



feaco

European Federation of Management Consultancies Associations
Fédération Européenne des Associations de Conseils en Organisation

Mr. Elmar Brok, MEP
European Parliament
Foreign Affairs Committee Chair
Bât. Altiero Spinelli 05E240
1047 Brussels

Brussels, 4 June 2013

Dear Mr. Brok,

Subject: Amendment 58¹ of the European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing common rules and procedures for the implementation of the Union's instruments for external action (COM(2011)0842 – C7-0494/2011 – 2011/0415(COD))

We are writing to you in our capacity of President of the professional European federations EFCA and FEACO.

The European Federation of Engineering Consultancy Associations (EFCA) is the sole association representing the business interests of professional engineering consultancy and related services in Europe, a sector that employs around one million staff in Europe. EFCA has member associations in 25 countries.

The European Federation of Management Consultancies Associations (FEACO) is the sole association representing the business interests of professional management consultancy services in Europe. FEACO has currently member associations in 14 countries and its members represent almost 75% of the management consultancy business in their respective countries.

The vast majority of our affiliated firms are SMEs.

European engineering consultancy and management consultancy firms are playing an important role in implementing EU development assistance. They are applying their knowledge and leading expertise – built on their commitment to quality, innovation and sound business principles over more than a century – to the delivery of results in EU funded assistance and development programmes. In most cases this is done in collaboration with local firms, to ensure an appropriate knowledge-transfer and an implementation adapted to the local conditions.

EFCA and FEACO share DEVCO's (Development and Cooperation - EuropeAid) objective of better quality technical cooperation. Over the years, both federations have established an effective dialogue between the industry and DEVCO on quality aid projects and discussed proposals to make aid implementation more effective.

In that respect we would like to share a major concern emerging from Amendment 58 to Article 8, paragraph 4, which stipulates that for goods, works and services covered by the OECD-DAC Good

¹ Amendment 58 of the European Parliament's negotiating position is identical to Amendment 42 of the OPINION of the Committee on Development for the Committee on Foreign Affairs on the proposal for a regulation of the European Parliament and of the Council establishing common rules and procedures for the implementation of the Union's instruments for external action (COM(2011)0842 – C7-0494/2011 – 2011/0415(COD)).

Procurement Practices “The use of country procurement systems should be the default option when a country included in the DAC List of ODA Recipients of the OECD is the recipient of said grant.”

Substituting the current rules and procedures for the implementation of the Union’s instruments for external aid by country procurement systems, as proposed in amendment 58, may prove to be extremely detrimental to European companies, and mainly to SMEs. Alike the European Parliament and the European Commission, our federations fully sustain the support for SMEs in all European initiatives and programmes, including external aid. By nature SMEs do not possess the capacity to be conversant with procurement rules of all beneficiary countries. At the same time, it would entail the risk of reducing competition and curtail the potential for public purchasers to buy the best solution. Furthermore, none of the countries included in the DAC list of ODA Recipients of the OECD (except Armenia) have signed the Agreement on Government Procurement (GPA) under the WTO which provides for transparency, non-discrimination and national treatment for purchases of goods and services.

Additionally, in many countries:

- companies have to be registered and certified to be able to participate in public tenders. It is impossible for European companies to register in every single country to be able to bid for EU-funded projects.
- local procurement rules (even for technical assistance and capacity building projects) require companies to present bid bonds and performance guarantees in local currency. Said guarantees have to be submitted by a bank with a local presence. European banks usually are not present with an operating branch in many developing countries. And if they are, they would not provide guarantees in local currency.
- there is a real chance that technical assistance projects will be split into many small projects so that they can be directly awarded to local individuals and/or companies without an international tender.

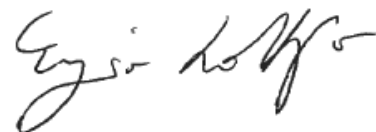
Deeply concerned about the ability of European consultancy firms, and SMEs in particular, to be involved in future development aid projects and programmes, our professional federations urge you to reconsider the use of country procurement systems as a default option for services.

Aware of the time constraints that you face, we thank you in anticipation for the attention you will be able to devote to this matter. Our federations remain at your disposal for elucidating on the topic.

Yours sincerely,



Jan Bosschem
EFCA President



Ezio Lattanzio
FEACO President

Cc: Mr Andris Piebalgs, Commissioner for Development
Mr Fokion Fotiadis, Director General, Development and Cooperation – EuropeAid
Mr Laurent Sarazin, Head of Unit, Legal Affairs, Development and Cooperation – EuropeAid
Permanent Representations of the Member States