

The Consulting Engineering Services in the CARICOM

I. Introduction

The Services Trade Negotiations as part of the establishment of an EPA (Economic Partnership Agreement) between the European Union and the ACP-Subregion Caribbean deals with a wide spectrum of services, varying from nurses & midwives to telecommunications.

In general it has been accepted that Caribbean countries should also aim at enhancing the capacity, efficiency and competitiveness of Caribbean countries in the supply of services of exports interest to them and increase the value and the volume of their trade in services.

This paper focuses at the importance of one of the key sub-sectors of the Service-Industry, being the Services of Consulting Engineers and the related services to these activities.

2. Services in relation to the NIP's and RIP's

The implementation of the NIP's and RIP's in the ACP countries requires for a great part the supply of services by:

- Consulting Engineers and Architects
- Contractors for Civil Works and for Electrical Mechanical projects
- Supply of building and construction materials

The share of these services within the NIP's and the RIP's varies from country to country, but an average estimate of 50% is justifiable.

The ACP-Countries in general, but the Caribbean States in particular must focus on the possibilities within the COTONOU-Partnership Agreement to arrive at the highest possible share of the NIP and RIP from local Caribbean Consultants, Contractors and Suppliers.

As these EDF-monies are readily available it is logical that the Caribbean States first use their funds to enhance the capacity of the service providers in the construction sector. With the enhanced competence the ACP-firms will then be able to provide services in other countries, either alone, in a Joint Venture with other ACP-Firms, or in cooperation with ACP- and EU-Enterprises.

3. Annex IV: Cotonou Implementation and Management Procedures

In Chapter 4 of Annex IV (page 18 and further) the articles 20 to 31, the regulations for "Competition and preferences" are presented.

Art. 20: Eligibility

Tenders are open to all ACP-States.

Art. 21: Participation on equal terms

Encourage cooperation between the companies and firms of the Caribbean States.

Art. 22: Derogation

Promote the participation of Caribbean natural or legal persons, before derogation are considered for other nor ACP-developing countries.

Art. 23: Competition

This article describes the boundary conditions, within which the ACP-companies and firms can maximize their participation.

The NAO in each country as well as the RAO must arrive at an understanding together with the EC-delegate to ensure that maximalisation of the participation of the physical and human resources of the Caribbean States is taken care of.

In the C.S.P. a paragraph should be dealing with the required mechanism hereto. The types of contracts and the size of contracts will determine, whether tenders will be held internationally, national or via direct (competition) contracts.

Art. 24: Direct labour

Possibilities for public or semi-public Agencies and departments.

Art. 25: Emergency assistance contracts

Procedures must be available in advance.

Art. 26: Preferences

This is a very important article and all States must announce this to their companies and firms during every tender. Especially the award of Service Contracts is of great importance to the follow up of the projects. We should not only focus on fees.

Art. 27: Award of Contracts

The participation of ACP-firms is the most important factor in the decision of the awards, when equivalent tenders are compared (inclusive preferences).

No discriminatory article must be allowed in the invitation to tender, such as “Experts must be proposed from the Head Quarters of the firm in the EU”, although the ACP State has available experts at the same level.

Art. 28: General regulation for contracts

Art. 29: General conditions for contracts

Art. 30: Settlement of disputes

The ACP States do not guarantee an efficient system of settlement through national law. The Caribbean Court of Justice provides a regional solution.

Art. 31: Tax and custom arrangements

4. Lessons Learnt

The enhancement of the Caribbean Engineering Services Sector is of great importance to the region and to each of the individual States.

The NIP's and RIP's present concrete opportunities to the sector and indirectly these have a great impact on the overall development of the countries and of the region.

The development of a State can be accelerated if development projects are implemented for and by the people of that State.

This is true for the human resource development, the production, the training of the labour force, the encouragement of students, transfer of know-how, etc. etc.

The increase in the share of locally executed studies and works will result in a healthier Construction Industries with a global capacity with higher contributions to: the Labour market, the skills development, the local other industries, income tax revenues, etc. etc.

The above-described opportunities must be further investigated and the actions must be undertaken in each ACP State, in the ACP-regions and of course ACP-wide.

The CARICOM must place this important issue on its Agenda.

5. The way forward

The following steps are to be undertaken by the States and the Consulting Engineering Sectors to ensure a better participation by ACP-Consulting Engineers in EU-Projects, which are executed in the different countries and regions of the ACP out of the NIP's and RIP's.

- a) Organize the Sector of Consulting Engineering and Architects at such a level that registration can take place in the database of the EU in Brussels. The

different States must encourage the establishment of an Association of Consulting Engineers (independent) in each ACP-country.

- b) Adopt the membership and the “Code of practice” of the FIDIC (Fédération Internationale des Ingénieurs-Conseils), Lausanne, Switzerland.
- c) Negotiate with the EU during the EPA’s the reintroduction of the encouragement of National Consulting Engineers from the ACP-countries in the projects out of the NIP and the RIP.
- d) When establishing a “long list: or “short list” of eligible Consulting Engineering Firms the ACP-States must safeguard the inclusion of ACP-Firms on the list.
- e) In the case of equal quality the ACP-Firm should be given a preference above EU Engineering Consultants up to 20% of the contract value, due to the relative high costs of adaptation of technology in ACP-countries.
- f) When formulating the Term of Reference for a project, the National Authorizing Officer must request the services and works to be executed with a maximum of national ACP-input. For infrastructural projects the factor maintenance must also be stressed.
- g) The process of increased involvement of the ACP-Consulting Engineers, Contractors, building-materials Suppliers will start with the formation of smart and strategic Joint Venture between the ACP-State and the Non-State Actors.
- h) In order to maintain the Status of qualified, independent Consulting Engineers, the FIDIC evaluates regularly the performance of Firms. The Consulting Engineers from the Caribbean must establish a Federation of Independent Consulting Engineers, which can be within FIDIC a Regional Grouping. FIDIC is worldwide and FEPAC is the Federation of Pan-American Engineering Consultants. FEPAC prepares for FTAA.
- i) CARICOM must encourage the speedy organization of qualified and independent Consulting Engineering Firms in the Caribbean.
- j) In order to secure the widest possible support to this issue the CARICOM must build the awareness to these on a continuous basis.

6. Finally

The O.R.I.S. (Orde van Raadgevende Ingenieurs in Suriname or Association of Consulting Engineers in Suriname) has had quite some experience with the bringing together of professionals in the Consulting Engineers Sub-sector.

ORIS is since 31-07-1981 member of FIDIC and the members of ORIS are since that date in good standing.

Annexes:

1. *Annex IV-Chapter 4-CPA*
2. *Fact Sheet FIDIC*
3. *Code of Ethics FIDIC*