

the Voice of efca



European Federation of Engineering Consultancy Associations

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Services contracts procurement
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Moving forward the EU development agenda: EFCA welcomes dialogue with EuropeAid

Jules Muis talks to EFCA Voice about the role the European engineering consultancy can play in helping to deliver aid, and in improving the way aid is procured and managed.

Mr Muis served as the first Director-General of the Internal Audit Service of the European Commission from 2001-2004. He was previously Vice-President and Controller of the World Bank, where he played a leading role in introducing modern controllership. These public-sector posts came after a long private-sector career at Ernst & Young culminating in top management positions.

What is the consultancy industry's role in helping to plan and deliver development assistance?

Any industry worth its salt has a duty as a "good citizen" to help our global institutions to achieve not only their economic targets, but also their objectives in spreading knowledge, skills and economic prosperity to less privileged areas of the world. This is particularly true for EFCA, which embodies the long-standing collective wisdom and experience of its members in the European engineering consultancy sector. This type of transfer can boost the economic muscle of these regions so that they can develop their own broader markets. In this sense, development assistance is not a one-way street consisting of hand-outs from North to South. There is nothing wrong in looking at it as a mutual comfort, two-way street.

The donor community is keen to guarantee and continuously improve aid effectiveness. What can the consulting industry bring to the table?

Besides the skills and competencies that form part of EFCA members' specific expertise, there is a host of corollary knowledge that could be transferred, ranging from how to run a business, project management, good governance issues, down to the benefits that go with orderly and transparent processes and the rule of law. In a war context, we often speak about 'collateral damage'. We give too little attention to the collateral **benefits** of different (business) cultures encountering each other in peacetime. One of these benefits is a clear and measurable focus on the effect of aid.

How important is the procurement process in this?

Procurement is all about getting it right at entry level: it makes much more sense to devote time and energy to getting the choice of contractor right from day one, than to try to fix the effects of a bad choice further down the line. EFCA took a sterling initiative to that effect in November 2008, by kicking off a dialogue with the European Commission in a constructive Round Table on procurement issues – particularly those in developing countries. It was a courteous – yet gloves-off – mutual exchange on where and how to strike the best balance in assuring procurement effectiveness. Many recommendations came from EFCA members to help the Commission to further improve its regulations.

How can we take this dialogue forward?

As I said, it's in the general public interest to get procurement working as effectively as possible. And so we should have an open and frank debate in public about these matters. EFCA has issued a press release on this topic. It will be important to show the progress that is made, and the practical solutions that are agreed on, as a way of improving things. But in any dialogue, we should also be careful to flag up areas where no agreement can be found. For me this is only normal – one should be able to demonstrate one's genuine concern if you consider a situation to be sub-optimal. And we may need to re-visit these at a later date, particularly if they result in procurement or contracts going wrong.

I have always been a big believer in an observation from physics that "under pressure everything becomes fluid". Doing things in a constructive way in the public domain is the best way of making real progress. For the rest: perseverance, perseverance, perseverance.

Did you know...

2009 is the European Year of Innovation and Creativity. Activities are planned throughout the EU to inspire people and raise awareness of the importance of creativity and innovation for economic growth, for education and personal development, for science and research. It will also focus on how creativity and innovation can be fostered and channelled into meeting the major challenges we face – particularly climate change and achieving sustainability in the built environment.

Innovation often involves risk, and one of the aims of the EU's Lisbon Strategy for Growth and Jobs is to make Europe's regulatory and economic framework more conducive to innovation.

EFCA and its members are certainly no strangers to innovation. EFCA's French member association Syntec-Ingénierie identified persistent deficiencies and obstacles and developed a series of recommendations to fully exploit our industry's potential. In June 2008, it launched the White Paper 'Engineering consultancy and innovation', which was well received by awarding authorities and clients as well as the firms and their project partners.

EFCA translated the French document into English to keep the industry's views on innovation visible and high on the agenda in all European countries.

NEWS IN BRIEF

➤ New European technical committee on standardisation of terminology for engineering consultancy services

For some time, EFCA has been working on common European definitions of engineering consultancy services, notably through a joint feasibility study with the French standards body AFNOR. Following a proposal by AFNOR, a technical committee (TC) on a standard terminology for engineering consultancy services has now been set up within CEN, the European Committee for Standardisation.

CEN's new Technical Committee 395 – which will focus on terminology for engineering consultancy services in two main sectors, buildings and infrastructure, and industrial products – is a great step forward. It comes on the heels of a series of EFCA-launched initiatives to remove obstacles encountered by firms working in other EU Member States. Problems are often caused by differing definitions and therefore understanding of the content of services at each project stage.

➤ EFCA actively involved in EU efforts to boost innovation in sustainable construction

The European Commission's Lead Market Initiative (LMI) aims to develop six key markets with high value for both the European economy and for society as a whole. Sustainable construction is one of these six markets. High value is created by the innovation which develops new ideas and new techniques. But innovation can sometimes be hampered by existing regulation, standardisation and public procurement practices.

As part of its LMI consultations, the Commission is inviting views on public procurement, sustainability criteria and life-cycle costing, standards, and Eurocodes for structural design. All European decisions in the above areas will impact upon business conditions and market developments. EFCA is therefore voicing the industry's views to help create the right conditions for innovation in this key sector.

➤ Assessing a company's strength – should this include staff CVs?

When applying for a project put out to tender by public authorities or private-sector companies, an applicant company needs to be able to show its suitability for the job, through a range of criteria, including experience, resources, structure, financial details and management.

However, clients – and in particular the Internal Market Directorate-General of the European Commission – have taken the view that the public procurement directives allow them to request the CVs of those who will be made available for the project.

The EFCA policy paper explains legal and conceptual objections about the use of CVs of the project team as proof of the firm's technical competence as well as its practical drawbacks. EFCA's recommendations on a clear evaluation procedure and effective procurement procedure will be shared with the European Commission. This policy paper forms an addendum to the 2006 EFCA national transposition guidance on the public procurement Directive.

EFCA advises on improving external aid contracting procedures

EFCA has developed a number of practical ideas for more effective implementation of technical cooperation in the existing legal and financial framework.

Raising developing countries out of poverty requires strategic investment in infrastructure and capacities, so that a country's development can become long-term and sustainable.

The European consultancies that EFCA represents have amassed substantial experience in analysing local needs on the ground, and developing innovative, efficient and cost-effective solutions for development projects and programmes. The European Commission requires this type of expertise – technical cooperation – to plan and implement development assistance. In the words of one EC Head of Delegation, "the European Commission and the consultants are in the same boat; the European Commission could not implement its development aid without the assistance of the consultants".

Over recent years the European Commission has embarked on a far-reaching reform of the way it administers and delivers aid. The reform not only aims to improve aid effectiveness, but also to move towards delivering aid more through budget support for developing countries and sectoral approaches than through traditional project-based activities. In short, developing countries become more responsible for developing their own capacities, with donor countries supporting by providing technical cooperation.

This new approach is reflected in a revised legal and operational framework for service contract procurement and evaluation: the EC's new Practical Guide appeared in early January 2009. EFCA has its own European External Aid Committee, focused on aid effectiveness and improving the procurement procedures in external aid. EFCA would appreciate more involvement of the industry in the drafting of the Practical Guide, as it feels that its "on-the-ground" view of the operational aspects and their impact on efficiency and effectiveness would have proved to be of substantial value.

The recent changes have major impacts on the ways in which European consultancy can play a role. For example, national ownership by developing countries in theory is good, but raises the risk that rules may be interpreted differently, and that the best-qualified candidates might be left out of the running at the evaluation stage.

EFCA invites the European Commission to consider a number of practical ideas it has developed for more effective implementation of technical cooperation in the existing legal and financial framework. The ideas come from the industry's long and profound experience in this area, and following a survey of almost 100 firms active as service providers in EC-financed external aid projects. The companies surveyed represent about one in three of all European consultants active in this sector. The findings of the survey raise a number of weaknesses identified in the procurement process. A noteworthy and striking finding is that about 80% of the responding firms consider that the present evaluation processes do not give sufficient guarantees as regards fairness and safeguards against corruption.

These topics were presented for debate at two recent events organised by EFCA, with a view to share best practice on procurement in the area of development assistance.

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EFCA has member associations in 28 countries, and is the sole European federation lobbying on behalf of engineering consultancy and related services, a sector that employs around one million staff in Europe. EFCA contributes with a strong and cohesive input to legislative actions of its national associations on issues affecting market conditions. Furthermore the organisation works as a Europe-wide platform for national associations and their member firms to gather relevant facts and discuss business issues with their counterparts.