FIDIC



FIDIC standards are now considered the best in international practice and for this reason are increasingly appreciated, especially by international investors who wish to have their projects backed by predictable and proven rules of the game.

Among the advantages obtained through the use of the standards, it is possible to highlight the security offered by contractual and commercial conditions of proven effectiveness, as well as the standardization and the offer of a complete set of documents necessary for the successful accomplishment of the enterprise.

The use of conditions with inadequate risk allocation creates greater possibility of conflicts during the realization and after the end of the work. Therefore, such more developed parties contain provisions requiring parties to give timely notice of events affecting quality, timing and cost and to announce claims or claims for supplementary payments and deadlines.

In general, it is recommended to take out insurance to protect the contractual parties from the financial consequences of losses, unexpected damages.

The forms of conflict resolution listed in the FIDIC books are derived exclusively from the terms set forth in the agreement. That is, the parties must agree to the appointment of the DRB, and when necessary, by submitting a certain question to the Arbitration chamber.

CURRENT FIDIC FORMS

- **The 'new' Red Book:** Conditions of Contract for Construction for Building and Engineering Works Designed by the employer: the Construction Contract.
- **The 'new' Yellow Book:** Conditions of Contract for Plant and Design-Build for Electrical and Mechanical Plant and for Building and Engineering Works, Designed by the contractor: the Plant and Design/Build contract.
- **The Silver Book:** Conditions of Contract for EPC Turnkey Projects: the EPC Contract.
- The Green Book: A Short Form of Contract.
- **The Pink Book:** The Multilateral Development Bank (MDB) Harmonized edition is the FIDIC Red Book incorporating amendments from leading world banks and designed for use on projects financed by those banks.
- The Gold Book: the Design-Build Operate (DBO) form of contract which includes design, construction, operation and maintenance of plant in one contract. It assumes a 'green-field' Design-Build-Operate project with a 20 year operation period the related Guide contains guidelines on changes necessary to cover a 'brown-field' arrangement.
- The White Book: a form of consultancy agreement where consultant is to be appointed by employer or another consultant.

The use of FIDIC standards increases clarity, transparency and predictability, resulting in fewer disputes, lower costs and more successful projects.

"Prevention is better than cure"