

## **ASPAC Asia-Pacific Region News**

Issue No.2: July 2001

### **FIDIC ASPAC Meeting - Kuala Lumpur - 10 April 2000**

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#### **MINUTES**

Attendance:

- Kog Yue Choong: Association of Consulting Engineers Singapore (ACES)
- Kok King Min: Association of Consulting Engineers Singapore (ACES)
- Mahendra Raj: Consulting Engineering Association of India (CEAI)
- She Jianming: China National Association of Engineering Consultants (CNAEC)
- Philip Chalk: Association of Consulting Engineers New Zealand (ACENZ)
- Dr Marshal Gysi: FIDIC (Observer)
- Wang Yongyin: China National Association of Engineering Consultants (CNAEC)
- Badaylal Nyachhyar: SCAEF, Nepal
- S N H Mashadi Association of Consulting Engineers Pakistan (ACEP)
- Ricardo S Basa: CECOPI-EL
- Rolando G Roque: CECOPHIL
- Mujibur Rahman Khan: Bangladesh Association of Consulting Engineers (BACE)
- T L Chen: Association of Consulting Engineers Malaysia (ACEM)
- Goro Fujie: Association of Japanese Consulting Engineers (AJCE)
- Lailun Nahar Ekram: BACE (Observer)
- Richard Kell: Association of Consulting Engineers Australia (ACEA) (Chairman)

It was noted that 12 ASPAC MAs were represented.

#### **1. Welcome**

Chairman welcomed the MA delegates and noted the attendance of FIDIC MD Marshall Gysi and Mrs Leilun Elwarn. There were no apologies.

#### **2. Notice and Agenda**

The notice and agenda had been issued by the Secretariat by email on 21/3/2000. Copy attached.

Note 1: The MAs noted the success of distribution of information by email on 21/3/2000. Copy attached.

Note 2: Country reports were not included in the agenda since most delegates had made presentations at the TCDPAP Conference.

### **3. Minutes of meeting September 1999 in The Hague.**

3.1 The minutes as previously distributed were accepted as a correct record.

### **4. Secretariat**

(section missing)

The meeting requested the Chairman to advise the Chairman of TCDPAP of these conclusions in writing. Note: The Chairman passed a note recording CEAI the above ASPAC conclusions to TCDPAP prior to the Council meeting on 12/4100. A response is awaited. Action: RAK/CEAI

### **5. Chairman and Secretariat**

Having regard to the decision by the meeting on the Secretariate (refer 4. above), the Chairman advised that he was prepared to continue to serve as Chairman, with the secretariat provided by ACEA, at least until the Honolulu meeting.

This offer was accepted unanimously.

It was suggested that FIDIC should be requested to provide some modest financial support to ASPAC. R Kell will raise at next EC meeting. Action: RAK

### **6. FIDIC/ESCAP Committee on Project Finance**

Chairman advised that minutes had been received from ASPAC corresponding member, Mr Lorertz, and he will circulate for information

### **7. ASPAC Issues Paper 8112199**

This was circulated. Comments to the Secretariat are requested by the end of May. Action: all MAs

### **8. FIDIC Conference - Honolulu - 10-13 September 2000**

Messrs Goro Fuji and She Jianming advised the meeting of the many innovative and exciting features, including concessions for young and first time attendees, and the round table formats. Cost benefits are also available to large groups and multiple registrations from one office.

Registration forms will shortly be available. Costs lower than usual. All are urged to attend.

Mrs Ekram suggested consideration be given to encouraging women members and retired members. Chairman to raise at EC Action: RAK

Goro Fuji circulated a questionnaire on QBS and asked MAs to All respond by end of April. Action: all.

### **9. World Water Conference**

Ms Ekram attended this recent major conference in The Hague as ASPAC Ms representative and reported to the meeting on the 2025 Vision and the Elcram structural changes. Mrs Elcram undertook to circulate a paper to ASPAC MAs.

## INTRODUCTION

At the ASPAC meeting in Capetown in 1996, it was unanimously resolved that ASPAC had a purpose and should continue and that an ASPAC position paper should be produced for discussion. After some delay, an Issues Paper was produced by new Chairman, Dick Kell, with inputs from various Associations, and circulated in August 1998.

At the meeting of ASPAC in Den Haag in September 1999, the Issues Paper was reviewed and it was agreed the Chairman and ASPAC Executive should prepare an updated version for circulation. Note the Executive comprises Mrs Lailun Nahar Ekrarn of BACE, Goro Fujie of AXE, and She Jianming of CNAEC, in addition to Chairman, Dick Kell.

## KEY ISSUES FOR ASPAC MEMBERS: AUGUST 1998

### 1. Task Force 21

- The Task Force 21 Report directs the way forward for FIDIC, hence FIDIC MAS, into the 21st century. It is a document of great importance.
- ASPAC should review the Task Force 21 Report for its application to ASPAC activities and distill those items considered relevant to MAS in the region into an ASPAC Action Plan.
- Issue 1: TF21 Report and recommendations to be reviewed and distilled into an ASPAC Action Plan.

Response 1

- TF21 Report has been implemented by FIDIC and accepted by ASPAC. Query: Are there any issues arising?
- ASPAC Action Plan. ASPAC has established a Secretariate which manages internet communication and circulates a regular newsletter. Response is good. We have resolved to meet annually. Do we need to do more than this? Issues can be identified and dealt with as they arise.

### 2. The Economies of Asia

The economies of Eastern Asian countries have retreated drastically since the Edinburgh meeting in September 1997. This has been extensively reported in the media. The depth and extent of the problems were not predicted, but they are serious indeed.

Consulting firms in many Asian countries are facing severe difficulties, if not a battle for survival, although conditions do vary markedly between countries.

Issue 2: What can ASPAC/FIDIC do to support ASPAC Member Associations in the critical economic situation?

Response 2: In truth, there was/is little that ASPAC/FIDIC can do. Push for increased local inputs to Bank funded projects.

### 3. APEC

The Asia Pacific Economic Congress (APEC) continues to gain momentum amongst Pacific Rim countries, which include most of the ASPAC countries. APEC funds an Engineering Secretariat. There could be advantages for ASPAC to align with APEC including use of the secretariat.

Issue 3: Consider some form of alignment with APEC Engineers.

Response 3: ASPAC Secretariate has produced and issued an APEC Paper.

#### **4. Privatisation of Infrastructure**

Privatisation of infrastructure is now a fact and will increasingly dominate project development in most if not all countries in the region. Most consulting engineers are not prepared nor equipped to deal with this change. Should ASPAC develop dialogue with groups/associations representing major contractors/developers/financiers?

If the answer is "yes", then ASPAC would need FIDIC (preferably) or WB, ADB or APEC assistance.

Issue 4: Privatisation - Where does ASPAC stand and what action should or can ASPAC take?

Response 4: ASPAC made representations to FIDIC. Taking these into account, along with other developments, FIDIC has formed a Working Group with EFIC on this subject. ASPAC has a representative with correspondent status (J Lorenz, ACENZ). ASPAC will receive reports from FIDIC and also from Jon Lorenz.

Resolved: No further action required.

#### **5. Cross-border Issues**

The GATT/WTO rules on free trade, the privatisation of infrastructure and the globalisation of engineering are all factors emphasising the need to:

- harmonise qualifications;
- align specifications and standards;
- benchmark capabilities.

Issue 5: Should ASPAC/FIDIC be developing policies and lobbying on cross-border issues?

Response 5: ACEM has taken the initiative and organised a Workshop in Kuala Lumpur in April 2000 on the subject of Globalisation. ASPAC is participating.

Resolved: Await outcome of Workshop.

#### **6. Selection Procedures**

This issue has two major themes:

- Qualification Based Selection (QBS), and
- National firms to be given real opportunities, e.g. international consultants with local firms.

Issue 6.1: ASPAC/FIDIC to continue to promulgate existing FIDIC policies on selection; member firms to adhere.

Issue 6.2: ASPAC to consider selection procedures put forward by SCAEF Nepal - refer attached.

Response 6

6.1 FIDIC/ASPAC continues to promote QBS to ADB and World Bank. FIDIC is assisting individual MAs.

6.2 SCAEF Selection Procedures yet to be considered.

## **7. PI Insurance and Risk Management**

ASPAC should investigate the policies and practices on PI Insurance amongst countries in the ASPAC region. If this establishes that there is a move to PI cover, perhaps driven by international clients, then ASPAC/FIDIC/ADB should provide guidance via workshops tailored to need.

Issue 7.1: Consider need for PI Insurance training in ASPAC Region.

Issue 7.2: Develop a Risk Management Manual for non-Western countries.

Response 7: Only general comments are available on PI and Risk Management in ASPAC Region.

Proposal: ASPAC to undertake a survey of MAs to identify need.

## **8. ASPAC Representing the Region**

Organisations with somewhat common membership to ASPAC have been established in the region. This would seem to be counter to the interests of FIDIC Member Associations. An example is TCDPAP.

Issue 8: ASPAC/FIDIC should lobby governments for recognition as the organisation representing engineering consultancy in the region.

- Dialogue with TCDPAP continues.
- TCDPAP are working jointly with ACEM on the KL Workshop.

Resolve: To review the opportunities at a joint TCDPAP/ASPAC meeting in KL on the day following the ACEM Workshop.

## **9. FIDIC Policies**

Corruption

Issue 9.1: ASPAC to promote the FIDIC Policy on Corruption and the Code of Ethics amongst MAs.

Environment

Issue 9.2: ASPAC to review the benefits of the FIDIC EMS and subsequently agree on promotion of the EMS with FIDIC.

Response 9

9.1 ASPAC continues to recognise/promote FIDIC policies.

9.2 Agreed EMS is a FIDIC issue: No specific ASPAC action.

## **10. ADB, WB: MAs to advise on any perceived problems with ADB, WB.**

Response 10: ASPAC requests comment from N1As on ADB, WB on an annual basis, timing linked with FIDIC visits.

DICK KELL.

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## DRAFT

### MEMORANDUM OF AGREEMENT BETWEEN TCDPAP AND ASPAC

This Agreement is between Technical Consultancy Development Programme for Asia and the Pacific (TCDPAP)

*Address*

and the Asian Pacific Grouping of FIDIC (ASPAC)

*Address, ACEA*

referred to hereinafter as the PARTIES

#### WHEREAS

The PARTIES acknowledge that they have largely common membership and similar goals, and have therefore agreed to co-operate and co-ordinate respective activities.

Furthermore, TCDPAP has offered to provide secretariat accommodation services to ASPAC, and ASPAC parent, FIDIC, has approved this proposal in principle subject to agreement by ASPAC Members and certain qualifications,

#### THE PARTIES AGREE AS FOLLOWS

1. The two organisations, TCDPAP and ASPAC, are to be recognised as separate entities. The ASPAC Secretariat, currently provided by ACEA ( ) will be located within the office of TCDPAP, currently in New Delhi at (Address)
2. The TCDPAP manager will be responsible for the day to day affairs of ASPAC. (Note: This is envisaged as taking no more than 4 hours per week). In this role the manager will take direction from the Executive Committee of ASPAC.
3. The Indian Member Association of FIDIC and local ASPAC member, Consulting Engineers Association of India (CEA1) shall have an overview role in respect of the ASPAC Secretariat. It is envisaged that this will involve a management meeting with the Secretariat each second month at which activities and expenditures will be reviewed. CEAI will report to the ASPAC Executive Committee. The Secretariat shall keep a separate set of books for ASPAC.
4. TCDPAP has agreed that there will be no charge for management nor rent and office equipment, nor for day to day administration costs; but external costs including international communications will be reimbursed by ASPAC. (List required?)
5. For its part, ASPAC will encourage its members to join TCDPAP.
6. As far as is practical, the Parties shall co-ordinate their respective activities such that overlap is minimised. To this end, representatives of the Executive Committees of TCDPAP and ASPAC shall meet annually to co-ordinate activities. Note: The objectives of ASPAC are to provide a global link for Member Associations via FIDIC; to liaise with ADB and World Bank; to facilitate networking; and to identify regional issues and assist members in dealing with them.
7. The period of this Agreement shall be 12 months; and may be extended for a further period of 12 months by mutual agreement.

IN CONFIRMATION, THIS AGREEMENT IS SIGNED HEREAFTER.