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## Events since December 2012

*("ctrl + click" on the following events for more information when available)*

Washington D.C. Tel-Conference February, 21 2013

### CICA Participation in the World Bank Procurement Review

*Participants: Uwe KRENZ, EIC World Bank Liaison Officer; CICA DG Roger FISZELSON;*

CICA has been invited to participate in International Advisory group for Procurement (IAGP) whose mandate is to advise the World Bank on the reform of its Procurement policy. The preparatory work for revision will be spread over two years (2012-2014).

A number of CICA positions and proposals, reflecting the needs of the construction industry, are fairly mentioned in a confidential preliminary report: intervention by the World Bank throughout the project cycle, emphasis on quality and Well Prepared Project (WPP), the award to the Most Economically Advantageous Tender, the treatment of abnormally low tenders, etc. Some of them should find a positive translation: the borrower's obligation to respect Anti-Corruption World Bank's Guide included in the loan agreement.

The greatest concern remains the use of countries Procurement rules for projects financed by the Bank. The management of the World Bank would favor the general use of local systems. CICA has always called for the use of local systems (UCS) **only** if they offered a security equivalent to the WB's rules.

The Phase I report is presented for revision and approval to the Committee of Development Effectiveness (CODE), which includes a limited number of Executive Directors (EDs) comprising the Board of the World Bank.

The next meeting of IAGP will be held in Washington on 13 and 14 May 2013. CICA DG and Uwe Krenz will attend.

[CICA: Position Paper on the WB Procurement Review, IAGP: Documentation and CICA Reports, EDs: Joint Position Paper on the World Bank Procurement review \(Australia, Canada, France, Germany, the Netherlands, Spain, Switzerland and United Kingdom\).](#)

Available on line: (only with Members' Access).

Washington D.C. March 20-22, 2013

### WB : Joint Mission CICA/Medef International/ West African Chambers of Commerce

*Participants: Marc Frilet, Member of the CICA PPP Working Group, Secretary General of the French Institute of International Legal Experts (IFEJI); Michel DEMARRE, SEFI's General Delegate and Vice-president FNTP Europe-International commission, EIC Past President; Roger Fiszelson, DG CICA.*

CICA has participated in seminars and meetings with representatives of the Bank on the PPP, Procurement reform, and Engineering.

We presented to the Bank the project to create the Centre of Excellence on PPP, elaborated under United Nations Europe Commission for Economy (UNECE) supervision and rules, dedicated to institutional and legal aspects of PPPs in developing and emerging countries.

The positive reception of this proposal by representatives of the Bank will open the way for further consultations with officials of the World Bank Group in charge of PPP (International Finance Corporation [IFC], Sustainable Development Network [SDN], Legal Department, Operation Policy and Country Services [OPCS]). A first meeting will be held in Paris in the coming weeks with an OPCS representative. Meetings with International Finance Corporation (IFC) and the WB's Legal Department are under preparation.

The meeting with the directors of the Bank and the WB's Chief Procurement Officer enabled us to reaffirm our request to use the rules of the Bank when country systems are not equivalent to the World Bank's rules. The proposal for the establishment of a permanent working group IAGP was welcomed. IAGP future meetings (next May 13-14), we will work on its implementation.

The discussions also focused on Sustainable Development and the demand for training local workers sent to the incumbents of contracts financed by the Bank. We asked that this request be i) contractualized ii) strictly limited to the contract purpose, iii) tailored to the capabilities of the companies iv) be subject to a fee commensurate with the obligations imposed upon it .

### **Presentations**

Available on line: (only with Members' Access).

Paris, April 12, 2013

### **CICA meeting with Saudi construction industry delegation**

*Participant: Daniel Tardy, Past CICA President; Michel DEMARRE, SEFI's General Delegate and Vice-president FNTP Europe-International commission, EIC Past President*

Visit to CICA and SEFI of a Council's delegation of the Saudi of the Construction Chamber (7 members and an interpreter)

- Exchange of views on subjects of common interests;
- Perspectives of the construction sector in Saudi Arabia;
- Preparation of a MoU for future cooperation.

Paris, April 15-16, 2013

### **CICA Participation: 6<sup>th</sup> OECD Annual meeting of senior PPP officials.**

*Participant: Roger Fiszelson, CICA DG.*

We note within the OECD's member and observer countries, a sensitive evolution of the approach of the PFI contracts under the triple effect of:

- The public authorities' willingness to have a better control of the national indebtedness,
- Changes of the financial framework:
  - ✓ new actors coming from the shadow banking participation ( pension funds, life insurance providers, sovereign funds, asset management funds, hedge funds, etc.) and the increase of the systemic risks they are bearing ;
  - ✓ decrease of the volumes due to Basel III ;
  - ✓ strong increase of the spread;
  - ✓ public refinancing at the beginning of the operation period;
- The will of a stronger control of the PFI by the public authorities:
  - ✓ relevance of the contractual mode;
  - ✓ increase of the contract's adaptability/flexibility;
  - ✓ increased transparency;
  - ✓ changes in the risks sharing profile and renewed risk allocation between private and public partner;
  - ✓ cap on the private partner's Internal Rate of Return (IRR) thanks a better audit of the Special Purpose Vehicle (SPV) books accounts;
  - ✓ correction of the drift of the procedure;
  - ✓ isolation on soft tasks associated to the project,
  - ✓ reduced duration of the PFI contracts, etc.

To answer it, every country will adopt contractual and financial translations corresponding to its culture and to its institutional and legal framework. The depth of the reform and the concrete results to be expected from it will also be a function of methodological validity of tools so economic as public accounting principles, in particular the analytical costs and patrimonial accounting knowledge of the public body, to allowing him it to improve its decision process.

## **CICA Working Groups**

### **PPP Working Group (PPP WG)**

*Team Leader: Vincent PIRON, ex Business Development Director – VINCI Concessions*

A PPP Concept Note (Conditions for Development of International Concessions and Other PPPs) was circulated.

CICA DG participated with Marc Frilet, CICA PPP working group member and General Secretary of the French Institute of the International Legal Experts (IFEJI), in the PPP days

organized on February 5<sup>th</sup> and 6<sup>th</sup> in Geneva by United Nations Economic Commission for Europe (UNECE). A joint letter of intent CICA / IFEJI on the creation of an Excellent Center on the concessions-PPP was signed for this occasion with UNECE. Benefiting from the label of an UNO agency, this center will give developing and emerging countries a vast documentation on the institutional and legal PPP framework (knowledge center). It will offer formations to their civil servants through a training center. This center would tentatively take the shape of a Foundation consisted in parity of public and private representatives. Its financing will be assured by contributions coming from States, International Organizations and Financial Institutions, corporate sponsorship and the payment of its services.

[UNECE-CICA/IFEJI: letter of intent; Concept Note.](#)  
Available on line: (only with Members' Access).

### ■ Well Prepared Project Working Group (WPP WG)

*Chairman: Michel DEMARRE, SEFI's General Delegate and Vice-president FNTF Europe-International commission, EIC Past President.*

Participation of CICA in the joint meeting Asian Development bank (A<sub>s</sub>DB), Organization for Economic Cooperation and Development (OECD), International Chamber of Commerce (ICC) of National Infrastructure Information System (NIIS) of February 7<sup>th</sup> and 8<sup>th</sup>, 2013.

Divided into several sessions, the following subjects were approached:

Session 1 - Identifying obstacles in the Infrastructure Project Life Cycle.

- ✓ What are the key issues?
- ✓ How to identify and allocate risks: importance of project preparation?
- ✓ How to attract long term resources?

Session 2 – lessons learned in addressing those obstacles.

Session 3 – From bankable project preparation to infrastructure financing.

- ✓ The contribution of the PPP for the realization of infrastructures.

Main outcomes:

- ✓ Need for a global integrated approach to PPPs' project preparation;
- ✓ Support NIIS activities and ongoing dialogue with stakeholders interested in through a Swiss base Foundation;
- ✓ Need to build and strengthen MDB-Private sector's dialogue to meet the challenges ahead of us identified by the G20 and the High Level Panel (HLP).

[NIIS minutes of meeting.](#)

Available online (only with Members' Access).

### ■ Legal Working Group (WPP WG)

*Chairman: Brahim MOUELHI, Legal Director – SCDM ENERGIE, Bouygues Group*

No development has to be mentioned. It will be necessary to wait the outcome of the ongoing revision process of the bank's Procurement policy, probably in the course of the end of the 1<sup>st</sup> half-year 2014, to know the modifications which be brought to actual texts and procedures.

### ■ Sustainable Business Working Group

*Chairman: Paulo SIMAO, CICA Vice President*

## Upcoming Events

- EIC board Meeting (Helsinki, April 25-26 2013)
- United nations Commission on International Trade law (UNCITRAL) International Colloquium on PPPs (Vienna, May 2-3 2013)
- IAGP : World Bank Procurement review (Washington DC, 13-14 May 2013)
- 4<sup>th</sup> International Infrastructure Investment & Construction Forum (Macao, June 5-7 2013)
- FIEC Annual Congress (Amsterdam, June 6-8 2013)
- Next CICA Mid-Term Board Meeting: Paris: tentative date (tbc) June 17-18 2013.

## What's New on [www.cica.net](http://www.cica.net)?

(ctrl + click to access the following documents)



- EBRD: Regional Economic Perspectives (January 2013)
- Construction opportunities in Canada. (UK Trade & Investment – March 2013).
- USA. Department of Transport (DoT): key issues and management challenges 2013; (GAO – March 2013).
- Review of the European PPP market in 2012. (European PPP expertise center – March 2013)
- Poland. Monthly report BRE bank Securities on the construction sector (March 2013)
- Hong-Kong: report on the quarterly survey of construction output, 4<sup>nd</sup> quarter 2012. (March 2013)
- Mexico. Transport infrastructure plan 2013/2018. (Ministry of transport – February 2013).
- Australia. Slowest decline in construction since mid-2010. (Australian Industry group – February 2013)
- Central Asia. Brief transport sector (Central Asia Regional Economic Cooperation – CAREC – February 2013)
- China. High-speed rail, regional economics and urban development (World Bank - January 2013)
- Megaprojects, with a special feature on Africa's infrastructure market. ("Insight" KPMG – January 2013)
- Singapore. Public sector projects to boost construction demand in 2013. (Building and Construction Authority – January 2013)
- United Arab Emirates. Growth and confidence is returning to more UAE construction market. (EC Harris – December 2012)

## News from Regional Federations

FIEC –

FIIC -

## News from EIC



Check out the March edition of the EIC newsletter with reports on the latest developments in regard to: EIC/FIEC Working Group Poland, drafting proposals for upcoming new edition of FIDIC Yellow Book, EIC views at FIDIC Middle-East Contract Users Conference, EU strategy for the sustainable competitiveness of the construction sector, preliminary Business Industry Advisory Council (BIAC) perspectives for the post-2015 Development Agenda submitted:

→ <http://eic-federation.eu/newsletters/public/eic-newsletter-201302/>

## Friends of CICA



### New Friends of CICA: CICA Board-Council Meeting of October 29, 2012:

Thanks to the support of our Vice-Presidents Messrs. Emre AYKAR and Paulo Safady SIMAO, CICA registered the membership of new Friends:

- ✓ Turkey
  - Turkish Contractors Association (TCA)
  - Doğu İnşaat ve Ticaret A.Ş



- Suma International Construction CO. INC
- ✓ Brazil
  - Câmara Brasileira da Indústria da Construção (CBIC)

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