

EUROPEAN INTERNATIONAL CONTRACTORS (EIC)



EUROPEAN
INTERNATIONAL
CONTRACTORS



Philippe Dessoy, BE
President



Frank Kehlenbach, EIC
Director

European International Contractors (EIC) represents the international interests of the European construction industry vis-à-vis European policy makers, international financial institutions and society. Its full members are construction federations from 15 European countries, which are directly or indirectly affiliated to FIEC and have internationally active member firms.

A) Organisation

EIC was founded in 1970 and is registered since 1984 as a legally independent business association under German law. Its mandate is to promote the interests of the European construction industry in relation to its international business activities. EIC advocates fair international competition based on fair contract conditions and quality-based procurement, promotes effective export finance schemes for construction services and provides a unique networking forum between the industry and other stakeholders.

At the end of 2017, the composition of the EIC Board was as follows:

- President: Philippe Dessoy (Besix, Belgium)
- Vice President: Wouter Remmelts (BAM International, the Netherlands)
- Treasurer: Juha Kostianen (YIT Corporation, Finland)
- Luis Ballester Surroca (OHL, Spain)
- Nils Bjelm (NCC, Sweden)
- Selim Bora (Summa, Turkey)
- Lars M. Carlsen (Per Aarsleff, Denmark)
- George Demetriou (J&P Avax, Greece)
- José Pedro Freitas (Mota Engil Group, Portugal)
- Christophe Pélissié du Rausas (VINCI Concessions, France)
- Gianni Porta (Itinera, Italy)
- Karl-Heinz Strauss (PORR, Austria)
- Jörg Wellmeyer (Strabag International, Germany)

President Dessoy also represents EIC as a Vice-President on the FIEC Steering Committee.

B) FIDIC Standard Forms of Contract

Throughout 2017, EIC liaised with FIDIC and other “friendly reviewers” of the FIDIC standard forms of contract in preparation for the launch of the new edition of the FIDIC Suite of Contracts (“Red, Yellow, Silver Books”) in December 2017. In January, EIC rallied support from other international contractors associations, namely CICA, ICAK from Korea, OCAJI from Japan and CHINCA from China, to express the common concerns of international contractors with respect to the risk profile laid down in the 2016 pre-release version of the FIDIC “Yellow Book”. During spring 2017, experts of the **EIC Working Group “Contract Conditions”**, and also from associated company members, explained to FIDIC the pitfalls of some of the proposed new clauses and concepts. EIC was pleased to note that many of its comments had been accommodated in the updated edition, which was eventually launched in December 2017. At the beginning of 2018, the EIC Working Group “Contract Conditions” started to update the EIC Contractor’s Guides on the FIDIC standard forms.

C) EU External Investment Plan (EIP)

In September 2017, the European Parliament and Council adopted the European Fund for Sustainable Development (EFSD), the backbone of the EU’s new External Investment Plan (EIP). The main objective of the EIP is to mobilise and leverage sustainable public and private investment to improve economic and social development with a particular focus on the EU Neighbourhood region and on Africa. This new EU Financing Instrument takes up the main theme of EIC’s “Blending 2.0” concept, namely to blend concessional and commercial finance for development projects. The European Commission has invited pillar-assessed eligible counterparts to send Proposed Investment Programmes under the five defined investment windows, including “Sustainable Cities” and “Sustainable Energy and Connectivity”. The **EIC Working Group “Africa”** met in September 2017 to analyse the new EIP and has called upon the European Commission to incorporate the existing nationality and eligibility rules of the EU PRAG into the EIP framework and to take into consideration the socio-economic benefits of infrastructure projects when assessing the financial viability of projects.

D) World Bank’s Environmental and Social Management System (ESMS)

In June 2017, the **EIC Working Group “Africa”** participated together with CICA representatives in a World Bank webinar on the Environmental, Social, Health and Safety (ESHS) improvements to the Bank’s Standard Procurement Documents. The improvements address the lessons learned from the Uganda Transport Sector Development Project (which had significant ESHS issues) which cover, amongst others, the following topics: Contractor’s ESHS Management Strategy and Implementation Plans, ESHS Performance Security and Provisional Sum, ESHS Reporting and ability to withhold interim payment(s). In a joint letter, EIC and CICA expressed their support for this new World Bank policy and recommended a better use of the ISO 26000 standard on Social Responsibility. They also advocated the incorporation of the ILO Core Labour Standards, guaranteeing the fundamental principles and rights of workers, into the Bank’s procurement policy and documentation.

E) OECD Local Costs rule in relation to Construction Services

On 14 November 2017, EIC participated with three members of its **Working Group “Export Credits”** in a Consultation Meeting at the OECD headquarters in Paris. EIC representatives took the opportunity to explain to OECD governments and export credit agencies why the restriction of official support for local costs to 30% of the export contract value was no longer appropriate. The Business and Industry Advisory Council to the OECD (BIAC) called upon the OECD to quickly change the so-called “OECD Consensus” in order to enable export credit agencies to provide insurance for local costs up to the same amount as the export contract value across all sectors. Moreover, they suggested adopting a new Sector Understanding on large construction and engineering (including EPC) projects, which recognised the fact that the export of engineering and construction services require a much higher amount of local costs than of other goods and services.

F) Corporate Responsibility (CR)

The **EIC Working Group “Corporate Responsibility”** met several times throughout the year and published an **EIC Corporate Responsibility Report** which contains information about European best practice in handling CR aspects in the international construction markets. With its latest publication, EIC illustrates the various contributions of European international contractors to the UN Sustainable Development Agenda. The publication focuses on CR aspects most relevant for the construction industry: Adapting to Climate Change, Business Ethics, Continuous Learning and Transfer of Know-how, Creating added value in communities, Engagement with Stakeholders, Greening Operations and Conserving Resources, Health & Safety as well as Human Rights.

G) EIC Statistics

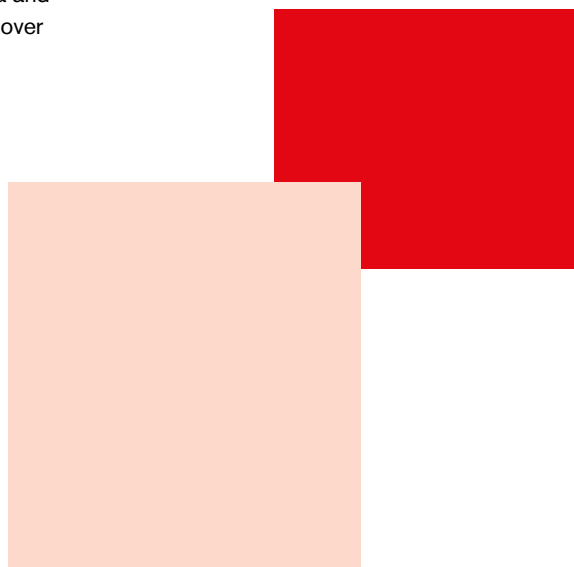
In October 2017, EIC released its annual International Contracts Statistics according to which European international contractors affiliated with EIC’s member federations generated an accumulated international turnover amounting to €172 billion in 2016. European cross-border construction activities amounted to around €72 billion, combined revenues in North America and Australia reached some €40 billion and turnover in the non-OECD countries €60 billion.

H) EIC Conferences

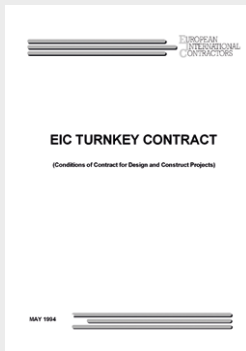
On 21 April 2017, EIC held its Spring Conference in Copenhagen. Workshop discussions focused on “Sustainable Solutions for Urban Areas – Business Opportunities for European Contractors in the light of the Sustainable Development Goals”. On 13 October 2017, EIC held its Autumn Conference in Paris with a Workshop on “The Global Infrastructure Funding gap – Why it exists and how it can be overcome”.

To sign up for the monthly EIC Newsletter and further information on EIC activities, conferences and members, visit the EIC website: eic-federation.eu.

For joint FIEC/EIC activities please refer to chapter on page 15.



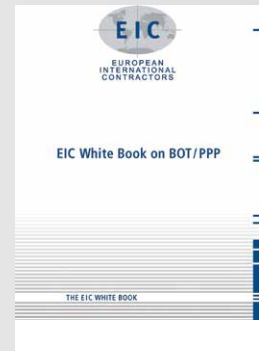
EIC publications



EIC Turnkey Contract, 1994



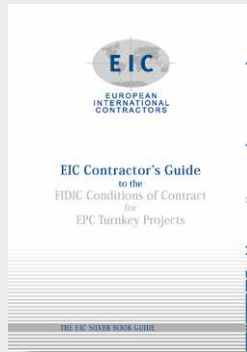
EIC Contractor's Guide to the FIDIC Conditions of Contract for Construction, 2002



EIC White Book on BOT/PPP, 2003



EIC Contractor's Guide to the FIDIC Conditions of Contract for Plant and Design-Build, 2003



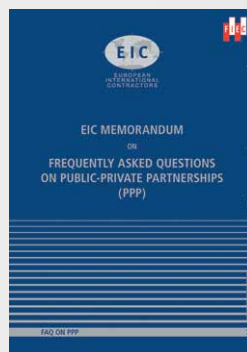
EIC Contractor's Guide to the FIDIC Conditions of Contract for EPC Turnkey Projects, 2003



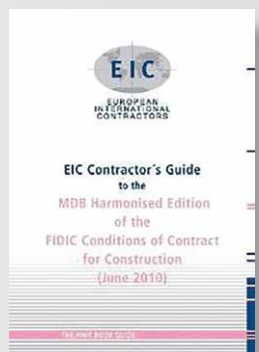
EIC Blue Book on Sustainable Procurement, 2004



Contractor's Guide to the FIDIC Conditions of Contract for Design, Build and Operate Projects, 2009



EIC/FIEC Memorandum on Frequently Asked Questions on Public-Private Partnerships (PPP), 2006



EIC Contractor's Guide to the MDB Harmonised Edition of the FIDIC Conditions of Contract for Construction (June 2010), "The Pink Book Guide", 2011