



Press Release

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World 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 World Bank 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 World Bank 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 2017 Second edition FIDIC contracts, which cover a wide range of international construction and infrastructure work, and the World Bank's move represents a major endorsement for the contracts from a major international funding organisation. FIDIC also expects to announce a similar agreement with the other multilateral development banks.

FIDIC chief executive Dr Nelson Ogunshakin said: "This is a major development for FIDIC and we are delighted that the World Bank 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 World Bank 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.

"Endorsement by the World Bank 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 the World Bank and other multilateral development banks' operating countries."

Commenting on the signing of the agreement, Enzo De Laurentiis, chief procurement officer at the World Bank, said: "We are very pleased to continue to build on our long collaboration with FIDIC by adopting the standard conditions of contracts in the 2017 suite for use in projects financed by the World Bank, as appropriate and complemented by our Conditions of Particular Application (COPA). Together, the 2017 FIDIC standard conditions and our COPA, will ensure that infrastructure contracts financed by the World Bank continue to be based on an internationally recognised standard and reflect key aspects of our policies and practice related, among others, to managing environmental, social and integrity risks."

FIDIC president Alain Bentéjac said: "This move by the World Bank represents 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 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 World Bank

The World Bank is a vital source of financial and technical assistance to developing countries around the world. It is not a bank in the ordinary sense but a unique partnership to reduce poverty and support development. The World Bank Group comprises five institutions - <http://www.worldbank.org/en/about> - managed by their member countries. Established in 1944, the World Bank Group is headquartered in Washington, D.C. The bank has more than 10,000 employees in more than 120 offices worldwide. With 189 member countries, staff from more than 170 countries, and offices in over 130 locations, the World Bank Group is a unique global partnership - five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.

Notes to editors

The six FIDIC contract documents covered by the FIDIC/World Bank 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

Picture shows FIDIC CEO Dr Nelson Ogunshakin (left) and FIDIC president Alain Bentéjac (middle) pictured with World Bank chief procurement officer, Enzo De Laurentiis (right).