



# Conflict Avoidance and Early Intervention

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## The scale of the problem

Construction disputes are incredibly common and immensely costly. The industry needs to stop them from happening.

Disputes on major capital projects worldwide continuously damage the industry to an enormous extent. Each year the value of claims and disputes amounts to many \$billions and they cause cumulative delays to project delivery measured in 1000s of years.

A growing number of professional and commercial bodies have joined forces to build the Conflict Avoidance Coalition. The coalition's ambition is to stop disputes from happening and improve the way all people in the industry relate and transact with each other.

## Coalition member organisations





























## The Conflict Avoidance Pledge commits signatories to:

Adopt early intervention techniques throughout the supply chain, to try to avoid, manage and/or resolve issues before they escalate into disputes

Embed conflict avoidance mechanisms into projects with the aim of identifying, controlling and managing potential conflict, whilst preventing the need for formal dispute resolution procedures

Identify potential disputes early and use conflict avoidance measures in practice

Around 400 signatories to date- see who has signed: rics.org/capledge

Work with the industry to identify, promote and use these mechanisms



#### The Conflict Avoidance Pledge



We commit to working proactively to avoid conflict and to facilitate early resolution of potential disputes.

We believe in collaborative working and the use of early intervention techniques to try to resolve differences of opinion before they escalate into disputes.

We recognise the importance of embedding conflict avoidance mechanisms into projects with the aim of identifying, controlling and managing potential conflict, whilst preventing the need for formal, adversarial dispute resolution procedures. We commit our resources to embedding these into our projects.

We commit to developing our capability in the early identification of potential disputes and in the use of conflict avoidance measures.

We will promote the value of collaborative working to prevent issues from developing into disputes.

We commit to work with our industry partners to identify, promote and utilise conflict avoidance mechanisms.



## Conflict Avoidance Directory

A published list of businesses and organisations committed to collaborative working and the use of early intervention techniques throughout the supply chain, to try to avoid, manage and resolve disputes collaboratively and without recourse, where possible, to adversarial procedures.

#### Bronze

✓ Signed to the Pledge

#### Silver

- ✓ Signed to the Pledge
- ✓ Taken formal steps to incorporate policies to give effect to their commitment to avoiding and effectively managing disputes.

#### Gold

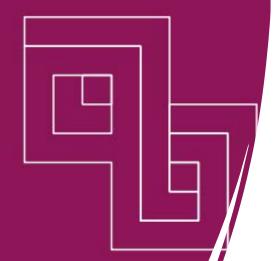
- ✓ Signed to the Pledge
- ✓ Taken formal steps to incorporate policies to give effect to their commitment to avoiding and effectively managing disputes.
- ✓ Actively engaging in such policies



## THE CONSTRUCTION PLAYBOOK

#### **Government Guidance**

on sourcing and contracting public works projects and programmes



## Government endorsement of conflict avoidance measures

The Construction Playbook 2022 outlines Government Guidance for sourcing and contracting public works projects in England and Wales.

- It includes 14 key policies for assessing, procuring, and delivering public works projects.
- Central government departments and arm's length bodies must adopt these policies on a 'comply or explain' basis.
- Standard construction contracts such as NEC, JCT, and FAC-1 should be used for public works programs.
- Contracts should include viable conflict avoidance and management measures.
- Government departments and ALBs are encouraged to sign up to the conflict avoidance pledge (CAP).
- They should demonstrate a commitment to conflict avoidance and use amicable resolution procedures for early dispute resolution.

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### Government endorsement continued...

UK Cabinet Office
Guidance on
responsible
contractual behaviour

Welsh Government
12-point post covid
recovery plan

Scottish Government Construction Policy Note (CPN) 2/2021 Real interest in Middle East and North America



## Thank You.

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