

EUROPEAN INTERNATIONAL CONTRACTORS (EIC)

Until the end of the 1960s, the Steering Committee and the Executive Committee of FIEC were also concerned with issues connected with the “export of construction activities” and developments on the international construction markets. As construction work outside Europe grew in importance for European building contractors, there were increasingly pressing calls for FIEC to have its own internal organisation devoted to this particular aspect. The General Assembly in Cannes in 1969 finally decided to set up an “International Contractors’ Section”. This decision was implemented at an inauguration meeting in 1970. The first President of the new Section was the Dutchman J. C Drabbe. The Executive Committee was entrusted to the London-based British Export Group for the Constructional Industries (Iain L. Ross). In this way, the Federation’s handling of problems connected with the export of construction work, which had up till then been rather sporadic, was given a fixed and enduring organisational structure (which in fact proved to be a timely move, as with the 1973 oil crisis “construction exports” took on a totally new dimension).



EIC Logo 1984-2003

The priority issues addressed by the ICS from the outset included:

- ◆ International contractual conditions
- ◆ Export credit insurance
- ◆ Arbitration procedures
- ◆ Financing matters
- ◆ Cooperation with other international institutions and federations
- ◆ Development aid
- ◆ Pre-qualification

At a very early stage, there were contacts with what is still the most important financial institution, the World Bank. Already in the 1970s, this laid the groundwork for the later regular meetings of CICA with the international financial institutions under the aegis of the World Bank. In this regard, the cooperation with the “International Contractors” from the US and Japan (at the initiative of the ICS) was highly successful. This led to the formation of a loose association under the name “International Contractors’ Group” (ICG), which also included a number of important building contractors from Latin America. In 1976, CICA gave the Section a mandate to conduct negotiations with the FIDIC and the World Bank on behalf of its three member federations. This mandate was confirmed by FIEC. The ICS had already set up a “Liaison Committee” with the FIDIC.



EIC Logo since 2003

The ICS thus not only did sterling work on behalf of the European building contractors that were active at an international level, but it also did a certain amount of autonomous work under the aegis of FIEC. This autonomy was in fact justified in view of the exponential increase in the export of construction work, especially in the wake of the 1973 oil crisis. The use of the term "Section" in the name of the organisation was increasingly seen as a handicap, especially when dealing with international institutions. Therefore, with the agreement of FIEC, in 1977 the ICS finally adopted the name "European International Contractors" (EIC).

The ICS (later EIC) also organised several International Conferences, for example in 1975 and 1977 "Contracting in the Middle East", in 1979 "Joint Venturing for Construction Projects" and in 1983 "Co-financing".

A radical change was decided in Paris in January 1984. A General Assembly specifically convened for this purpose passed the following resolutions:

- ◆ EIC shall be given its own legal personality but shall remain part of FIEC.
- ◆ Its headquarters shall be moved to Germany.
- ◆ It shall receive new Statutes and shall be registered in the register of associations of Wiesbaden, the location of the headquarters of the *Hauptverbands der Deutschen Bauindustrie* (Federation of the German Construction Industry).
- ◆ Relations with FIEC shall be governed by an agreement (*protocole d'accord*); this shall be signed on 20 February 1984 by the Presidents of FIEC and EIC, Fernando Piccinini and J.J. de Greef.

The man elected to be President of this newly-formed EIC was the Dutchman Jan Jacob de Greef, who had already occupied this post since 1982 within the old organisation. The new Director General was Rolf Bollinger.

Immediately after this General Assembly, a crossroads was reached that was important for the future work of EIC. In a discussion with the President of the FIDIC, it was agreed that:



"Finlandia Hall", Helsinki, Finland, 1971

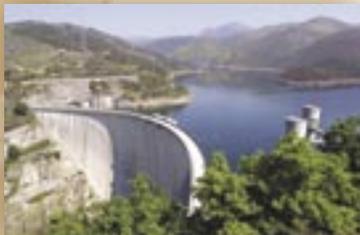
- ◆ EIC would participate in the revision of the international contractual conditions planned by the FIDIC in a form to be specified in more detail at a later date;
- ◆ the two federations would harmonise their positions in their contacts with the World Bank and the other international financial institutions.

The 4th Edition of the “Conditions of Contract for Works of Civil Engineering Construction”, published in 1987 (the first radical revision since the 2nd and 3rd editions made only slight changes), was drawn up by a joint FIDIC/EIC working group. However, eventually the FIDIC took responsibility for the new “Red Book” as the exclusive publisher, since the employers did not agree on all its points.



Abu Dhabi Commercial Complex,
UAE, 1992-1995

In the mid-1980s, the World Bank drew up “Sample Bidding Documents”, in which for the first time the “Red Book” was cited as an example. Later on, the standard conditions were made into “Standard Bidding Documents”, and from 1993 the Bank’s borrowers were obliged to use the FIDIC conditions. EIC could be rightly proud of the success of its ongoing efforts to secure fair contractual conditions on the international construction markets.



Lindoso Dam, Lindoso-
Viana do Castelo,
Portugal, 1988

In the years that followed, regular meetings with officials from the World Bank and the other international financial institutions – later under the aegis of CICA – were among the EIC’s most important tasks. It succeeded, among other things, in persuading the Bank to tailor its “Procurement Guidelines” to the projects financed by the Bank taking into account the interests of entrepreneurs. EIC had put forward its proposals in a memorandum to the Executive Directors of the Bank and had also approached them directly on this matter. In the revised version published in 1993, important demands put forward by EIC and/or CICA were taken on board. In addition, EIC was successful in its efforts to secure the participation of the World Bank in PPP projects (“Public Private Partnership”). If nowadays such forms of financing play an important role for the Bank, it is also thanks to CICA and EIC and their work of persuasion over many years. In 2004, the EIC submitted to the international financial institutions a “ EIC Blue Book on Sustainable Procurement”.

Since 1990, EIC has organised “Workshops” on topical issues at its half-yearly General Assemblies. These workshops deal either with the situation and problems in certain regions and countries or with important issues thrown up by developments in the international construction industry. In addition, experts are invited to attend. Examples of issues include:

- ◆ Eastern Europe (1990 and 1991)
- ◆ Consequences of the Gulf War (1991)

- ◆ Business Opportunities and Problems in Africa and the Middle East (1993)
- ◆ BOT (1993, 1996)
- ◆ The Asian Crisis (1998)
- ◆ Contract Bonds (1999)
- ◆ Latin America (2000)
- ◆ PPP Toll Roads (2002)
- ◆ Prospects for European and CEEC contractors after EU enlargement (2003)
- ◆ Environmental and Social Standards in Export Credit Insurance and Project Finance (2004)

The last-mentioned issue is only one example of the consistent way in which EIC has for many years been analysing in a responsible manner the impact of construction on the environment.

On the occasion of its 25th anniversary in 1995, the EIC hosted an International Conference in Brussels on the issue: "New Opportunities for International Contractors. Finance – Procurement – Export Credit Insurance".

The EIC has been on the Internet since 1997 (www.eicontractors.de). In 2003, it adopted a new logo. These two measures demonstrate that the EIC sets great store by the image of the European construction industry as an international operator and its own image. The core statements of EIC are also intended to serve this purpose:

1. European international contractors build for people and improve living conditions
2. European international contractors apply highly sophisticated technologies to provide "tailor-made" services
3. European international contractors protect and improve the environment
4. European international contractors offer excellent opportunities for people working in this industry
5. European international contractors help to improve European and national images in the world



25 Years EIC, Invitation and Programme, Brussels, 1995



Athens International Airport "Eleftherios Venizelos", 2001

In 1998, EIC followed the Federation of the German Construction Industry when it moved its headquarters to Berlin.

In the mid-1990s, the FIDIC began to concern itself intensely once again with its contractual conditions. It quickly realised that this time it could not simply revise the conditions. Instead, the entire range of standard contracts had to be completely restructured and redrafted. The reason given was the development of new forms of contract that had been observed over the years in international practice. The examples given include contracts for the construction of complex plants – in many cases including planning work – or for projects which often included financing, operation and maintenance. Thus, the role of the engineer, who had played a pivotal role in the existing standard contracts, also changed radically. Although the FIDIC quickly contacted EIC, it finally decided in coordination with EIC to draw up the new standard contracts on its own. EIC was invited to draw up an position paper on the drafts, which it did from 1997.

In 1999, the FIDIC finally submitted three new sample contracts, which were characterised by different colours:

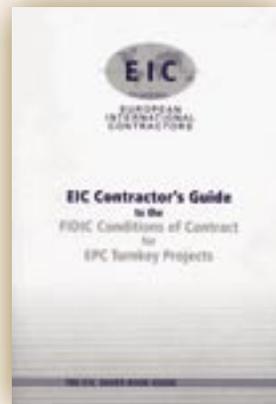
- ◆ FIDIC Conditions of Contract for EPC Turnkey Projects (The Silver Book)
- ◆ FIDIC Conditions of Contract for Construction (The New Red Book)
- ◆ FIDIC Conditions of Contract for Design and Construction of Building and Civil Engineering Works (The New Yellow Book)

After carefully examining the new documents, EIC came to the conclusion that in particular the “Silver Book” was unacceptable to “Contractors”. The main reason for this was the distribution of risks, which was seen as being unevenly burdensome to contractors. However, EIC did not simply issue a rejection. It commissioned its working group on “Contract Conditions” to draw up detailed comments. The outcome of this process was the second edition, that was first published in 2000 and subsequently revised in 2003.

EIC Contractor’s Guide to the FIDIC “Silver Book”.

This was followed in 2002 and 2003 by “Guides” that were similar to the two other FIDIC contracts but less critical in content. These documents were submitted and commented on at seminars and in international technical publications. In addition, the position of EIC was clearly stated to the international financial institutions and other important institutions.

Another focus of the work of the EIC in recent years has been project financing. The working group on “Financing”, which was set up in 2000 (as the successor to the BOT working group that was set up in 1993), drew up the:



EIC Contractor's Guide to the FIDIC "Silver Book"



Noord Zuidlijn metro, Amsterdam, Netherlands, 2005

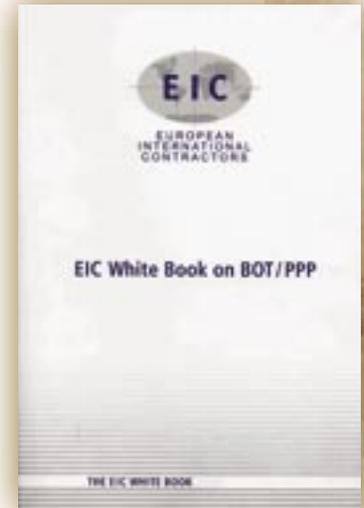
EIC White Book on BOT/PPP

which was published in 2003. This publication would in future also be disseminated in the same way as the "Guides".

In autumn 2000, the Director General Rolf Bollinger, who had been in the post since 1984, retired. His chosen successor was Frank Kehlenbach.

The close ties and cooperation with FIEC continued. The two federations adhered to the principle that the FIEC is responsible for all "European" matters, while EIC focuses on matters connected with construction outside Europe. Of course, overlaps cannot be ruled out completely. However, this is always discussed amicably based on respect for the other partner's autonomy.

In 1999, the two federations therefore became members of the "European Services Forum" (www.esf.be), in which European federations, representing altogether 20 service sectors, coordinate their interests and their cooperation with the European Commission. This forum deals with the ongoing work on the liberalisation of international trade in services and the dismantling of barriers to market access. In 1993, the World Trade Organisation was set up. One of the pillars of this organisation is the General Agreement on Trade in Services (GATS), which is responsible for pursuing these objectives and ensuring that the exchange of services is as free as possible. Construction work is regarded as a service on the same level as engineering and architectural services.



EIC White Book on "BOT/PPP"

Following many years of work in preparation for mutual liberalisation measures and a comprehensive set of regulations, the failure of the Conference of Ministers at the WTO Conference in Cancun in September 2003 was a serious setback. Various new approaches – not least from the European Commission, which is the joint trading policy negotiating partner for the Member States – have not yet yielded any success.

In this connection, the large and rapidly expanding construction market in China is of special interest to the companies represented within EIC. Also in this context all hope that the People's Republic of China would join the World Trade Organisation was dashed. There are still restrictive laws and regulations that make it tremendously difficult for European building contractors to work in this

market. This example shows that the efforts to ensure the effective dismantling of barriers to market access will continue to be one of the priority tasks for EIC.

In 2001, a revised version of the 1984 "Agreement" was signed. This confirmed in writing the usual custom of having the President and Director General of the EIC *ex officio* members of the FIEC delegation present at statutory meetings of CICA. The complementarity of the tasks of the two federations was thus confirmed.

EIC Publications (from 1984)

- ◆ List of Members (on the Internet since 2002)
- ◆ List of Arbitrators
- ◆ Turnkey Contract (1994)
- ◆ Study on Mergers and Acquisitions
- ◆ Overseas Contracts Statistics (annually)
- ◆ Financing Instruments for the CEEC (regularly)
- ◆ Synopsis on Contract Bonds (1999)
- ◆ Contractor's Guide to the FIDIC "Silver Book" (2000)
- ◆ Contractor's Guide to the FIDIC "New Red Book" (2002)
- ◆ Contractor's Guide to the FIDIC "New Yellow Book" (2003)
- ◆ EIC White Book on BOT (2003)
- ◆ EIC Blue Book on Sustainable Procurement (2004)

Presidents of the EIC (or of the ICS)

1970-1977	J. C. Drabbe	(The Netherlands)
1977-1980	Giuseppe Lodigiani	(Italy)
1980-1982	A. F. Lamotte	(Belgium)
1982-1987	Jan Jacob de Greef	(The Netherlands)
1987-1992	Enno Vocke	(Germany)
1992-1994	Harri Hintikka	(Finland)
1994-1997	Walter Hogbin	(Great Britain)
1997-2001	Yves Labrosse	(France)
2001-2003	José Luis Vega	(Spain)
2003-2004	Karl Rönnerberg	(Germany)
from 2005	Gian Alfonso Borromeo	(Italy)



Stade de France, Paris, France, 1998

THE AUTHOR

Rolf Bollinger

Born in 1936 in Stuttgart. Read politics and economics.

Preoccupied since 1960 with "European" themes, firstly in post-graduate studies, then as Assistant at the European Development Institute of the University of the Saarland.

In 1966 he began his activity with the Hauptverband der Deutschen Bauindustrie, and soon found himself representing the federation in the various FIEC bodies. So, he can look back over 34 years of active collaboration with FIEC.

As Director in the Hauptverband he was responsible for construction exports and international matters as well as acting as FIEC's "Mr. Europe".

In 1984 he was appointed Director of European International Contractors (EIC) with its head office in Wiesbaden, and later in Berlin.

He was involved in the organisation of several FIEC Congresses and CICA Conferences.

Responses to numerous questions relating to international construction and European unification came from his pen. Behind this was 15 years of teaching experience at the Hochschule Biberach which is an institute of higher learning focussed on the construction sector.

In 2000 he brought his activities in the Hauptverband and EIC to an end.

LEGENDS

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