



Press Release

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Inter-American Development Bank signs five-year agreement to use FIDIC standard contracts

International engineering federation FIDIC (the International Federation of Consulting Engineers) has secured a major agreement with the Inter-American Development Bank (IDB) that will see the international funding organisation adopt the use of six FIDIC standard contracts for the next five years.

Under the terms of the agreement, FIDIC has granted the IDB, the leading source for development financing in Latin America and the Caribbean, a non-exclusive licence to refer to the six major FIDIC contracts (see list in notes below) for projects they finance and the documents will be used as part of the bank's standard bidding documents.

The contracts mainly include the latest 2017 Second edition FIDIC contracts, which cover a wide range of international construction and infrastructure work, and the IDB's move represents another major endorsement for the contracts from a major international funding organisation, following a similar agreement signed with the World Bank back in February this year. FIDIC also expects to announce further agreements with other multilateral development banks soon.

FIDIC chief executive Dr Nelson Ogunshakin said: "This is another significant development for FIDIC and we are delighted that the IDB has agreed to adopt our 2017 editions of the Rainbow suite of contracts and use them as a key part of their standard bidding documents.

"This will create more certainty in the market as by adopting the FIDIC contracts on major projects the IDB is saying that they endorse the fair and balanced approach that these documents offer to parties on major construction contracts. The familiarity that the FIDIC contracts bring make it easier to get projects underway as many of the typical commercial risks are clearly addressed in the contracts and all the parties understand their obligations and responsibilities.

"The IDB's endorsement should provide additional comfort to the financial, institutional and private equity investors operating in the global market to adopt the use of FIDIC standard procurement contracts as an effective tool to mitigate the risk associated with investable infrastructure asset class. Over the coming months, we will be working with our member associations and strategic partners to ensure that the FIDIC 2017 contract editions are translated into five major languages - Arabic, Chinese, French, Portuguese and Spanish - to aid effective use across all the other multilateral development banks' operating countries."

Commenting on the signing of the agreement, Maria Eugenia Roca, technical procurement advisor for the IDB, said: "We are delighted to continue our collaboration with FIDIC adopting the standard conditions of contracts in the 2017 suite for use in the IDB financed projects. The 2017 FIDIC standard conditions complemented by IDB Particular Conditions will ensure that large infrastructure contracts continue to be based on an internationally recognised standards and reflects the key aspect of IDB policies as well as the environmental and integrity requirements.

"As the main source of development financing for Latin America and the Caribbean, we need to make sure that at the IDB we have in place the highest standards in the industry when deploying a procurement process to achieve sustainable development goals."

FIDIC president Alain Bentéjac said: "This move by the IDB represents further major international market buy-in for our FIDIC 2017 Second edition contracts and one that we hope will also influence the supply chain to adopt FIDIC contracts thereby creating even more certainty in the planning and delivery of major international construction and infrastructure projects. We look forward to continuing

our strong partnership with the IDB, the World Bank and the other multilateral development banks (MDBs) over the coming years.”

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For further information and/or interview requests please call Andy Walker, FIDIC Communications Consultant, on 00 44 7791 997602 or email awalker@fidic.org

About FIDIC

FIDIC, the International Federation of Consulting Engineers, is the global representative body for national associations of consulting engineers and represents over one million engineering professionals and 40,000 firms in more than 100 countries worldwide. The buildings and infrastructure sector in which FIDIC members work contributes around US\$36trillion to global GDP.

About the Inter-American Development Bank (IDB)

IDB works to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, the bank helps improve health and education, and advance infrastructure. Its aim is to achieve development in a sustainable, climate-friendly way. With a history dating back to 1959, today it is the leading source of development financing for Latin America and the Caribbean, providing loans, grants, technical assistance and conducting extensive research. IDB maintains a strong commitment to achieving measurable results and the highest standards of integrity, transparency and accountability.

Notes to editors

The six FIDIC contract documents covered by the FIDIC/IADB agreement are as follows: -

- Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer (“Red book”), Second edition 2017;
- Conditions of Contract for Plant & Design-Build for Electrical & Mechanical Plant & for Building & Engineering Works Designed by the Contractor (“Yellow book”), Second edition 2017;
- Conditions of Contract for EPC Turnkey Projects (“Silver book”), Second Edition, 2017);
- Client/Consultant Model Services Agreement (“White book”), Fifth Edition 2017;
- Conditions of Contract for Design, Build and Operate Projects (“Gold book”) First Edition 2008; and
- The Short Form of Contract (“Green book”), First Edition 1999.

Photo caption

(Left to right) FIDIC chief executive, Nelson Ogunshakin, Maria Eugenia Roca, technical procurement advisor for the Inter-American Development Bank and William Howard, FIDIC president elect.