

FIDIC Business Days

Georgian Infrastructure
with FIDIC Knowledge

Tbilisi, Georgia
29 - 30 June 2017

Daduna Kokhreidze
Partner at Nodia, Urumashvili and
Partners





FIDIC Business Days

Georgian Infrastructure with FIDIC Knowledge
Tbilisi, Georgia, 29-30 June 2017

FIDIC Red Book in Georgian

- Standard Form Contracts in Common Law Jurisdictions;
- No single time-honoured standard form of construction contract in Georgia.
- Historically Construction Industry participants used very short forms of Contracts leaving its terms open for default rules.



FIDIC Red Book in Georgian

- With the increase of foreign investment in the country the demand has grown for standard forms:
 - Construction company participants are comfortable to use familiar to them forms;
 - Construction company participants are comfortable to use the forms with fair and balanced risk allocation;
 - IFIs require to use internationally recognised standard forms in financed projects.



FIDIC Red Book in Georgian

- FIDIC forms of contract became popular in Georgia, and in result:
 - English became a barrier for employing experienced professionals on the projects where FIDIC forms were used
 - Project participants used the FIDIC forms without having a good understanding of its terms
 - Unofficial translations came into use and people start using all different terminology:
DETERMINACIA (დეტერმინაცია) – but what would you say for “shall determine”?
We now thought to establish the terms “Gansazgvreba” (განსაზღვრება) “Gansazgvravs” (განსაზღვრავს)
- Decision was made to translate FIDIC forms into Georgian Language
- In 2015 FIDIC Licensed MDF to translate and to distribute official translation



FIDIC Business Days

Georgian Infrastructure with FIDIC Knowledge
Tbilisi, Georgia, 29-30 June 2017

FIDIC Red Book in Georgian

The aim of having an officially licensed translated document is:

- To assist the project participants to better understand the FIDIC Contracts
- Leave the construction market open for professional who are not fluent in English
- To raise the awareness of the contract and create a single translation for everyone's use

It also helps to establish well-thought internationally recognised construction contract principles on Georgian construction market



FIDIC Business Days

Georgian Infrastructure with FIDIC Knowledge
Tbilisi, Georgia, 29-30 June 2017

FIDIC Red Book in Georgian

It is important to understand the **concepts**:

Examples:

Delay Damages

- FIDIC uses neither “liquidated damages” nor “penalty”

Defects Notification Period

- Contractual obligation of the Contractor to return to the site and rectify the defects

Limitation of Liability

- Relatively new concept under Georgian Law



FIDIC Red Book in Georgian

Because standard form contracts developed in Western countries, the standard provision are mainly built on common law principles and certain concepts and words do not have the direct equivalent in Georgian language.

Examples	
Extension of Time Clause;	Time Bar, Condition Precedent;
Variations;	Defects Notification Period;
Claims;	Indemnity;
Limitation of Liability;	Amicable Settlement;
The Engineer;	DAB;



FIDIC Red Book in Georgian

Terminology:	
The Contract – “Khelshekruleba” (ხელშეკრულება) The Contract Price – “Khelshekrulebis pasi” (ხელშეკრულების ფასი)	The Contractor / Sub-Contractor / Main Contractor (კონტრაქტორი/ქვეკონტრაქტორი/ძირითადი კონტრაქტორი)
Base Date, Commencement Date, Time for Completion	Letter of Acceptance / Accepted Contract Amount
Claim – Negative or Positive meaning?!	Bill of Quantities
Confidential Details	Temporary Works and Permanent Works
Dispute Adjudication Board	Discharge



FIDIC Red Book in Georgian

Technique of Translation:

- What do we do with defined terms?

ITALIC

- How we organise the index of Sub-Clauses?

Follows Georgian alphabet



FIDIC Business Days

Georgian Infrastructure with FIDIC Knowledge
Tbilisi, Georgia, 29-30 June 2017

FIDIC Red Book in Georgian

How to Use the Book:

- Allow some time for testing the translation and improvements;
- Use together with the original English version;
- Carefully read the copyright and terms of use;
- Only FIDIC is the copyright owner of the Book;
- MDF is licensed to translate and distribute the book in accordance with the license agreement;
- Any further copies of the book shall be obtained from MDF;
- Electronic versions will be made available on the FIDIC website.



FIDIC Business Days

Georgian Infrastructure with FIDIC Knowledge
Tbilisi, Georgia, 29-30 June 2017

FIDIC Red Book in Georgian

Help us to improve in subsequent publications, please send any comments and suggestions to:

Daduna Kokhreidze

Office 28, Floor 4, 71 Vazha-Pshavela Ave.

Tbilisi, 0186, Georgia

daduna@nplaw.ge



NODIA, URUMASHVILI & PARTNERS
BUSINESS LAW FIRM