support for EFCA's advocacy

Just before the summer recess, EFCA mobilised its national associations to carry out joint campaigns at national and EU levels in order to reach the MEPs' (Members of the European Parliament) attention for our industry's priorities in the recast of the public procurement directive.

By 5 July, a total of 1427 amendments were tabled to Rapporteur Marc Tarabella's draft report proposing modifications to the Public Procurement Directive.

IMCO, the responsible European Parliament Committee, will start its debate on 6 September.

EFCA will continue to combine efforts throughout the European legislative process.

http://www.efca.be/Portals/EFCA/ELOKET/4764/Voice_of_EFCA_8%2008%20May%202012.pdf

EFCA and FIDIC YPs intensify cooperation

The Steering Committees of the EFCA and FIDIC YP (Young Professional) groups jointly identify actions to improve collaboration.

Marcin Mikulewicz (EFCA) and Alejandro Varón – Tischer (FIDIC) made a report on the first collaboration meeting in Lisbon in May for discussion in their respective Steering Committees.

The document, including feedback and new proposals for joint initiatives, will be finalised at the Seoul meetings.



EFCA YP Forum, Lisbon, 24 May 2012

EFCA President Jan Bosschem welcomed FIDIC Conference in Brussels in June

FIDIC organised a MDB Harmonised Major Works (Construction) Contract Conference in Brussels on 25/26 June 2012.

The Multi-lateral Development Banks' Harmonised Major Works (Construction) Contract serves as one of the major vehicles for ensuring environmentally and socially responsible procurement and delivery of projects.

Its growing importance is recognised not only by the major multi-lateral development banks, but also by an increasing number of bi-lateral funding agencies. The conference aimed to broaden the understanding and experience of this contract form, and its wider use in the marketplace.

In his opening remarks, EFCA President Jan Bosschem said that *“EFCA is very pleased to endorse this conference as there is an increasing need for harmonisation of international contracts in a constantly globalising world. Any simplification through harmonisation should be welcomed as it contributes to clarity between the contracting parties and eventually to efficiency and quality in contract execution.”*

The two day conference attracted more than 100 participants from International Financial Institutions, the European Commission, funding agencies and stakeholders.

E F C A A G E N D A

FIDIC-EFCA Sustainable Development Committee	Seoul	11.09.2012
Industrial and Private Market Task Force	Brussels	18.09.2012
Board of Directors meeting	Dublin	20-21.09.2012
Barometer Task Group	Brussels	24.09 or 1.10 or 3.10.2012
Internal Market Committee	Brussels	04.10.2012
European External Aid Committee	Brussels	24.10.2012
FIDIC-EFCA Sustainable Development Committee	Brussels (or Zürich)	06.11.2012
D&S meeting	Luxembourg	16.11.2012
Board of Directors meeting	Podgorica	07.12.2012
General Assembly Meeting	Brussels	31.05.2013

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For more details see: <http://www.oai.lu/fr/308/oai/accueil/publications-grand-public/bauhaerepraeis/>



EUROPEAN BRIEFING

EU FUNDS & PROGRAMMES

p5

€8.1 billion investment in research and innovation

New funding to improve transport and environment in Eastern Neighbourhood

Additional funding for key investment projects in the Neighbourhood states

Kenya: €31.95 million EU funding to improve transport infrastructure and cross-border trade

Smart Cities and Communities - European Innovation Partnership

Europe 2020 Project Bond Initiative: pilot projects to be launched shortly

MISCELLANEOUS

p7

Areas with growth potential for the European construction industry

European catchments and rivers network system (ECRINS)

Delivery of EU funds: modernised and simplified procedures

EU FUNDS & PROGRAMMES

€8.1 billion investment in research and innovation

The final and largest ever package of calls under the Seventh Framework Programme (FP7) targets both innovation and a range of societal challenges.

In total €4.8 billion is dedicated to thematic research priorities. Industrial innovation will be supported through close-to-market activities such as piloting, demonstration, standardisation and technology transfer.

Special attention will be given to small and medium-sized enterprises (SMEs) in a package worth up to €1.2 billion.

Innovative thematic research priorities in this FP7 call include: around €155 million for

"Oceans of the future"; around €365 million for technologies that will transform urban areas into sustainable "Smart Cities and Communities"; and nearly €100 million dedicated to innovative solutions for managing fresh water resources.

http://ec.europa.eu/research/participants/portal/page/fp7_calls

New funding to improve transport and environment in Eastern Neighbourhood

Environment and transport will be the focus of the €22 million 2012 Regional Action Programme for the Eastern Neighbourhood, part I.

The funding comes from the European Neighbourhood and Partnership Instrument (ENPI), which is the main financial and cooperation instrument of EU assistance to Russia and the European Neighbourhood Policy (ENP) countries - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

With a total allocation of €22 million, the first part of the ENPI East Regional Action Programme 2012 is made up of three components:

- Forest Law Enforcement and Governance project II for the ENP region and Russia (FLEG East II), €9 million,
- Greening Economies in the Eastern Neighbourhood (EaP-GREEN), €10 million,
- Implementation of the Regional Road Safety Action Plan for the Neighbourhood East and Central Asian countries, €3 million (TRACECA).

http://ec.europa.eu/europeaid/work/ap/aap/2012_en.htm

http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-east/index_en.htm

<http://www.traceca-org.org/default.php?l=en>

Additional funding for key investment projects in the Neighbourhood states

Eastern and Southern Neighbourhood countries will receive an additional €150 million through the Neighbourhood Investment Facility (NIF).

The NIF has been designed to finance capital-intensive infrastructure projects in partner countries covered by the European Neighbourhood Policy (ENP) as well as to support their private sector.

The Facility brings together grants from the European Commission and the EU member states with loans from European public Finance Institutions, as well as own contributions from the partner countries.

http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/irc/investment_en.htm

Kenya: €31.95 million EU funding to improve transport infrastructure and cross-border trade

Three projects are to support regional economic integration.

The EU Rural Roads Rehabilitation Project (total project cost €20 million; EU contribution €15 million) will support Kenya's roads maintenance plan (2010–2017).

The Standards and Market Access Programme (€12.1 million) will help to increase the volume, diversity and competitiveness of Kenyan exports.

Another €5 million will be provided to all other sectors covered by EU programming to ensure that EU projects are well-planned and executed.

http://ec.europa.eu/europeaid/where/acp/country-cooperation/kenya/kenya_en.htm

Smart Cities and Communities - European Innovation Partnership

The partnership proposes to pool resources to support the demonstration of energy, transport and information and

communication technologies (ICT) in urban areas.

Innovations in energy, transport and ICT need to accelerate the transformation of urban areas into energy-efficient, sustainable, low-carbon environments.

The energy, transport and ICT industries are invited to work together with cities to combine their technologies to address cities' needs.

The funding will be awarded through yearly calls for proposals; the budget earmarked for 2013 amounts to €365 million.

Selected demonstration projects will have to integrate all three aspects, i.e. energy, ICT and transport.

http://ec.europa.eu/energy/technology/initiatives/smart_cities_en.htm

<http://eu-smartcities.eu/>

Europe 2020 Project Bond Initiative: pilot projects to be launched shortly

The pilot phase of the Europe 2020 Project Bond Initiative will be launched by the Commission together with the European Investment Bank (EIB).

Project bonds will be introduced in 2012 and 2013 to pave the way for possible wider use under the 'Connecting Europe Facility' at the start of the EU's new Multiannual Financial Framework (MFF) for 2014-2020.

The main objective of the Initiative is to create the conditions to attract additional private sector financing for energy, transport and telecommunications infrastructure projects. This will be achieved by improving the rating of the senior debt of project companies, thereby ensuring that this can be placed as bonds with institutional investors.

http://ec.europa.eu/economy_finance/financial_operations/investment/europe_2020/index_en.htm

MISCELLANEOUS

Areas with growth potential for the European construction industry

The Commission considers that the sector's competitiveness is a permanent political priority, especially given its impact on energy, climate change and the environment.

The Commission strategy for the sustainable competitiveness of the construction sector and its enterprises focuses on five key objectives:

- stimulating favourable investment conditions
- improving the human-capital basis of the construction sector
- improving resource efficiency, environmental performance and business opportunities
- strengthening the Internal Market for construction
- fostering the global competitive position of EU construction enterprises.

The strategy aims to provide support for short to medium-term growth and presents recommendations for restructuring over the longer term.

http://ec.europa.eu/enterprise/sectors/construction/competitiveness/index_en.htm

European catchments and rivers network system (ECRINS)

ECRINS is a geographical information system of European hydrographical systems.

Users need GIS (Geographic Information System) software to access the map layers.

<http://www.eea.europa.eu/highlights/data-and-maps/data/european-catchments-and-rivers-network>

Delivery of EU funds: modernised and simplified procedures

New financial rules will apply as from 1 January 2013.

The Financial Regulation is the core of EU financial rules. It sets the principles of the EU budget and governs the way the EU budget is spent.

New rules include the removal of the obligation to open separate bank accounts, shorter payment deadlines, more use of lump sums and flat rates for smaller amounts, no need to fill in the same details every time one applies for EU funds, on-line applications etc.

The rules will also increase the accountability of member states especially in regional policy.

In the area of external action, the EU will be able to create EU trust funds pooling its own resources with its member states and other donors in order to better coordinate and deliver external aid and increase its visibility.

The 27 June 2012 political agreement on the updated Financial Regulation will be formally adopted after the summer break.

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/12/501&format=HTML&aged=0&language=EN&guiLanguage=en>

EDITORIAL OFFICE: Jan Bosschem, Jan Van der Putten
EDITOR: Anne Croisiau
ADDRESS: EFCA Secretariat, Ave. des Arts, 3/4/5, B – 1210, Brussels,
Phone: +32-2-209.07.70
Fax: +32-2-209.07.71
E-mail: efca@efca.be
<http://www.efcanet.org/>

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