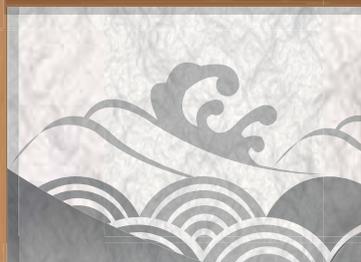
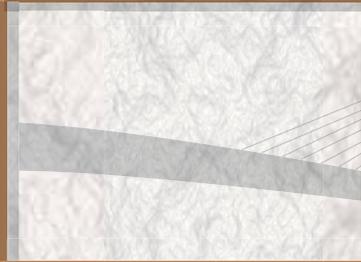
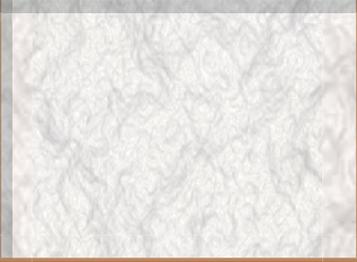
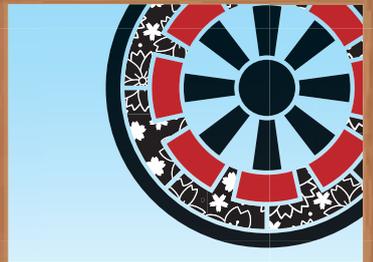
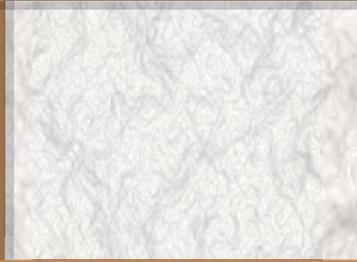
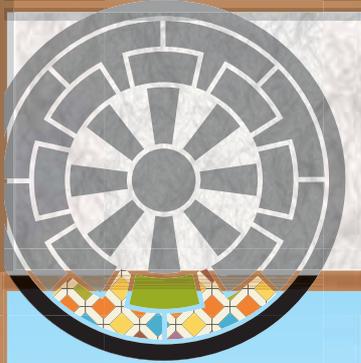


AJCE

NEWS LETTER

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ASSOCIATION OF JAPANESE CONSULTING ENGINEERS
(FIDIC Member Association)

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Illustration
Masatoshi Tsutsui, Tsumiki Kobo

The Association of Japanese Consulting Engineers (AJCE) was established in 1974 and was approved as a legal entity by the Science and Technology Agency of Japan (currently, Ministry of Education, Culture, Sports, Science and Technology) in 1977. AJCE is a member of the International Federation of Consulting Engineers (FIDIC) representing the interests and views of Japanese consulting industry.

Our issue

AJCE is promoting Quality-Based Selection (QBS) for the employment of consultants by central governments and international financiers such as Japan International Cooperation Agency (JICA). Four years have passed since the Act for Promoting Quality Assurance in Public Works came into force in Japan. This law emphasizes that considerations other than cost must be taken to secure product quality. It also specifies that designers play a crucial role in determining the quality of the product. Consultants must therefore ensure that their professional skills are of the highest standard and should pay attention to upgrading them as required.

Our activity in 2008

Every year, AJCE members participate in the FIDIC annual conference and contribute to the conference in various roles, demonstrating that AJCE is one of the major active member associations of FIDIC.

- In September, FIDIC conference was held at Québec, Canada on "A Strong Industry Serving Society". AJCE members, Dr. Omoto, Professor, Kyoto University, and Mr. Nakagawa, Advisor of JBIC (now JICA) attended the conference and contributed in nine seminars and three workshops. Action Plan to promote adjudicators in Asian region was introduced in ASPAC GAM.

AJCE encourages its members to develop the relationship with other FIDIC member associations.

- In April, several members of AJCE, including myself, concurrently serving as the chair of ASPAC, participated at the FIDIC/ASPAC annual conference held in Seoul. ASPAC is a regional group of FIDIC member associations in the Asia-Pacific Region. About 500 people from Asia and the Pacific attended the conference. AJCE contributed in the three themes, namely, Solving the Disparity in Engineering Techniques, Outsourcing Human Resources, and Public Private Partnership & the Procurement of International Funding.

- In July, AJCE and Korea Engineering & Consulting Association (KENCA) conclude the memorandum of understanding to cooperate and enhance each other's resources for mutual business opportunities that will contribute significantly for the development of engineering industries in both countries.
- In October, seven young Japanese engineers visited Australia for three weeks under the Young Professionals Exchange Program. This program has been continuing for more than 10 years to foster relationships between AJCE, ACEA (Australia) and ACENZ (New Zealand) aiming at nurturing global minded professionals. AJCE carries out activities that enhance the professional capability of Consultants.
- In July, annual seminar was held, entitled as "Risk Management in consulting Practices". Four speakers gave different perspectives on risk management. Many members from AJCE as well as non-members participated in the seminar and deepened their knowledge of the role of consultants in risk management.

- In July and August, Dispute Adjudication Board (DAB) seminars were held in Tokyo, Kyoto, Manila and Delhi in cooperation with JBIC, CECOPHIL (Philippines) and CEAI (India). AJCE is promoting DAB together with FIDIC, JBIC and Kyoto University.
- In November, seminar on energy, railways and safety management was held in Tokyo.

All of AJCE's eight standing committees continue working enthusiastically.

They are Ethics, Policy and Planning, General Affairs & Finance, Membership, International Activities, Professional Development, Interchange of Technology; and Publicity & Relations committees.

AJCE will continue these activities in the coming year. We will also continuously support FIDIC activities such as a Kathmandu 2009 Conference in March supported by FIDIC/ASPAC and 2009 FIDIC London conference in September.

AJCE endeavors to be recognized as trusted advisor to society and enhances activities for quality-based selection. Based on the initiatives as mentioned above, AJCE will contribute to the advancement of science and technology, the development of industry, the well-being and sustainability of the natural and built environment, and the enhancement of people's safety and welfare.

Thank you.

AJCE and Its Activity, 2009



Akihiko Hirotani
President, AJCE
President, Oriental Consultants Co., Ltd.

Promotion of Qualified Dispute Adjudication Board (DAB) Members in the Asian Region

Dr. Toshihiko Omoto

Professor

Graduate School of Management (MBA)

Kyoto University

1. Background

Japan Bank for International Cooperation (JBIC)¹ issued the "Sample Bidding Documents on Civil Works under JBIC ODA Loans (hereinafter referred to as "the Sample Documents")" in 1999, which are based on the "Conditions of Contract for Works of Civil Engineering and Construction, 1987 (revised 1988 and 1992) (hereinafter referred to as "the Red Book")" issued by the International Federation of Consulting Engineers (FIDIC). While the Sample Documents have been widely used for the contracts on civil works under JBIC ODA Loan, FIDIC published a new edition of the Red Book in 1999. The World Bank (WB) and other Multilateral Development Banks such as Asian Development Bank (ADB) in cooperation with FIDIC published "MDB Harmonized Edition" in 2005 based on the FIDIC Conditions of Contract, 1999. The MDB Harmonized Edition is widely used for the projects under those banks' finances. Therefore, JBIC was considering revising the Sample Documents to reflect the FIDIC MDB harmonized Edition, taking the opportunity of consolidation with Japan International Cooperation Agency (JICA) October 2008.

One of the biggest differences between the Red Book 1987 (which is currently used for JBIC Sample Bidding Documents) and 2005 (MDB Harmonized Edition) is the DAB clauses; in 2005 Edition, DAB is mandatory while it is an option in 1987 version. However, DAB is considered as expensive especially for their travel expense, because most of the adjudicators are living in those countries far apart from JICA ODA loan project countries: mostly located in Asian region.

After revising the Sample Documents, the number of projects with DAB is expected to increase

hence it is essential to promote training and qualifying DAB adjudicators for smooth implementation of the projects in Asian region where most JICA ODA loan projects are to be performed. At the same time, those stakeholders of the projects such as implementation agencies, counterparts, contractors and consultants are required to become familiar with DAB process. Because of the situation described above, JBIC conducted this study on, among other things:

- (1) Holding the seminars in and out of Japan including preparation of the materials.
- (2) Studying the promoting scheme of DAB Adjudicators in Asian region.

2. Concept of a DAB

The Construction contracts are one of the typical incomplete contracts because it is not possible to describe all contingencies which may, or may not, occur during the course of construction. To cope with those contingencies, most standard forms of construction contracts provide for 1) Risk Sharing Rules, 2) Variation (Change) Rules and 3) Dispute Resolution Rules. Nevertheless, a mere difference of opinions of the parties in the interpretation of the contract documents often develops to a serious dispute. If the parties fail to settle the dispute by negotiation, they may go to arbitration or litigation. Every party wants to avoid arbitration or litigation because they know how arbitration or litigation takes time and needs substantial expenses. Moreover, in the dispute situation, the relationship between the parties gets worse and the project cannot be complete successfully (and someone will lose face in the end).

¹ JBIC was consolidated with JICA (Japan International Cooperation Agency) in October 2008.

The best way to resolve dispute is not to give rise to a serious dispute in the first place. Although the primary task of a DAB is to give a decision on the matter of dispute between the parties, a DAB helps the parties avoiding disputes from escalating.

A DAB (or DB) is made up of three (or one depending on the size of a project) members who are absolutely independent and impartial. DB is part of the construction team who assists the parties in avoiding claims and settling disputes by amicable negotiations. If the parties fail to settle disputes, they are to be referred to the DAB for recommendation or decision. Since the DAB members are familiar with the contract documents and the site operation and progress of the project, it will not take much time to judge the dispute. Even if the decision (or the informal opinion/recommendation) is rejected by one or both parties, it will be the basis for further negotiation in an amicable manner. Thus, the benefit of DB is prevention of disputes and early settlement of disputes without adversarial attitudes.

3. The Promotion Plan of DAB Adjudicators in Asia Region

1) The training of adjudicator candidates will be implemented based of the following policies.

● The Candidates of the Training

In Japan and Asia, the persons who are interest in DB and can meet the minimum requirement can be screened and considered as the candidates of the Training. The screening criteria would be 1) experience in overseas project, 2) language ability of English, and 3) qualifications or experiences in contract management, dispute resolution, arbitration etc.

● Facilities and Places of Training

In order to underline the leadership of Asian region in the training program, it is preferable to establish a new institution like a training center to support training, qualification certification, dissemination and other activities in the Asian region. The Graduate School of Management of Kyoto University has a sub organization named the Management Research Center which performs various researching activities. At present, the establishment of "Construction Law & Economics Conference in Asian & Pacific Rim" is being planned by this center. Therefore, by making this conference the mother body of the adjudicator promotion organization, it is possible to execute the adjudicator promotion program (seminar) and the qualification certification workshop.

● Programs

For the training and continuous education of qualified adjudicators, development and implementation of three kinds of programs, i.e. "the adjudicator training program", "continuous education program", and "DB popularization program" is required. Furthermore, "the adjudicator training program" would be composed of three sub-programs, i.e. "introduction program", "basic program" and "practical program".

● Qualification Requirements & Certification System

About the Qualification screening, on account of using referees and other resources efficiently and keeping the screening's neutrality, the screening is preferable to be held by the above-mentioned training organization. Approving the screening, under the leadership of AJCE, FIDIC's Member Association in each country should take charge of the qualification registration and the maintenance of the name lists.

● Training Lecturers

Candidates for lecturers can be DB adjudicators, lawyers, arbitrators, experts (researchers) etc. The lectures should be familiar with FIDIC's contract document and have abundant practical experiences in contract management and dispute resolution under the FIDIC contract document. Based on practical experiences, the employment of experienced talents of DB should be promoted. In addition, it will be desirable to recruit the lecturers in the Asian region from economical aspect.

● Training Fees

To implement training activities, such cost for 1) establishment and maintenance of the training institutions, 2) development of the materials for the education, and 3) holding seminars and training courses are thought to be necessary. If we try to cover all these costs by the incomes from the students such as lecture fees and qualification screening/registering fees, the students' burden might be so heavy that they may lose incentive of seminar attendance and the screening. Therefore, it can be said that the most practical way of financial support is to expect from JICA and other development finance organizations. Based on the above-mentioned policy, an Action Plan was made for i) establishment of new training organizations that aim at the training and qualification & certification of adjudicators and ii) maintenance of National List by AJCE and FIDIC Member Association.

Consulting and Cross Cultural Communication

Masayoshi Takeuchi

Director, AJCE
President, NJS Consultants Co., Ltd.

I have been engaged in the engineering consulting business for over 30 years or so. During those years I have seen how the engineering consultancy industry has grown and expanded its sphere of operations to reach out to new clients. The phenomenon of globalization, which kicked off the advent of the information revolution, coupled with the advancement of information technology, has enabled us to tear down geo-political barriers and gain more clients as more and more countries open up their markets to liberal trade. With this, business organizations, such as our own, have forged strategic partnerships with other firms to take advantage of opportunities in local and foreign market in order to attain our envisioned objectives, which is to gain a wider and firmer foothold in the ever expanding global market in the consultancy industry.

Breaking down Barriers through Cross Cultural Communication

It is without a doubt that globalization, together with the internet, has changed the business environment that our consultancy firm operates in. As the industry expands to various geographic locations and spans numerous cultures, organizations have found it difficult to understand how to communicate effectively with people who come from different socio-cultural backgrounds and have different value systems. However, in our experience, partnering with foreign firms has brought some difficulties because of differences in culture, particularly in the way we communicate. It would therefore be important to practice cross cultural communication in order to facilitate or establish more stable ties with foreign firms. With cross cultural communication, the consulting business should be able to ensure smooth transactions and avoid

conflicts brought about by miscommunications and misunderstandings. According to Geoff French (2008), "if quality depends upon the ability to understand and meet our clients' needs, then communication is the key to quality" (French, 2008). Practicing cross cultural communication among organizations would enable the people within the business to recognize, interpret and correctly react to people, and situations that are open to misunderstandings due to cultural differences.

Partnerships

Effective cross cultural communication between firms develops trust and harmony. Harmonious ties could lead to partnerships and such partnerships would be essential to businesses especially in this age of rapid market expansions. Developing strategic partnerships with other firms would give each access opportunities to develop professionally and grow networks. Moreover, it would also help develop competitive advantage over other rivals in the industry.

To conclude, I believe that the key for firms to effectively take advantage of opportunities of the ever growing global market, the best tool is knowledge. Why? It is imperative that people know and understand the problems of cross cultural communication and then make a conscious effort to resolve these problems. Businesses and organizations should respond carefully in cross cultural exchanges in order to prevent conflicts that may arise from miscommunications and or misunderstandings. When these tasks have been accomplished, then we have taken a step further to achieve global cultural competence.

References: French,G.,(2008). "Communication: A Core Competency"

Activities of ASPAC Sub-Committee in AJCE in the year of 2008

Masakazu Maeda

Chief of Secretariat

ASPAC Sub-Committee of International Activity Committee, AJCE
CTI Engineering International Co., Ltd.

1. Introduction

ASPAC (FIDIC Asia-Pacific Member Associations) continued the activities based on our Action Plan and other new issues, such as the capacity development program and the young professional forum, in the year of 2008. Also, we had several meetings in the FIDIC/ASPAC Conference at Seoul, Korea and FIDIC Annual Conference at Quebec, Canada. This article reviews our last year's activities and presents activities of this year that is remaining as our term of the ASPAC Secretariat until coming September.

2. FIDIC/ASPAC Seoul Conference

The FIDIC/ASPAC Seoul Conference was held at Seoul, Korea in 22-25 April 2008, hosted by Korea Engineering and Consulting Association (KENCA), and the theme of the conference was "Role of Engineering in the Globalization Era." Approximately, 500 people participated from Asia and Pacific region to discuss the role of engineers in respect of design, construction and environmental issues and could share our experience and the knowledge.

Technical sessions were conducted in the following three themes:

- Solving the Disparity in Engineering Techniques;
- Outsourcing: Human Resources; and
- PPP & Procurement of International Funding.

Mr. Akihiko Hirotsu, President of AJCE and Chairman of ASPAC chaired the Introductory Session and presented "Infrastructure Project Delivery Systems and Role of Consulting Engineers in Japan", in the same Session. In the



President Hirotsu speaks in Introductory Session



Opening Ceremony in FIDIC/ASPAC Conference at Seoul (22 April 2008)

first two Technical Sessions, Mr. Kaoru Kariya of Tokyo Engineering Consultants Co. and Miss Eiko Watatsu of Oriental Consultants Co., Ltd. made presentations. It was remarkable that Mr. Takayuki Ogai, Director General of Japan Bank for International Cooperation (JBIC; presently reorganized as Japan International Cooperation Agency: JICA), attended the Conference and addressed "Selection Methods of Consultants in Japan and Other Countries - JBIC' Observation." The ASPAC Extra Meeting was held during the Conference on 24th April 2008. We discussed our activities in 2007 and our future plan in terms of open website, young professionals forum (YPF) of ASPAC version, training of trainers by FIDIC, and participation in FIDIC Conference 2008 Quebec, etc.

3. FIDIC Annual Conference 2008 at Quebec

The FIDIC Annual Conference was held at Quebec, Canada in 7-10 September 2008 under the theme "A strong industry serving society." During the Conference,



ASPAC Extra Meeting (24 April 2008)

the ASPAC Executive Committee Meeting and the General Assembly Meeting were held to discuss the following three issues:

- Capacity Development Program
- ASPAC YPF (Young Professionals Forum)
- Progress of the Action Plan

1) Capacity Development Program
 ASPAC secretariat proposed a framework of capacity development program for consulting engineers and government officials in the zones of most dynamic economic developments in ASPAC that is composed of future goals, target countries, methodology and role of each actor related to the program. This concept actually initiated by Dr. John Boyd, FIDIC President. The program aimed at understanding of roles and responsibilities of consulting engineers and government officials, establishment of linkage between local governments at ASPAC countries and FIDIC member associations, and establishment of sub-regional groups at ASPAC for implementation of continuous capacity development programs. This framework was agreed in the ASPAC Executive Committee Meeting on 7 September 2008. The capacity development program was continuously discussed in the ASPAC Forum on the

following day, and representatives from India and Australia informed that each association already planned or implemented a similar program by their own resources in cooperation with FIDIC secretariat. In addition, members of India, Indonesia, Pakistan and Vietnam announced their candidacy for target countries that would carry out the program.

Although the general direction of the program had no objection, one of our proposals, i.e. establishment of sub-regional groups at ASPAC for implementation of continuous capacity development programs and support of the other future activities in ASPAC, was not agreed in the ASPAC General Assembly Meeting on 9 September 2008. Also, it regrettably had not reached an agreement that the ASPAC secretariat would decide the target countries for implementation of the program by consultation with FIDIC.

2) ASPAC YPF (Young Professionals Forum)
 ASPAC YPF is a kind of capacity development program for young consulting engineers. It was proposed to set up the place for young professionals particularly in ASPAC countries to communicate and enlighten each other. Since FIDIC YPF has started their activities, ASPAC YPF would be initiated based on that of FIDIC YPF considering different viewpoints from European countries and the United States. It was also proposed that this forum would be managed by sub-regional groups because ASPAC covers broad areas including a wide variety of races, religions and cultures; however, it was not agreed by participants.

3) Progress of the Action Plan
 The following events of ASPAC Action Plan 2007-2009 were reported in the Meetings:

- Regular meetings are held twice a year.



ASPAC Executive Committee Meeting (7 September 2008)



ASPAC General Assembly Meeting (9 September 2008)



Special Presentation by Prof. Omoto (9 September 2008)

- There are two occasions: regular meetings at FIDIC annual conference and FIDIC/ASPAC annual conference. The former was in Singapore, and the latter was in Pakistan in 2007 and Seoul in 2008.
- Newsletter and Website are utilized for communication with member associations.
- ASPAC Region News is issued periodically.
- The annual action plans and events of the Member Associations (MAs) are reported by e-mail, newsletters and website.
- Directory of MAs are displayed on FIDIC web site gradually.

The ASPAC Secretary additionally reported that they had received country reports from six MAs before the Conference, and all members were asked again to send back complete report to ASPAC Secretariat. While this report has some questionnaires about activity plans, policy issues, demands for training program, and activities for young engineers in each member association, it would be quite important for ASPAC to improve and promote their actions. Members agreed to promote the ASPAC Action Plan continuously and activate communication among member associations.

It should make special attention in the ASPAC General Assembly Meeting that Professor Omoto from Kyoto University had the presentation about "Promotion of adjudicators in Asian region and its action plan." He is a sole Japanese adjudicator approved by FIDIC.

JBIC, Kyoto University and AJCE are promoting training of adjudicators in Asian region. They had seminars in Tokyo, Kyoto, Manila and Delhi, and in future they would have seminars in Hanoi, Vietnam; Bangkok, Thailand and Denpasar, Indonesia. A delegate from Pakistan requested Prof. Omoto to have a seminar in his country, and another delegate suggested that the plan or information on this matter should be circulated in ASPAC region. All members declared to support the program for promotion of adjudicators in Asian region.

4. Current Status and Prospects of the Issues Related to ASPAC Activities

With regard to the Capacity Development Program, it was finally judged that demand for implementation of the program was little among ASPAC member associations. Because several countries in ASPAC already started the similar programs, ASPAC Secretariat received a few

requests for the program implementation. Therefore, it was determined that the program would be proceeded by each member association who is interested in the program.

On the other hand, some of the steering committee members of FIDIC YPF, such as member from Iran, India, China and Japan, have played a key role of ASPAC YPF activities. They made an activity paper that describes background, general direction, mission and objectives, function and organization of ASPAC YPF, and clearly states their required actions and time schedule in the year of 2008 and 2009. Mr. Takashi Nakajima, Steering Committee member of FIDIC YPF, CTI Engineering International Co., Ltd., has joined in ASPAC Secretariat since October 2008 and strengthened our activities to accelerate the YPF actions.

The year of 2009 is the last year of our Action Plan, and therefore the achievements in three years will be reviewed and general directions of the follow up actions of ASPAC will be proposed. Additionally, problems on the establishment of an ASPAC permanent secretariat will be identified and sorted out, and solutions to these problems will be suggested accordingly.

5. Acknowledgement

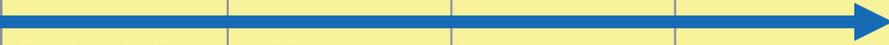
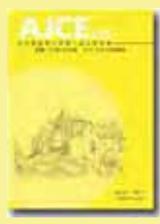
Through the discussions in the Meetings, I truly realized that it was extremely difficult to formulate a common policy or purpose in the region on the same ground. Under these tough circumstances, the ASPAC Sub Committee shall conclude our mission in the present term to achieve the targets of the Action Plan in cooperation with the secretariats of FIDIC and AJCE. Finally, any advice and assistance for the Sub Committee will be appreciated.



FIDIC-YPF News Letter Introduces ASPAC-YPF

AJCE Activity 2008 at a glance

	January	February	March	April	May	Jun
Seminar Conference			<p>3/20-22 ASPAC Seoul Conference 2008 【p 5-7】</p> 		<p>7/15 AJCE Annual Seminar ■ Title "Risk Management in Consulting Practices" 【p 12-13】</p> 	
Topics	<p>1/9 AJCE New Year Celebration Party</p> 		<p>2/28-3/1 FIDIC President Visited Japan 【p 10-11】</p>  			
Research				←		
Publication	<p>Bulletin Vol.31 No.3</p> 			<p>Bulletin Vol.32 No.1 News Letter Vol.29</p>  		

e	July	August	September	October	November	December	
	<p>● ● ●</p> <p>7/11, 7/18, 8/22, 8/28 JBIC-AJCE Dispute Adjudication Board Seminar Kyoto, Tokyo, Manila, Delli</p> 	<p>● ●</p>	<p>↔</p>  <p>9/7-9/10 FIDIC 2008 Quebec Conference</p> 	<p>●</p> <p>10/5 Chair and Presentation, FIDIC Quebec Conference</p>	<p>●</p> <p>11/21 Professional Career Development Seminar</p> 		
	<p>●</p> <p>7/22 Inauguration of MOU between AJCE and KENCA 【p 31】</p> 			<p>↔</p> <p>10/7-10/24 AJCE/ACEA Young Professionals Exchange Program 【p 14-30】</p> 			
	<p>STUDY ON THE PROMOTION OF ADJUDICATORS IN ASIAN REGION</p> 						
	<p>Bulletin Vol.32 No.2</p> 				<p>Bulletin Vol.32 No.3</p> 		

AJCE Activity 2008

FIDIC President Visited Japan

To respond AJCE's request since 2007, FIDIC president, Dr. John Boyd and managing director, Enrico Vink visited Japan from 28th February to 1th March, 2008. On behalf of AJCE, I would like to thank Dr. Boyd and Enrico for their kind and considerate response to AJCE's request.

Prior to the visit, they and Aki Hirotani, ASPAC chair and AJCE president had meetings with ADB as a part of meetings with MDBs. Agenda of the meeting were Government Procurement Integrity Management System, sustainability considerations in projects, capacity building and training program for ADB staffs.

They firstly discussed with AJCE to exchange views about activities of FIDIC and AJCE and mutual collaboration. Following the meeting with AJCE, Dr. Boyd, Enrico, Aki Hirotani, vice presidents Mr. Hatao & Mr. Uchimura and Yoshi visited Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Ministry of Education, Culture, Sport and Technology (MEXT) and Japan Bank for International Cooperation (JBIC). Brief summary of the meetings were as follows:

1) Japan Bank for International Cooperation (JBIC)

JBIC has been in charge of loan assistance in Japan Official Development Assistance (ODA) since its establishment. They introduce FIDIC Conditions of Contract (Red Book, 1987) in their Sample Bidding Document. They have been a strong advocate of QBS and FIDIC is counting on their continuous initiatives. FIDIC invited director-general of JBIC, Mr. Ogai and director, Mr. Miyao to FIDIC Singapore conference. Mr. Ogai presented policy on QBS in their loan agreement with borrower countries. On Oct.1, 2008 JBIC merged with Japan International Cooperation Agency (JICA) and operating as new JICA.

Deputy governor of JBIC, Mr. Morita welcomed and thanked Dr. Boyd and Enrico for visiting JBIC and inviting JBIC staffs to FIDIC Singapore conference. He stressed the importance of collaboration between FIDIC, JBIC and AJCE. He informed that JBIC will introduce FIDIC's red book, MDB version in their new sample bidding documents. A half year after the meeting,



From the left, Enrico Vink, FIDIC Managing Director,
John Boyd, FIDIC President,
Yoshi Yamashita, AJCE Secretary General
Hiroaki Taniguchi, MLIT Vice-minister for Engineering Affairs

license agreement of MDB version was concluded.

Dr. Boyd responded to Mr. Morita's address that FIDIC has been preparing best practices to integrate these results in FIDIC's training programs. He further explained FIDIC's review on quality in relation to quality of deliverables, integrity and sustainability. Outcomes of these studies will respond to requests by MDBs and JBIC as well. Dr. Boyd concluded by inviting JBIC for FIDIC Quebec conference.

2) Ministry of Education, Culture, Sport and Technology (MEXT)

The ministry of Education, Culture, Sport and Technology (MEXT) is in charge of policies relating education, culture, sports, and development of Science and technology such as nuclear, space, DNA related research, physics, PE qualification and consulting practices. AJCE has registered under MEXT in 1977.

Dr. Boyd introduced that over the half of infrastructure development in the world depend on contributions by consulting engineers. In order to provide good quality products, FIDIC has been providing guidelines and manuals for quality assurance, integrity management, capacity building and sustainability consideration on projects. These products are applied in FIDIC's training programs.

Mr. Iwase, Deputy director-general of MEXT introduced government policy for promotion and management on P.E. qualification, and APEC Engineers which promotes mutual accreditation of engineering qualification among Asia and Pacific countries.

3) Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Vice-minister for Engineering Affairs, Mr. Taniguchi welcomed Dr. Boyd and Enrico and thanked visit of FIDIC president. MLIT is a major government body for planning, implementing and management of infrastructure in Japan. Mr. Taniguchi mentioned visit of former FIDIC presidents, Eigil Pedersen and Bill Lewis. He explained that MLIT has been assisting development of infrastructure in developing countries in Asia to cope with ever increasing needs. They dispatched 195 engineers to overseas and invited 921 trainees in 2006. Consulting engineers have important role in this respect. He expects FIDIC's initiative on capacity building and training in such a manner that it raise standard of engineering capability.

Dr. Boyd explained FIDIC's activities as introduced at JBIC and MEXT. He stressed contribution of FIDIC through BIMILACI, periodic meetings with MDBs and training programs offered for developing countries in Asia and Pacific countries.

Opinions were exchanged as to how Japanese consulting engineers successfully compete in oversea CE market. Dr. Boyd suggested that the key to success depends on what you can give, then able to take fruits. Before closing Dr. Boyd presented FIDIC's major contract documents for their reference.

AJCE owes many thanks to Dr. Boyd and Enrico for sparing their precious time for promotion of CE industry to influential government entities in Japan. They hear voice of FIDIC and acknowledge contribution of AJCE in this regard.

AJCE Activity 2008

AJCE Annual Seminar 2008

Annual seminar is one of the most important events of AJCE for Continued Professional Development of members. Annual seminar 2008 was held on 15 July, 2008 entitled as "Risk Management in Consulting Practices". The main theme was selected under the circumstances that more employers tend to impose larger amount of

liability on consulting engineers in oversea projects. In addition, new type of risks has started arising in the increased number of new procurement methods. In particular, procurement of infrastructure development projects by PPP or Design- Build methods.



The annual seminar was planned and carried out as how CEs can reduce or avoid risks having understanding various risk factors. AJCE invited experts from outside of CE industry and requested presentations regarding i) Check points in risk management from lawyers standpoint, ii) Update of Professional Indemnity insurance - views from insurance expert, iii) How CEs cope with risks. At the outset of the seminar, president of AJCE,

Mr. Akihiko Hirotsu addressed that risk management (or lawsuit) and professional indemnity insurance are not familiar with Japanese consulting engineers. However, they are becoming inevitable and important matter in oversea projects. Circumstances observed outside of Japan will affect domestic market in near future. Mr. Hirotsu urged experts to disclose their valuable experience in the seminar.

Outline of the Seminar

The seminar was composed of 4 presentations and discussions with the floor followed.

1) Necessity of Risk Management

Mr. Keisuke Sumikawa, Senior engineer from Nippon Koei presented necessity of risk management from the view point of management of a firm and business profit. In this context, he explained importance in the process of risk management and administrative structure in a firm and concluded that proper risk management results in higher business profit.

2) FIDIC's Undertaking on Risk Management

Mr. Toshio Kurashige, vice chair of International Activity Committee, AJCE and corresponding member of FIDIC's Risk and Liability Committee (RLC) presented undertakings of risk management in FIDIC RLC. Mr. Kurashige explained scope of responsibility and limit of liability in the light of FIDIC's Condition of Contracts. He also introduced concept of Informed Purchaser which directly affects quality of deliverables, thus reduces risk.

4) Practice in Professional Indemnity Insurance

Mr. Tamotsu Sato, Senior vice president, Marsh Japan, Inc. introduced Professional Indemnity (PI) insurance as an expert of providing insurance service. He explained outline of the insurance, reasons for buying the insurance, contents of guarantee and immunity reason. To facilitate understandings of PI insurance, he explained casualties which are retained or hedged (dump on insurance). As examples, he disclosed some claim cases and introduced recent trend of insurance in relation to limited cost, insurance charge and out-of-pocket expense.

3) Risk Management from Lawyer's Standpoint

Lawyer, Ms. Yoshiko Koizumi presented risk management in oversea consulting projects from lawyer's standpoint. She introduced risks not only in subject countries but also risk factors on consultants. She showed important check points such as i) writing down the clause on Waiver of Sovereign Immunity in contract document, ii) condition of arbitration (location, regulation, name of arbitrator), iii) confirmation of the governing law. To reduce risks, she pointed out to i) understand contents of contract documents, ii) share information and experience about risks, iii) strengthen capacity of persons in charge of legal matters.

Remarks

Vice president of AJCE, Mr. Miyamoto concluded the seminar by addressing following remarks. Though risk management is considered as an important matter for consulting practice, majority of participants were not aware of risk management on legal and insurance aspects.

We found some of participants' surprise as they were informed of various risks through the seminar. As can be seen in CE industry in other developed countries, we have to start integrating legal and insurance considerations in domestic and oversea projects. It seemed that the seminar could provide a chance to realize various risks and useful countermeasures.