

# MEG MEETING , ANKARA

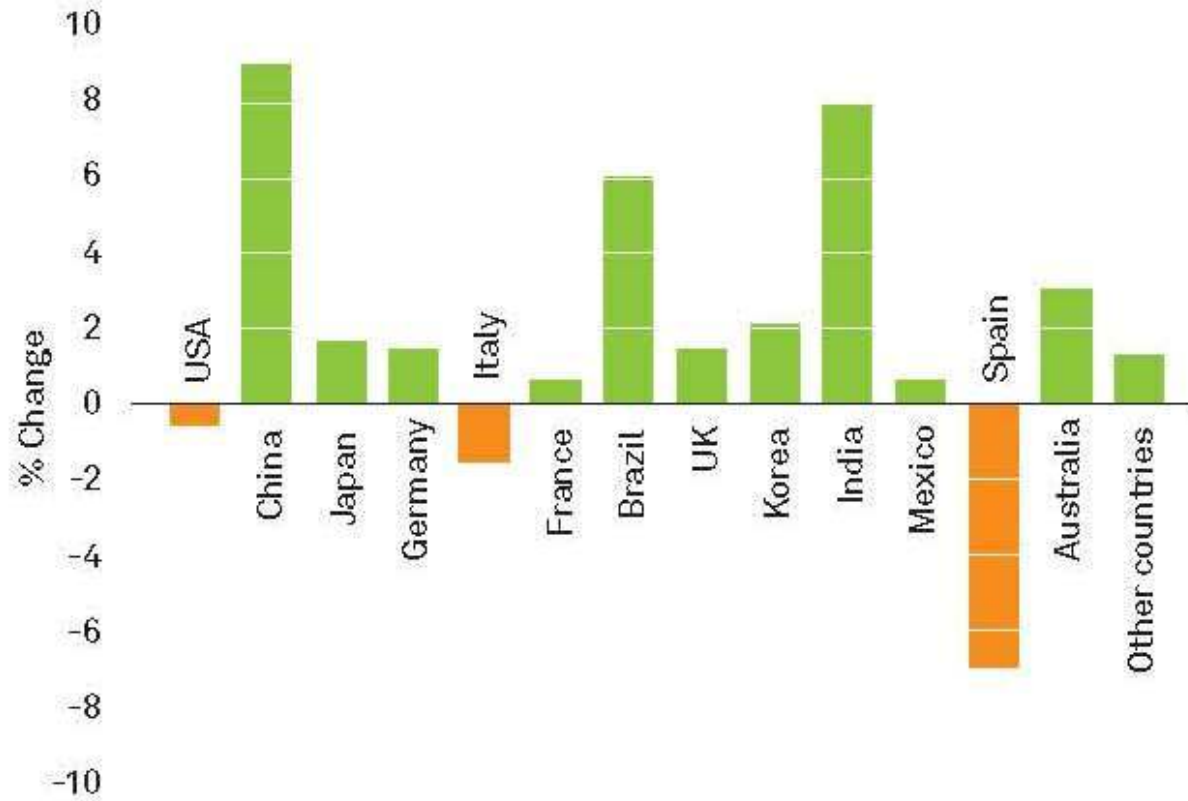
Marketing Tools and Lobbying Strategies: EFCA and its  
European External Aid Committee

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# Presentation Overview

- \* How markets are evolving?
- \* Business opportunities- New markets
- \* Lobbying strategies – Ethics
- \* FIDIC's Code of Ethics
- \* EFCA's EEA Committee
- \* Some examples from PRAG 13

Figure 2: Global Construction Spending Growth 2011-12 (% change)



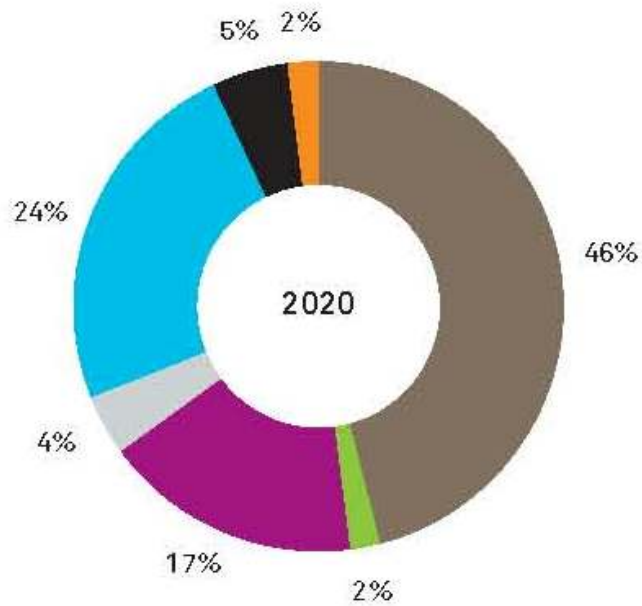
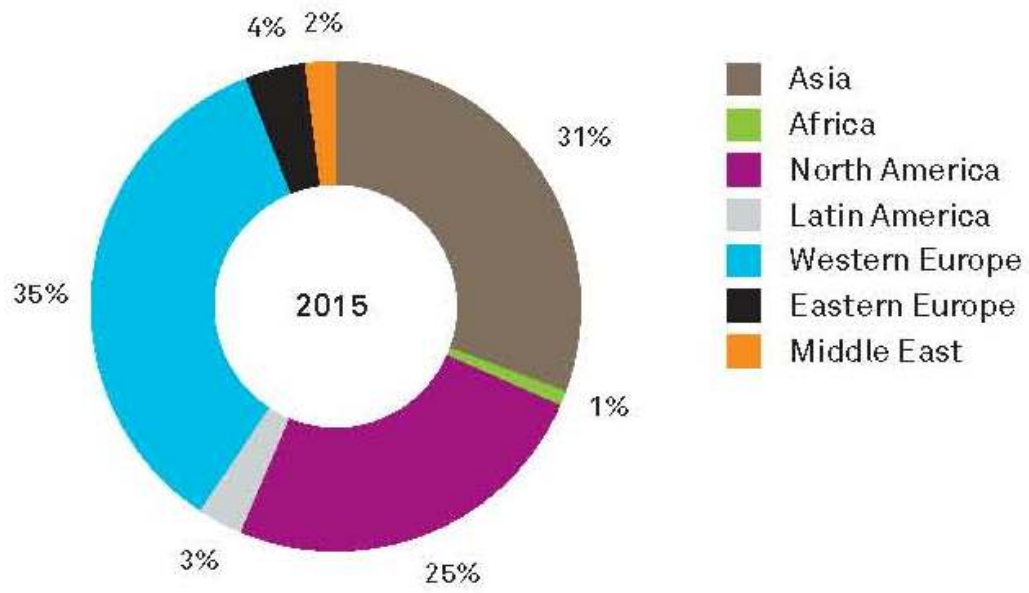
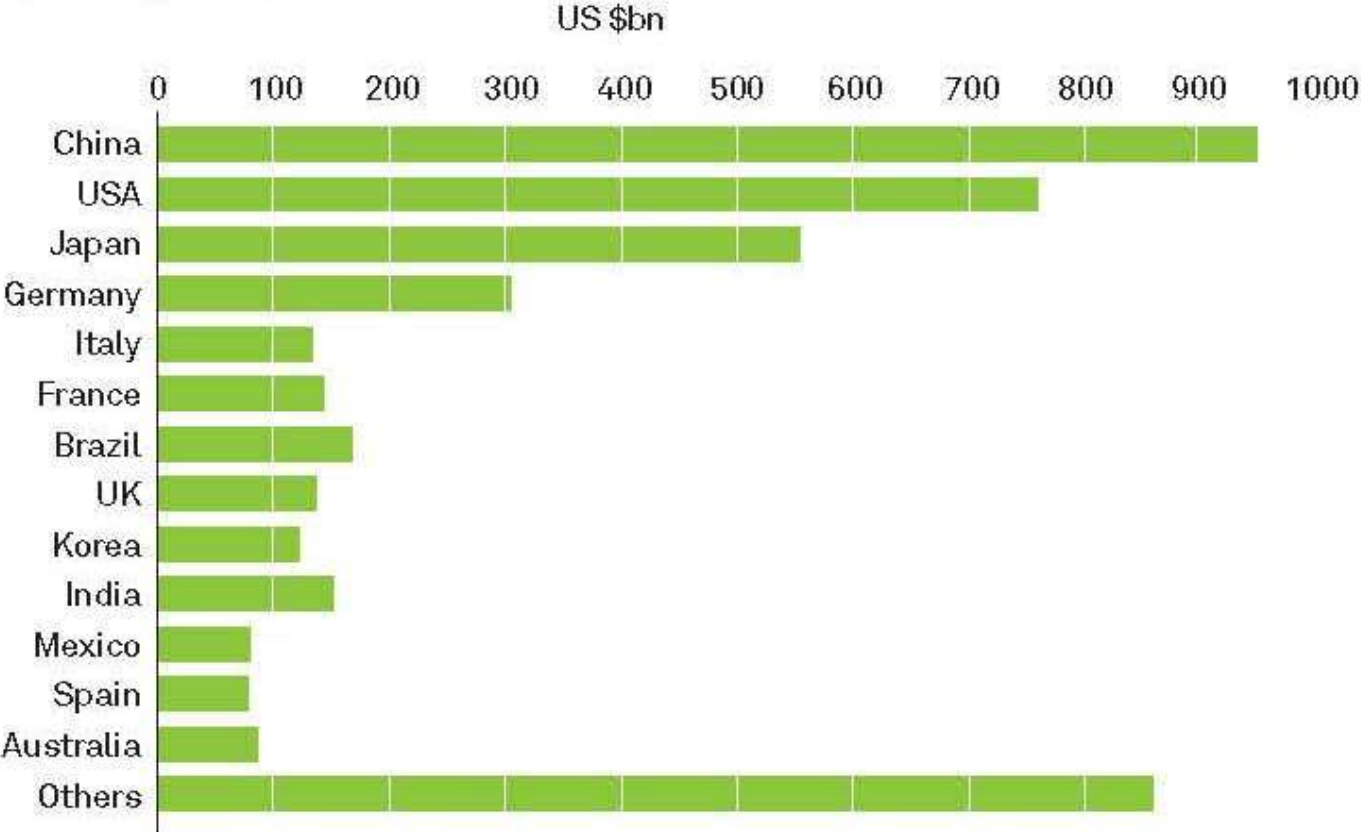


Figure 1: Global Construction Spending 2011 (US \$bn)



# How are markets evolving?

- \* PPP's are of growing importance
- \* Financial engineering services emerging
- \* Engineers need to be able to work in both the 'real' and 'virtual' works (means : field and innovation)
- \* Increase in mega-projects; social or soft are needed
- \* Adopt a proactive approach to the marketplace

# How are markets evolving? (2)

- \* Teaming arrangements for larger projects should be carefully considered (consultants)
- \* A role for the small and medium companies (SMEs) in the future
- \* Teaming up with the contractors : Conflict of interest???

# Business Opportunities – New Markets

- a) Strategy for developing business opportunities
- b) Capacity development issue
- c) Partnerships
- d) Opportunities in all infrastructure sectors
- e) Partnership for knowledge transfer
- f) Profitability of companies
- g) The market for consulting engineers
- h) Need for good and sufficient (informative) ToRs
- i) Available business opportunities



# a) Strategy for developing business opportunities

- ❖ Question: how do we facilitate investors/business/engineers to use consultants? What is necessary?
- ❖ What would be the nature of the FUTURE PROJECTS?
- ❖ How do we promote consulting engineers?

Help consulting companies to develop ; capacity, exchange staff (?), address their gaps

- ❖ Human resources
- ❖ How do we sell services?
- ❖ Teaming
- ❖ Role of the Associations

## b) Capacity development issue

- ❖ Capacity(?), Local Knowledge , local expectations
- ❖ Need to cooperate with local companies; local laws, selection procedures and requirements
- ❖ Selection has to be totally separate from price. QBS (??)
- ❖ Developing best practices for better selection procedures, selection criterias
- ❖ Improving Clients / Consultants relations
- ❖ Role of the Federation

# C) Partnerships

- ❖ Balanced and equal partnerships between international and local firms. Needed....
- ❖ Networking through FIDIC/EFCA for the Member Associations to develop local, regional and international partnerships
- ❖ To support clients and consulting engineers to follow rules and procedures. 'Policing(?)' of the Federation?
- ❖ PPP's

# d) Opportunities in all infrastructure sectors

- ❖ Shortage of skills present in all countries
- ❖ This is an opportunity for JV's of international and local companies to solve the tasks
- ❖ Local partners have a better view of local culture, legislation and the client
- ❖ Challenge –to attract young engineers and keep them in the consulting industry .
- ❖ FIDIC/EFCA ; a platform for training and networking

# e) Partnership for knowledge transfer

- ❖ Huge opportunities in developing world; e.g, in Africa for,
  - Engineers
  - Consulting Engineers
- ❖ Partnerships needed with international firms to develop capacity
- ❖ Meeting in a platform (may be virtual; internet - LinkedIn, twitter, groups, etc...-)

# f) Profitability of companies

- ❖ Most profitable companies are management consultants
- ❖ Engineering consultants must reach to this profitability
- ❖ Need to attract Governments to hire consultants, How? In – house capacity.
- ❖ Provide other kinds of consultancies, attractive, sexy!
- ❖ Business relations to higher management
- ❖ Increase the perceived positive impact of the services provided
- ❖ Use the Federation/Associations

# g)The market for consulting engineers

- ❖ Market conditions; decent and transparent legal framework for procurement intellectual property
- ❖ Develop framework ;co-operating with the clients
- ❖ Engineers should not just wait for the client , but be active in promoting their services in order to create opportunities
- ❖ Role of the consultant in PPP projects
- ❖ Role of the consultants tomorrow

# Developing Opportunities;

- ❖ Do work with locals (applies to both way)
- ❖ Change/ Improve profile
- ❖ Take more risk, together with Risk Management
- ❖ Increase the ratio between fees and risk assets
- ❖ Educate clients (involve Ass./FIDIC/EFCA)
- ❖ Involve in non-engineering advice ('soft engineering')



## h) Need for good and sufficient (informative) ToRs

- ❖ The subject of the contract must be well understood,
- ❖ Interpretation will not be different in some parts of the world.
- ❖ Dialogue with the clients and governments
- ❖ Capacity building
- ❖ Role of the Associations >EFCA>FIDIC

# j) Business opportunities? How?

- ❖ PPP's
- ❖ DBO , DBOO, DBOT,.....
- ❖ Ideal Partnerships (local – international) mixing synergies
- ❖ Increasing skills in non-engineering consultancy areas
- ❖ Lobbying

# Lobbying Strategies

Knife edge ;

-- ETHICS

-- LOBBYING

# WHAT is ETHICS

(Wikipedia)

- \* Ethics, also known as moral philosophy, is a branch of philosophy that involves systematizing, defending, and recommending concepts of right and wrong conduct. The term comes from the Greek word ethos, which means "character".
- \* In philosophy, ethics studies the moral behavior in humans, and how one should act. Ethics may be divided into four major areas of study

# ETHICS???

- 1 Meta-ethics, about the theoretical meaning and reference of moral propositions and how their truth values (if any) may be determined;
2. Normative ethics, about the practical means of determining a moral course of action;
3. Applied ethics, about how moral outcomes can be achieved in specific situations;
- 4 Descriptive ethics, also known as comparative ethics, is the study of people's beliefs about morality;

# ETHICS???

- \* Ethics seeks to resolve questions dealing with human morality—concepts such as;
- \* good and evil,
- \* right and wrong,
- \* virtue and vice,
- \* justice and crime.

# FIDIC Code of ETHICS

1. Responsibility to society and the consulting industry
2. Integrity
3. Impartiality
4. Corruption
5. Competence
6. Fairness to others

# 1. Responsibility to society and the consulting industry

The consulting engineer shall:

- Accept the responsibility of the consulting industry to society.
- Seek solutions that are compatible with the principles of sustainable development.
- At all times uphold the dignity, standing and reputation of the consulting industry.



## 2.Integrity

The consulting engineer shall:

Act at all times in the legitimate interest of the client and provide all services with integrity and faithfulness.

# 3.Impartiality

The consulting engineer shall:

Be impartial in the provision of professional advice, judgement or decision.

Inform the client of any potential conflict of interest that might arise in the performance of services to the client.

Not accept remuneration which prejudices independent judgement.

# 4. Corruption

The consulting engineer shall:

Neither offer nor accept remuneration of any kind which in perception or in effect either a) seeks to influence the process of selection or compensation of consulting engineers and/or their clients or b) seeks to affect the consulting engineer's impartial judgement.

Co-operate fully with any legitimately constituted investigative body which makes inquiry into the administration of any contract for services or construction.

# 5. Competence

The consulting engineer shall:

- - Maintain knowledge and skills at levels consistent with development in technology, legislation and management, and apply due skill, care and diligence in the services rendered to the client.
- Perform services only when competent to perform them.

# 6. Fairness to others

The consulting engineer shall:

- Promote the concept of “Quality-Based Selection” (QBS).
- Neither carelessly nor intentionally do anything to injure the reputation or business of others.
- Neither directly nor indirectly attempt to take the place of another consulting engineer, already appointed for a specific work.
- Not take over the work of another consulting engineer before notifying the consulting engineer in question, and without being advised in writing by the client of the termination of the prior appointment for that work.

# LOBBYING

Innovation ; be frendly to enviroment : e.g,

- \* to limit the effects of climate change
- \* to find an alternative to oil as regards energy
- \* to design cities offering pleasant living conditions
- \* Sustainable

# Challenges for innovation

- \* Innovation culture
- \* A profit centre – culture can harm innovation
- \* Young Professionals
- \* Incentives must exist for staff to innovative
- \* Mix of skills and diciplines neded
- \* Role of process versus product innovation
- \* Partnering with universities / research centres vita
- \* Low fees are a barrier to innovation

# Lobbying (2)

## Visibility

- \* Be visible in everywhere in any occasion
- \* Express the importance (positive role) of consulting engineering to the economy of the country
- \* Promote consulting engineering among young engineers
- \* Training in Universities



# Lobbying (3)

## Communication

- \* Ongoing communication within the profession
- \* In-house communication
- \* Communication within the industry
- \* Communication within the construction industry
- \* Enlarge the effect of communication tools:  
(newsletters, bulletins, ... etc..)
- \* Use the National MA's tools

# Lobbying (4)

## Governmental or Client driven activities

- \* Building relationships
- \* Common understandings: to influence government officials over a long period of time and thus have influence on buying services
- \* Be part of Government's solutions
- \* Governments are the biggest buyers of consulting services thus be a clever seller. Sell: quality and long term money saving project alternatives
- \* Impact public interest and public policy purposes of proposition

# Lobbying (5)

- Lobbying through the National Member Associations (MA's)
- Lobbying through EFCA and its EEA Committee

# EFCA/EEA

Committee on European External Aid;  
ToR (February 2012)

- \* To monitor developments in the European institutions involved in external aid including EIB,CEB,EBRD and others from Member States managing External Aid
- \* To develop proposals for increasing the effectiveness of European external aid and multilateral funding
- \* To develop proposals for the EU institutions to improve the conditions of professional engagement
- \* To participate in the dialogue of FIDIC with International Financing Institutions (IFIs) and to give input to FIDIC on developments in these IFIs from the European engineering consultancy perspective

# Scope of Work (EEA) (2011-2012)

- \* Revised PRAG 2012 Suggestions and commenting
- \* Continuous dialogue quality aid projects between the industry and all EC DG's that are all involved in EU external aid
- \* EU funded projects in Africa dialogue with AIDCO
- \* EU's development policies

# EEA

- \* Future of European External Aid : 2014-2020
- \* Multiannual Financial Framework:
- \* More aid in fewer sectors (TA maximum 33%)
- \* Graduation to Development Cooperation instrument programm Countries, 17 Upper Middle income countries and 2 large Lower Income countries
- \* Growing use of innovative financing instruments

# EEA

External Aid Budget 2014 – 2020 : 96.2 billion €

European Development Fund (EDF, outside EU Budget): €34,276 million

Development Cooperation Instrument (DCI): €23,295 million

European Neighbourhood Instrument (ENI): €18,182 million

Pre-accession instrument (IPA): €14,110 million

Instrument for Stability (IfS): €2,829 million

European Instrument for Democracy & Human Rights (EIDHR): €1,578 million

Partnership Instrument (PI): €1,131 million

Instrument for Nuclear Safety Cooperation: €631 million

Instrument for Greenland: €219 million

# EEA Main Challenges

- \* Defending the importance of European consulting engineers' professional services in EU External Aid projects & programmes: best practice, quality services, budget control, capacity building, contribution to sustainable growth in partner countries.
- \* Increasing our visibility in EU institutions as relevant partners in Development
- \* Improving contract conditions for Consulting Engineers working in Development, ensuring transparency and equal opportunities in all actions funded or financed with EU External Aid



# Some points from the Revised PRAG

1. Extending the use of global price service contracts
2. Notification of the results will be quicker
3. All documentary proof submitted with tender
4. Change of key experts
5. Ensuring the availability of the evaluators
6. General Annexes
7. Grants Annexes

# Final words

- \* My recommendations for FIDIC/EFCA and its MA's for helping for Lobbying
  1. Should be proactive in identifying and responding to market trends
  2. Should share market knowledge, succes stories and «lessons learned» between MA's
  3. Should promote and share innovative project and process solution by member firms
  4. FIDIC can assist MA's and member firms with guidelines for growing innovative cultures.



**\*Thank You, So Much!!!!**

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# ATCEA

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