

# Introduction to Dispute Boards Usage in Georgia

Nina Tsaturova, DRBF Representative for  
Georgia

Head of Legal, Intelligent Solution LLC



Dispute Resolution Board Foundation. *Moving projects forward* since 1996.

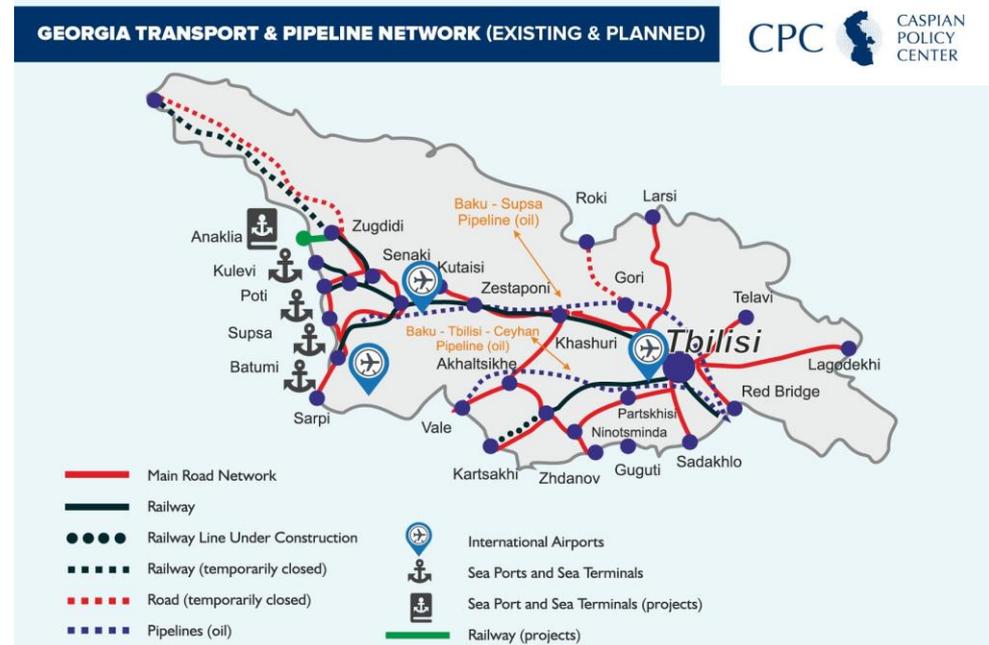


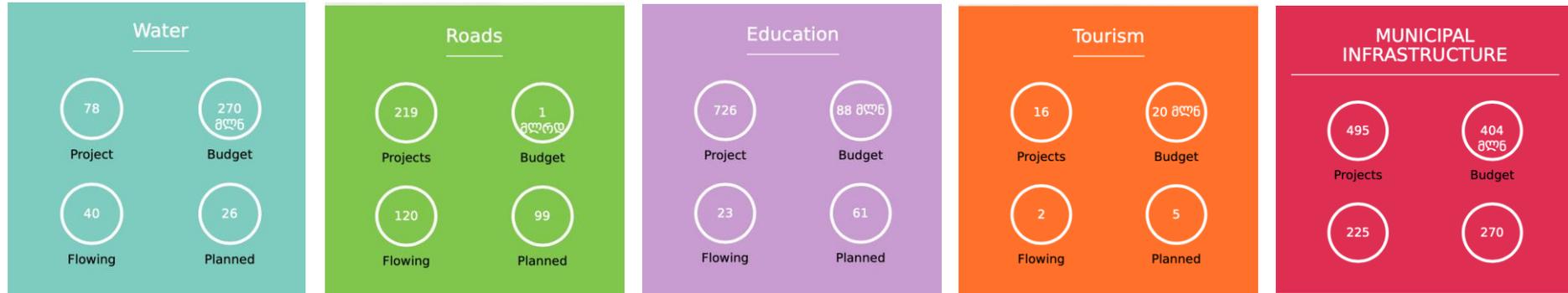
# Outline

- Georgian infrastructure market overview
- DB usage facts in Georgia

# Georgian Infrastructure

- ➔ Transportation Systems (roads, railways, airports, seaports)
- ➔ Water and Sewage Systems
- ➔ Power and Energy Systems





# Infrastructure Priorities for 2021

Source: Ministry of Regional Development and Infrastructure

<https://mrdi.gov.ge/en/home>

# Georgia remains attractive for IFIs

→ **World Bank**

<https://www.worldbank.org/en/news/feature/2017/08/24/world-bank-georgia-25-years-of-partnership>

→ **EBRD**

<https://www.ebrd.com/georgia-data.html>

→ **EIB**

<https://www.eib.org/en/publications/the-european-investment-bank-in-georgia>

→ **ADB**

<https://www.adb.org/publications/georgia-fact-sheet>

→ **AIIB**

<https://www.aiib.org/en/projects/details/2017/approved/Georgia-Batumi-Bypass-Road.html>

→ **JICA**

<https://www.jica.go.jp/georgia/english/index.html>

→ **KfW**

<https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Europe/Georgia/>

# DB usage in Georgia – General Facts

- Most infrastructure projects financed by IFIs envisage DB
  - Most widely used standard contract form is 2010 FIDIC Pink Book (MDB Version)
  - More tenders are announced under 2017 FIDIC Editions
- Private projects (hotels, multifunctional buildings, etc.) contracts usually do not include DB provisions

# Respondents

- Roads Department of Georgia
- Georgian State Electrosystem
- United Water Supply Company

# Questionary

- 1) When was the first dispute board appointed by your organization?
- 2) How many dispute boards have been formed by your organization?
- 3) How many dispute boards are formed annually by your organization?
- 4) Out of the total number of the DBs, how many DBs comprise three members, and how many - one sole member?
- 5) Out of the total number of the DBs, how many DBs are *ad hoc*, and how many are standing?
- 6) Out of the total number of the DB members, how many are Georgians, and how many are foreigners?
- 7) Out of the total number of the DB decisions, how many have been referred to arbitration and how many have been ultimately overturned?

# Tentative Conclusions

- First DB appointment can be traced back to 2015
- Over 25 DBs in total since 2015
- 1-2 DBs are formed annually at each state body
- Most DBs comprise one sole member
- Most DBs are *ad hoc*, though more standing DBs are expected to be appointed in the nearest future
- Most DB members are foreigners
- Only one DB decision referred to arbitration

