

## Meeting of the European External Action Committee via MS Teams 17 June 2021, 10:00-11:30

The Chair thanked the large number of participants for joining the meeting.

She welcomed the new Committee members: two Future Leaders Nikola Pavlovic (ACES) and Iris Hayran (ATCEA) and regular members Bárbara García Mateos (TECNIBERIA), Enrico Esposito (OICE) and Giorgia Gunnella (OICE). She invited a short introduction from the newcomers who are present.

- *The secretariat will follow up contact with absent Future Leaders Nikola Pavlovic (ACES) and Iris Hayran (ATCEA), and propose a separate meeting.*

### 1. Proposed change of the Committee's name

The new Committee name 'European External Action' was announced at the 2 June 2021 General Assembly Meeting. The new name is adapted to the Committee's extended scope, entailing both aid and financial resources from the development banks.

- *The Committee endorsed the new name 'European External Action'.*

### 2. Reports

- 20 April 2021 EFCA-EIB presentation meeting

The Bank's presentation has been circulated to the Committee members.

It appeared that not all engineering consulting firms are familiar with the Bank's environmental and social standards or apply these correctly. Environmental and social aspects of projects are to be identified and engineering consultancies are to propose mitigation measures. Consequently, the firms need to develop better quality management capacities and control processes.

The EIB expressed interest in continuing the dialogue with EFCA on sustainability issues.

The Committee will need to decide the focus of a future 'sustainable development' event with the Banks (cf. agenda item 4).

Whilst the EIB emphasised that environmental and social standards are key to the project's quality, the EBRD is expecting the industry to develop new capabilities in decarbonisation, green cities and clean energy (hydrogen) and climate adaptation.

- Involvement of 'Future Leaders' (FLs) in the European External Action Committee

The Chair proposed that the FLs would assist the Committee in profiling the industry's contribution to sustainable development and green growth.

They would need to familiarise themselves with the Committee presentation, demonstrating the firms' capabilities to contribute to the 2030 Sustainable Development Agenda and the external dimension of the European Green Deal.

Secondly, the FLs could update the October 2019 'EFCA Guide to the main European Development Financing Institutions - Snapshot of the main financial institutions and their evolution'.

Also, they could develop a communication tool for the firms on 'innovation, climate, engineering and sustainable development', and prepare specific messages which may serve to initiate contacts with other organisations/networks, such as the FIDIC FLs, Engineers without Borders, and conveying these messages at the World Engineering Day and the European Development Days.

➤ *The Committee considered the proposal positive.*

➤ *A brief meeting to define the FLs' task will be organised between the Chair, Lars Bentzen and FLs Nikola Pavlovic and Iris Hayran.*

- Linkage with the European Green Deal Committee (ToR)

The ToR of the European Green Deal Committee were circulated. The ToR cover five topics: Climate adaptation, Circular/biobased economy, Sustainable mobility with Smart cities and Sustainable procurement as enablers to achieve these goals. The linkage with the European External Action Committee primarily pertains to the external dimension of the Green Deal (Paris Agreement). At the 26 April 2021 meeting it was agreed to add "Renewable energy" to the ToR.

A first proposal for collaboration is initiated by [EIC](#) (European International Contractors). EIC is developing a European procurement guide that is focused on sustainable development and value for money. The EIC guide is based on the 2019 EFCA [Booklet](#) 'How to derive MEAT (economically most advantageous tender) criteria', which helps clients to use criteria other than, or in addition to, price. Sustainable criteria cannot be awarded on the lowest price.

The guidance, which will demonstrate good procurement practices, will stress the need for quality assessment and for including sustainability at the initial stages. It will also demonstrate Europe's ambitions and leadership in sustainability actions and initiatives.

EFCA's European External Action, European Green Deal and Internal Market Committees are jointly contributing to the guidance that leverage the capabilities of EFCA's work eventually.

- Neighbourhood, Development and International Cooperation Instrument ([NDICI](#)): current procedural step

The Regulation establishing the Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI-Global Europe) has entered into force on 14 June 2021.

The Chair reported about the 27 May 2021 NDICI consultation (*the EC presentation is attached*), at which she has stressed the importance of Technical Assistance (TA), i.e. the need for more TA funding and the use of TA funds for project preparation.

At the consultation, the European Commission stressed that financing and investment operations should be consistent and aligned with EU policies. The Commission explained the context for setting up the unified instrument, i.e. a simplified and policy-driven financing tool.

The three key pillars are the geographical component, the thematic programmes and the rapid response component. Other general principles are climate, human development and gender equality. The financial geographical envelope will amount to € 60,388 million, of which at least € 29,181 million is earmarked for Sub-Saharan Africa. Focus areas are interlinked with the European Green Deal, innovation, sustainable development, human rights and governance. It is aimed at leveraging private sector financing through combining blending and budgetary guarantee operations.

Further aspects of the new instruments relate to the global scope, private sector involvement, policy priority, collaborative architecture and the priority given to Least Developed Countries. Guarantees are mainly managed by the EIB.

At the 27 May 2021 consultation, the European Commission has acknowledged the need for better prepared and policy-aligned projects. EFCA, and in particular the European External Action Committee is to follow up on the latter statement.

It was commented that in EIP and blending instruments, TA grants are not necessarily allocated to project preparation, implementation and supervision, but are often offered as an interest rate subsidy and other private participation incentives.

Team Europe is responsible for the delivery of Global Europe, integrated by the European Union, the EU Member States (including their implementing agencies and public development bank), as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

Each Bank/Agency is using its own procurement procedures and publication system. Many use framework contracts for project preparation.

The Chair concluded that the industry supports the use of harmonised procurement rules and the creation of a centralised NDICI-Global Europe system that would offer access to information on business opportunities.

### **3. Revision August 2020 [PRAG](#)**

- Joint EFCA-FEACO letter (30 March 2021) to the BUDG Committee and DEVE Committee in the European Parliament, the Director General of DG INTPA and the European Court of Auditors (application of the Financial Regulation in the field of EU external action): response Luc Bagur, INTPA Resources Director (21 April 2021) & Response DG INTPA Director General Koen Doens (11 June 2021)

The Chair summarised the 11 June 2021 response from DG INTPA Director General Koen Doens under three points:

- (1) whilst the Commission is advising on procurement good practice, it is the contracting authorities deciding on many details, such as the reference period, the use of the open or restricted procedures and including a provision for security costs;
- (2) it is still a recommend practice to publish the prior information notice. However, in the EC response it is added that ‘the procurement procedure starts from the publication of the contract notice’.

The Chair underlined that it is clearly evident that the lack of pre-information notices is adversely impacting on the firms' business intelligence, and preventing firms to have contacts with clients;

- (3) the decision to no longer publish the shortlist is considered by the industry as a very defensive move that hinders transparency, in an overall effort to shield itself and procurement officers and regardless of the impact on firms.

The Chair concluded that the dialogue with the Commission needs to be continued with better arguments in order that European officials gain a clearer insight into the impact of regulations on the industry.

The following comments were noted:

- applicable tax regime: some taxation agreements are not public;
  - tax issues are causing severe problems for the firms; EFCA and Feaco need to develop possible proposals for improvement;
  - (centralised) publication of pre-information notices is a major issue for our industry;
  - the risk of collusion is minimal in our industry;
  - it is a general trend that international organisations wish to avoid scandals and consequently apply strict compliance and enforcement rules;
  - the apparent misunderstanding of our industry's business operations as well as the rejection of the proposal for a virtual meeting raise great concern;
  - a legal review of the EC's response may prove useful;
  - to raise the discussion at political level (and not only legal) and build the industry's argument on the need for a business-friendly regulatory environment;
  - to give the EC a reality check and business feedback;
  - to seek leverage from other stakeholders (e.g. Permanent Representations, Eurochambres, Business Europe).
- *The Chair, together with Didier Wynrocx and Raphaël Zayat, will seek a concise legal review.*
- *Political leverage will be sought for future EFCA-Feaco initiatives, which will highlight that the changes introduced in the PRAG deteriorate the business environment for the European industry.*
- *The industry will set out how it is envisioning the new instrument for the EU's external action.*
- *All Committee members are invited to submit proposals for tax solutions.*

#### 4. EFCA [presentation](#) 'European Consulting Engineers' contribution to Sustainable Development and a Greener Economy in low and middle-income countries'

- EFCA webinar with EU Development Banks: Sustainability consultancy needs or E&S Standards

EFCA would propose a webinar with the EIB, EBRD, AFD and KfW in the second semester of 2021 to keep the dialogue dynamic.

The EBRD is expecting the industry to incorporate new capacities and to deliver expertise in clean energy (hydrogen) and innovation.

The dialogue with the EIB was focusing on the need for the European industry to deliver and perform in compliance with environmental and social standards. In the Chair's view, the industry should strategically position itself as an expert in the environmental and social standards.

➤ *The Chair will develop a proposed programme for a webinar on environmental and social standards; EFCA will act as moderator.*

## **5. FIDIC**

- International Financial Institutions Committee relationship: structure and communications between the EFCA European External Action Committee - FIDIC IFI Committee

Due to time constraints, the item was not dealt with.

## **6. Procurement with IFI's**

- FIDIC HOPs webinar: status

The Chair reported that only the World Bank reacted to the EFCA-FIDIC proposals. The HOPs demonstrated limited interest in participation. The WB favoured a broader discussion with the industry on trends such as biodiversity and social inclusion, but not only on procurement. They are interested in learning more about European good practices.

Reference was made to the co-financing framework agreement between the EBRD and the Asian Infrastructure Investment Bank (AIIB), which is impacting on the types of projects in Western Europe and Central Asia with European funding. Also, the Russian representation in the FIDIC Europe Board could broaden the scope of the European External Action Committee.

- EBRD and AAIB streamline co-financing procedures

See the [attached](#) press release.

## **7. Date of the next meeting**

The next meeting will be held after the summer holidays.

The Chair thanked all participants for their input and wished all a great summer break.

## **Participants:**

Ines Ferguson – Chair – TECNIBERIA, TYP SA, SPAIN  
Martin Güldner – Vice-Chair – VBI, GOPA Consultants, Germany  
José António Rocha Almeida – APPC, FASE, Portugal  
Metehan Sonbahar – ATCEA, EQUITAS, Turkey  
Huseyin Tekin – ATCEA, ENCON, Turkey  
François Baudouin – CINO V / SYNTEC-Ingénierie, CA17 International, France  
David Lecoffre – CINO V / SYNTEC-Ingénierie, SYSTRA, France  
Lars Bentzen – FRI, NTU International A/S, Denmark  
Spyridon Papagrigoriou – HELLASCO, ENVECO S.A., Greece  
Enrico Esposito – OICE, Keios Srl Development Consulting, Italy – *new member*  
Giorgia Gunnella, OICE, 3TI PROGETTI S.p.A. – *new member*  
Gianluca Vedova – OICE, Agriconsulting Europe s.a., Italy  
Sarah Ouziaux – ORI, TRACTEBEL ENGINEERING S.A., Belgium  
Bárbara García Mateos – TECNIBERIA, EPTISA, Spain – *new member*  
Friedrich Hembach – VBI, Sweco GmbH, Germany  
Christoph Schaefer-Kehnert – VBI, GFA-Group, Germany

Didier Wynrocx – FEACO, SUEZ, Belgium  
Raphaël Zayat – FEACO, COWI, Belgium

Jan Van der Putten – EFCA, Belgium  
Anne Croisiau – EFCA, Belgium  
Sofia Lai – EFCA, Belgium

## **Apologies:**

Walter Painsi – ACA-FTBI, Ing. Consulting Painsi & Partners, Austria  
Kevin Rudden – ACEI, Garland, Ireland  
Cenk Tanriverdi – ATCEA, TANECS, Turkey  
Svitlana Reva – ICEG, Ukraine  
Hero Heering – Koninklijke NLI ingenieurs, Mott MacDonald, The Netherlands  
Helena Soimakallio – SKOL, Finland  
Peter Matthes – VBI, BPR Dr. Schäpertöns Consult GmbH & Co. KG, Germany

Benoît Clocheret – EFCA President - CINO V-SYNTEC-Ingénierie, ARTELIA, France

Thibault Rivet – FEACO, SUEZ, Belgium