## **Activities**

## Singapore 2007 open for business

Online registration for the FIDIC 2007 Conference in Singapore on 9-12 September opens shortly at <a href="https://www.fidic2007.org">www.fidic2007.org</a>.

Executive Committee sought to address strategic issues

With the increase in FIDIC committee and Secretariat activities, the January 2007 Executive meeting focussed on strategic aspects.

Bank guidelines envisage more emphasis on cost

The Asian Development Bank issues new procurement and selection guidelines.

<u>Asian Development Bank visit consolidates interest in capacity development</u>

With new procurement and consultant selection guidelines released, a FIDIC delegation was able to raise policy issues with an ADB Vice-President.

#### **Events**

## FIDIC GAMA Africa conference kicks off GAMA action plan

The FIDIC 2007 Africa regional conference in Botswana in May has as a backdrop the new appreciation of Africa's riches.

Forthcoming visits and meetings

Regional events in Asia and Africa feature in the lead up to the FIDIC 2007 Singapore Conference.

#### **Contracts**

## FIDIC consolidates Gulf contracts training

Consulting engineers and their clients in the Gulf are now offered a coherent range of FIDIC training events.

## FIDIC DBO contract under review

With the new FIDIC contract for design-build-operate projects now under review, a programme of roll-out seminars is being organized.

## Representation

## Philippines association lays down a challenge

The CECOPHIL board plans to attend the FIDIC 2007 Singapore conference at a time when the Philippines consulting industry is facing many new challenges. Portugal aims to support member firms entering foreign markets

APPC-Portugal initiatives to help firms enter foreign markets includes a survey of support instruments, translations of FIDIC contracts and training.

## **Business practice**

## Committees tackle professional liability issues

Surveys and best practice will be the focus of joint work by FIDIC and EFCA on professional liability to be reported at the FIDIC 2007 conference.

## **Business development**

## FIDIC PSM seminars in Brussels and New Delhi

John Boyd, FIDIC President-Elect, presented Project Sustainability Management to European association executives and Indian firms.

New Delhi seminar promotes capacity development

As part of a drive to expand membership services, FIDIC and CEAI-India organized a seminar emphasizing the importance of capacity development.

#### **Ethics**

## FIDIC to engage with standards association to promote business integrity

A memorandum of understanding with the Canadian Standards Association will promote FIDIC's Business Integrity Management System.

#### Image

## Association directors met to discuss EU neighbourhood instruments

The European Union has launched programmes to deepen economic and political,



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cultural and security cooperation between Mediterranean counties.
FIDIC to collaborate in IFC ADR survey

FIDIC attended an IFC meeting with the view to an ADR programmme.

## **Notices to Member Associations**

MA Notices: March 2007

#### **Activities**

## Singapore 2007 open for business [full item: 90Ac]

Local hosts ACES-Singapore, together with FIDIC, will be welcoming participants from all FIDIC member countries and beyond, together with many whose business and professional interests link back to the consulting engineering industry. Lying at the heart of a thriving and resurgent Asia, Singapore promises to attract both the hearts and minds of participants. The success story of Singapore and its amazing rise from rags to riches was greatly influenced by consulting engineers, and the recognition that robust and efficient infrastructure fosters economic growth. The setting provides an ideal background to

the conference, which focuses on business growth through strategic collaboration. The consulting engineering industry is a leader in developing the opportunities from cross-border trade in a truly global market. A number of workshops will focus on the key aspects of collaboration to maximize potential and to realize the growing opportunities around the world. The old adage of think global, act local has never been truer.





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#### Executive Committee sought to address strategic issues [full item: 92Ac]

The FIDIC Executive Committee (EC) meeting in New Delhi in January 2007 approved a new position paper on the role of engineers in public-private partnerships (PPP), with the exhaustive complementary report on the status of PPP in various countries being published as an electronic "living document". The committee also approved the review and publication schedule and the roll-out seminar programme for the new Design-Build-Operate contract which was sent to selected reviewers in March 2007. Bayo Adeola, EC member, was appointed as the chair of the Capacity Building Committee; he will re-establish the committee's membership and propose a detailed action plan. Other committees reported heavy workloads across a broad range of activities. The draft 2006 accounts indicated a substantial surplus owing to record bookshop sales, significant income from events, substantial new income from licensing, and a healthy surplus for the Budapest 2006 conference. In view of trends, the Executive agreed to boost Secretariat staff by a half-time position to help with public relations and websites, notably the new eFIDIC training platform launched in January 2007. It also decided to take a strategic look at finances at the next meeting (London; 21-22 May 2007). Regarding the annual conference: a framework was drafted for discussing possible cooperation with the European federation EFCA in the 2009 London conference; it was agreed that Africa was a strategic destination for 2011 (Member Associations would be asked for further proposals); arrangements for the 2010 New Delhi conference were clarified with CEAI-India. Ways to refocus promotion of the importance of quality in consultant selection were discussed in the context of reprinting FIDIC publications and the importance of making the most use of annual conference outputs.

## Bank guidelines envisage more emphasis on cost [full item: 93Ac]

The Asian Development Bank released in February 2007 revised Procurement Guidelines (available at <a href="www.adb.org">www.adb.org</a>) and in March 2007 revised Guidelines on the Use of Consultants by ADB and Its Borrowers (available at <a href="www.adb.org">www.adb.org</a>). In the latter, in ranking proposals for the procedure for selecting consultants under quality-cost based selection, a "flexible weighting" approach is adopted, as was recommended (see <a href="www.adb.org">www.adb.org</a>) by the ADB operations office COSO in December 2006 in response to an ADB Board of Directors request. So "The weight for technical quality will be 80%; the weight for cost will be 20%" is replaced by "The weight for the cost shall be chosen ...." The justification is that the ADB now "harmonises the approaches of ADB and other MDBs, principally the World Bank"

whose "operational practice" apparently allows a cost weighting of up to 30% for audits and the like. The ADB referred to a 2005 survey that is claimed to show that "In some cases, applying a 70-30 quality cost ratio can result in considerable cost savings, particularly under ADB-financed loans, with marginal impact, if any, on quality.

FIDIC will continue to react strongly to any use of price weighting in the selection of consultants, as this detracts from the key focus on quality. The next occasion to discuss the issues will be at the biennial BIMILACI meeting at the Interamerican Development Bank, Washington DC, 10-11 May 2007. FIDIC Member Associations have been asked to send to FIDIC comments and items that should be raised with the development banks (see draft agenda at www.fidic.org/bimilaci).

## Asian Development Bank visit consolidates interest in capacity development [full item: 91Ac]

Several key issues were discussed with senior representatives of the Asia Development Bank (ADB) during a visit by FIDIC in early March 2007. The FIDIC delegation led by Dr Jorge Diaz Padilla, FIDIC President, received a very positive reception from Ligun Jin, ADB Vice-President, who recalled the successful FIDIC 2005 Beijing conference in assuring strong support for the 2007 conference in Singapore. The FIDIC delegation received an update on new bank programmes supporting capacity development. Interest was expressed in collaborating with FIDIC, building on the programme of FIDIC in-house contracts training courses for ADB resident missions in six countries in early-2007.



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## **Events**

## FIDIC GAMA Africa conference kicks off GAMA action plan [full item: 53Ev]

FIDIC regional conferences in the lead up to the FIDIC 2007 Singapore Conference <a href="https://www.fidic2007.org">www.fidic2007.org</a> included the FIDIC Asia-Pacific ASPAC-TCDPAP Regional Conference in Lahore in March 2007 and will include the FIDIC Africa GAMA conference in Gaborone, Botswana on 14-16 May 2007 (the photo shows Botswana's worldfamous Okavango delta). The conference will kick-off the GAMA Task Force action plan under the theme "Engineering Services - value



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Forthcoming visits and meetings [full item: 32Ev]

for money" (see FIDIC.org/GAMA).

FIDIC-VBI-VUBIC Contracts Seminars, Berlin, starting Mar 07

FIDIC-ESCONE-CRCICA Contracts Seminar, Cairo, 1-2 Apr 07

FIDIC-ICC Dispute Resolution Conference, Dubai, 22-23 Apr 07

FIDIC-ECV Dispute Resolution Course, Zagreb, 26-27 Apr 07

FIDIC-JEA-AEBC Contracts Courses, Amman, 6-10 May 07 FIDIC-ECV Dispute Adjudication Course, Bucharest, 9-10 May 07

BIMILACI'07 Meeting, Washington DC, 10-11 May 07

FIDIC GAMA Africa Regional Conference, Gaborone, 14-16 May 07

FIDIC-Cornerstone Contracts Workshop, Abu Dhabi, 16-17 May 07

FIDIC-ECV Dispute Resolution Course, Barbados, 21-22 May 07

FIDIC-ECV Contracts Course, Brussels, 4-5 Jun 07



## **Contracts**

## FIDIC consolidates Gulf contracts training [full item: 66Co]

Timely support from FIDIC has led to the consolidation of training activities in the Gulf region, where considerable construction and infrastructure development has led to much interest in FIDIC contracts and procedures by both public and private clients. A programme of regular training courses in English on Module 1 (practical use) and Module 2 (claims and dispute resolution) of the FIDIC Contracts Manual got underway in the UAE in February 2007 with the first





FIDIC course organized jointly with the UAE Society of Engineers (UAESoE). The UAESoE Vice-Chair, Dr Khalil Al-Hosani, is shown on the left in the photo, with Enrico Vink, FIDIC Managing Director, during a recent visit. Further courses are planned for Dubai in June and November 2007, in addition to a high-level FIDIC-Cornerstone training seminar on 16-17 May 2007 in Abu Dhabi and training courses (in English by Arabic-speaking experts) focussing on local issues organized by the UAESoE. The first FIDIC training courses (in English by Arabic speaking experts) in the programme organized jointly with Jordanian associations (see News item) will take place in Amman on 6-10 May 2007 covering contracts' Modules 1 and 2. The first FIDIC contracts training seminar (in Arabic with English translation) in the programme organized with ESCONE-Egypt and the Cairo international arbitration centre CRCICA will be held on 1-2 April 2007. A planned November 2007 seminar will focus on Module 2 issues. Meanwhile, SEC-Saudi Arabia is considering a proposal to set up FIDIC training courses. See FIDIC.org for details.

## FIDIC DBO contract under review [full item: 67Co]

The count-down to publication of the trail edition of the new FIDIC Design-Build-Operate (DBO) Contract has accelerated with the release to selected reviewers in March 2007 of a draft. While the Design-Build element is that found in the FIDIC Conditions of Contract for Plant and Design-Build, 1st Edition 1999, clauses dealing Operation are totally new. This feature called for a fresh look at risk and insurance provisions. The plan is to publish the document in time for the FIDIC 2007 Singapore conference (<a href="www.fidic2007.org">www.fidic2007.org</a>) where a one-day launch seminar will be organized. More FIDIC-organized DBO roll-out seminars are planned for other easily accessible locations, starting with London on 11-12 October 2007. FIDIC Member Associations are being asked if they wish to extend the roll-out seminar programme to their own countries using the FIDIC team of presenters led by Axel Jaeger, FIDIC Contracts Committee chair, and Michael Mortimer-Hawkins, FIDIC DBO Task Group chair.



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## Representation

#### Philippines association lays down a challenge [full item: 53Re]

During a visit of a FIDIC delegation to the Asian Development Bank Headquarters in Manila in early-March 2007, the FIDIC President, Dr Jorge Diaz Padilla, accepted an invitation to act as the CECOPHIL-Philippines Inducting Officer for the association's re-elected board. Accompanying him were Dr John Boyd, FIDIC President-Elect, Xie Shaozhang, FIDIC Executive Committee member, and Enrico Vink, FIDIC Managing Director, who also made presentations on Business Integrity Management, Project Sustainability Management and capacity development at the CECOPHIL annual meeting.

Michael Reyes, CECOPHIL President, in acknowledging the growing profile of FIDIC in the region, undertook to take the entire CECOPHIL board to the FIDIC 2007 Singapore conference. This strong interest stemmed from a very positive experience at the FIDIC 2006 Budapest 2006 conference, and a desire to follow the progression of conference themes. He noted that the networks established, and experiences shared, were invaluable. CECOPHIL, which celebrated its 30th anniversary in late-2006, reported that: the Gulf region was drawing many middle ranking engineers; a CECOPHIL Young Professionals Forum has started activities (it had held a training course and undertaken a study mission to Korea sponsored by KENCA-Korea); the association was undertaking a membership drive as most member firms were based in the capital. CECOPHIL sought FIDIC's help to combat a recent court ruling that corporations as opposed to individuals and partnerships could not undertake government funded work.

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# Portugal aims to support member firms entering foreign markets [full item: 54Re]

With the expansion of the European Union (EU) that has reduced considerably EU structural funding, vigorous competition in Angola from China and other Asia-Pacific countries, and continuing difficulties in gaining a ready access to the Brazilian market, APPC-Portugal has launched a series of initiatives to help improve the capacity of member firms in international



markets. A key aspect will be a survey of support for firms working overseas led by Antonio Antunes Moreira of SNEDE (snede@snede.pt) and Jose Rayagra, a former President of the European federation EFCA. Initiatives to improve the understanding of FIDIC works contracts and consultancy agreements are also envisaged. During a visit to the APPC (the central Lisbon building that houses APPC is shown in the photo) in February 2006 by Dr Peter Boswell, FIDIC General Manager, to meet Fernando Silveira Ramos, APPC President, and Victor Carneiro, APPC Director, APPC agreed to establish a task force to prepare Portuguese translations of the 1999 suite of FIDIC contracts in time for a seminar in late-2007 announcing their availability. Translations will be harmonized with the Portuguese version (available online) of the Multilateral Development Bank Harmonised Edition of the FIDIC Construction Contract that was released in December 2006 by the Interamerican Development Bank (the MDB Harmonised Contract is mandatory for all IADB-financed projects). APPC is also discussing with FIDIC the possibility of organizing contracts training courses in Portugal starting in early-2008.

## **Business practice**

## Committees tackle professional liability issues [full item: 72Pr]

In a collaborative initiative agreed in 2006, FIDIC and European Federation of Consultancy Association (EFCA) committees are working together on identifying a way forward in the increasingly obstructive and corrosive world of unreasonable (and uninsurable) professional liabilities. EFCA is looking closely at the market in Europe, and will share information with FIDIC as it consults with members firms and the insurance industry. Initial results indicated a need for an improved understanding of how to manage risk, both within the consulting industry and client bodies. Examples of best practice for tackling the worst aspects of professional liability are also being sought. They will also form the basis for a workshop at the FIDIC 2007 Singapore conference (www.fidic2007.org).



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## **Business development**

## FIDIC PSM seminars in Brussels and New Delhi [full item: 52De]

A well-attended gathering of European association executives in mid-January 2007 found a specially prepared presentation on FIDIC's trademarked Project Sustainability Management (PSM) to be of considerable value. Dr John Boyd, FIDIC President-Elect and the main presenter, outlined the increasingly popular PSM approach, and demonstrated its practical commercial application for consulting engineering firms. It is clear that PSM adds value to the services available to member firms. Several associations, in addition to ACEA-Australia, ACEC-Canada, CEAI-India (see News item) and ACEI-Ireland that have organized PSM seminars, have expressed interest in learning more about the application of PSM and how it can be embedded within company structures.

The CEAI-India PSM seminar took place immediately following a FIDIC Executive Committee meeting in New Delhi at the end of January 2007. Consulting engineers were provided with clear evidence of how PSM could enhance their capabilities, particularly in view of recent changes to Indian building regulations requiring a more robust approach to sustainability. John Boyd also explained the background to PSM and, through case studies, showed how PSM indicators could make a real difference in the assessment of project options.



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## New Delhi seminar promotes capacity development [full item: 53De]

Although India has a strong reputation for engineering, most new graduates focus on information technology to the detriment of consulting engineering. Through several new activities, CEAI-India is seeking to expand membership and increase representation in the years leading up to the FIDIC 2010 conference in New Delhi. In conjunction with the FIDIC Executive Committee January 2007 meeting in New Delhi, committee members played a major role in a FIDIC-CEAI capacity development seminar that gave local consultants an overview of FIDIC best practice, and its importance in meeting the needs of a rapidly expanding economy and in improving opportunities for collaboration with foreign firms. Dr Jorge Diaz Padilla, FIDIC President, and Enrico Vink, FIDIC Managing Director, set out FIDIC

policies; Gregs Thomopulos, Stanley Consultants, USA, and Geoff French, Scott Wilson, UK, highlighted with case studies how capacity development initiatives provided a win-win situation; Bayo Adeola, CPMS, Nigeria, summarised FIDIC recommendations.

## **Ethics**

## FIDIC to engage with standards association to promote business integrity [full item: 32Et]

Following initial contacts with Wayne Bowes, FIDIC Past-President, and preliminary discussions with the FIDIC Secretariat, representatives of the Canadian Standards Association's Quality Management Institute met Dr Jorge Diaz Padilla, FIDIC President, and Dr Felipe Ochoa, FIDIC Integrity Management Committee chair, in Mexico City on 21 February 2007, to discuss ways in which QMI and FIDIC could work together to promote FIDIC's Business Integrity Management System. An memorandum of understanding is being drafted to outline the commitments and actions needed to reach defined objectives. It is envisaged that are series of agreements will evolve as the partners work together in the areas of marketing, incentive programmes, training, auditing, per review and registration.

## **I**mage

## Association directors met to discuss EU neighbourhood instruments [full item: 35Im]

Association directors from the Mediterranean rim countries met in Rome in early-March 2007 to discuss joint initiatives. These mainly arise out of opportunities presented by the European Union (EU) European Neighbourhood Policy (ENP). Jan van der Putten, Secretary General of the European federation EFCA explained that the key operational and financial instruments include the Euro 12 billion European Neighbourhood and Partnership Instrument (ENPI) to support priorities agreed in the ENP action plans, technical assistance and institutional capacity-building, European Investment Bank lending, long-term twinning arrangements with EU Member States' administrations and the Neighbourhood Investment Fund which leverages loan resources. Tenders under EU assistance programmes are open to firms from some 42 countries comprising EU member states, candidates, potential candidates and ENP partners (see ec.europa.eu/world/enp).

## FIDIC to collaborate in IFC ADR survey [full item: 36Im]

FIDIC was invited to attend the 2007 International Finance Corporation (IFC) Monitoring and Evaluation Meeting (Cairo; 6-7 March 2007) as the only industry observer in view of the federation's close involvement with the IFC regional programme in the Balkans that had piloted an Alternative Dispute Resolution Programme (ADR). The programme included support for FIDIC contracts training seminars and courses. The IFC plans to roll out a similar programme in the Mid-East after it has undertaken a detailed survey in which FIDIC has been invited to participate. The evaluation meeting aimed to establish measures for the effectiveness of IFC initiatives in overcoming market barriers. Dispute resolution in the booming construction and infrastructures sectors is a key issue. FIDIC's adjudication mechanisms are receiving greater attention with the introduction of the Multilateral Development Bank harmonised Edition of the FIDIC Construction Contract.

## **Notices to Member Associations**

Meetings: see Meetings

Contracts Committee, Berlin, 3 May 07 Executive Committee, London, 21-22 May 07

**MA Letters** 

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