

NEWS IN BRIEF

▶ INTRODUCING EFCA

EFCA - the European Federation of Engineering Consultancy Associations - is the sole European federation representing and promoting engineering consultancy and related services. It aims

- to influence EU legislation which impacts on engineering consultancy business practice,
- to promote fair competition and transparent procurement rules, and
- to act as a business platform and network for its members.

EFCA assists the EU institutions as an expert knowledge broker, while communicating the main concerns of consultant engineers. It aims to help its members achieve common goals and also works in partnership with other interest groupings.

▶ ELECTION OF A NEW PRESIDENT

Yann Leblais, currently Chairman and CEO of Arcadis FCI, has been elected President of EFCA. A French national, Mr Leblais has worked in the industry for 28 years after training as a civil engineer. He has expertise in management of large projects, human resources and strategy.



QUALITY IN FUNDED PROJECTS: PROMOTING VALUE FOR MONEY

Safeguarding quality

Engineering consultants need a greater margin for innovation from financial and other institutions in order to improve the quality of publicly-funded projects. This is the key message from a high-level forum organised by EFCA - the European platform for the engineering consultancy industry.

The Forum - which took place in February 2005 under the chairmanship of former European Commission Vice-President Henning Christophersen - brought together senior professionals from the consultancy industry, the European Commission, and major financial institutions.

Allowing scope for innovation

Consultants emphasised the need to safeguard the quality of the services they deliver to public institutions, but highlighted the importance of providing scope for creativity and innovation in achieving this goal. The terms of reference included in contracts and the complexity of procedures involved often limit the capacity of consultants to provide innovative solutions - with the risk of having a negative effect on the quality of project results. A key aim of the Forum was thus to broaden the dialogue between the engineering consultancy industry, the Commission, and other financing institutions. By creating more synergies with financial institutions, EFCA aims to be a catalyst in this dialogue. This should in turn lead to a more output-oriented approach for the industry, providing better value for money to the European taxpayer. This is all the more important in the context of the EU's growth and competitiveness agenda, in which EFCA is committed to making a positive contribution.

Global challenges

The Forum also discussed global trends likely to drive the future development of the industry. Demographic change – population growth in the developing world and ageing in Europe - will have a major impact on the demand for infrastructure projects. Meanwhile climate change will transform markets for energy, environmental protection and resource management.

A full report of the Forum is available

at <http://www.efcanet.org>

▶ THE SERVICE DIRECTIVE: EFCA'S POSITION

The Services Directive's country of origin principle would not be practicable in the engineering consultancy industry unless and until harmonized rules are in place. This is the conclusion of a report by EFCA setting out its views on the proposed Directive on services in the internal market.

Cross-border activity by engineering consultants is low due to complex national regulation and varying national habits and practices. EFCA's report analyses whether the country of origin principle would be the right instrument to open up the market for services in this sector, but concludes that this would be difficult without harmonisation of rules across the EU. The report also examines the merits of alternative approaches - like mutual recognition and the country of destination principle.

▶ KRAKÓW CONFERENCE

The integration of environmental concerns in the water sector was the topic of EFCA's 2005 annual conference, held in Krakow. Protecting the environment and natural resources remains a primary concern in current water supply and sanitation programmes, making it a key issue for engineering consultants. Topics discussed included Polish programmes on water management, technical solutions and modernization of infrastructure, waste water treatment, and water investment programmes.

For more information:
www.efcanet.org

▶ BUDAPEST 2006

Next year's EFCA conference will take place in Budapest on 24-27 September 2006. The International Consulting Engineering Conference 2006 will discuss challenges, trends and opportunities for business growth in the sector. It will be held jointly with FIDIC - the International Association of Consulting Engineers - and hosted by AHCEA, the Hungarian Association of Consulting Engineers and Architects.

For more information:
www.consulting2006.org

efca

EFCA AT WORK

In the context of EFCA's dialogue with international financial institutions on corruption, this issue featured in the recent Biennial Meeting of the International Lending Agencies with the Consulting Industry (BIMILACI). EFCA presented its positions on market trends in development, problems in delivering quality in projects, and business integrity.

Development trends identified by EFCA

In the development business, EFCA expects local engineering consultants in developing countries to become more and more important. This is likely to bring more partnerships between international and local firms, and hiring of more local staff. At the same time, global firms seem set to take on a greater role as more large-scale, integrated projects are launched and competition from developing country firms and NGOs leads to downward price pressure. More partnerships with NGOs are also considered likely.

In terms of development work, financial institutions tend to place more and more emphasis on institution-building and private sector development, with a trend towards increased private involvement.

EFCA believes that the monitoring and evaluation dimension of the business is also growing in importance, as institutions make support increasingly dependent on accountability and outcomes.

The quality debate: recommendations

In the discussions about declining levels of quality in consulting services, EFCA made clear that inappropriate fee levels, unrealistic and restrictive budgets, unclear terms of reference, and an increasing trend towards splitting-up of contracts into less feasible small parts, all have a counter-productive effect on consultants' quality of work. The financing institutions advocate greater emphasis on quality-related issues in the selection process of consultants. A quality and performance-oriented tracking system - which would allow financing institutions to monitor consultants' work more adequately and hence assess the historical performance record of the firm - would be helpful in this respect. A more quality- and performance-oriented system that is clear for firms would benefit the industry, because an increasing number of strong, capable and reputable firms dissatisfied with current working conditions are otherwise likely to leave the market.

Tackling corruption

EFCA addressed concerns in Europe about the growing integrity problem in work under the loan contracts of international financing institutions. Too often the focus is placed on the consulting engineer - as the so-called supply-side of corruption - and the problem of systemic corruption in the triangle between international financing institutions, local governments and consultant/ contractor is totally underestimated. EFCA underlined that anti-corruption statements along with potential sanctions can only act as a partial, not an entire solution to the problem.

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EFCA represents approximately 10,000 firms, currently employing over 221,000 staff, with an annual turnover exceeding € 26 billion.