



CRIDF

Using the NEC contract for faster and more efficient project delivery at CRIDF

NEC stands for 'new engineering contract'. First developed in 1993, it is part of a suite of contracting documents designed to improve project procurement and delivery through the principles of flexibility, clarity, simplicity and good management. The NEC is mostly used in the engineering sector for construction projects and consulting engineering projects. However, its underlying principles mean that it can be used by parties to procure goods and services across most sectors. The Climate Resilient Infrastructure Development Facility (CRIDF) uses the NEC to help deliver its broad range of projects.

PUTTING CLEAR COMMUNICATION AT THE HEART OF CONTRACTING

NEC contracts distinguish themselves from other contracts by their emphasis on clear communication. Documents are written in plain English, avoiding legal jargon, and there is a focus on open communication throughout the project lifecycle. For example, whereas many other contracts stress the importance of addressing disputes once they arise, an NEC contract encourages communication to prevent disputes.

By itself, a contract will not necessarily ensure good project management. It needs to be clear and well-written,

appropriate for the project and its context, and be carried out by people who can use and implement the tools it provides. Crucially, all parties must also share a common objective or vision for the project.

At CRIDF, the NEC contract meet these needs in three important ways. First, its focus on open and transparent communication ensures a shared understanding of a project's principles, aims and needs between CRIDF and its project partners. Second, NEC contracts set out a framework and provide guidance to enable good project management. Third, their flexibility allows tools provided within the NEC contract to be adapted to the particular needs of a project.

REAL-TIME COLLABORATION WITH PARTNERS

CRIDF's online IT management system has proved an incredibly valuable tool for the implementation of the NEC and the management of the programme from both a contractual and a technical perspective. Set up at the outset of the programme, it provides a shared space where CRIDF and its clients can communicate, exchange information and make decisions in real time. This enables everyone involved in the programme – a team split across different countries and time zones – to work more quickly and efficiently. It also allowed project delivery to continue during the COVID-19 pandemic, when the team were required to work from home.

The collaboration between CRIDF and the UK's Foreign, Commonwealth & Development Office (FCDO), and their joint willingness to adopt NEC principles, has been especially important to the success of the NEC contract. Even though the contract provides CRIDF and its partners with the necessary tools to manage and deliver projects, project success ultimately depends on people working together towards a shared goal. This cooperation also extends to the wider technical team in CRIDF, who work with programme managers to ensure that projects are delivered effectively and on time.

IMPROVED QUALITY OF CRIDF DELIVERY

The NEC will not necessarily deliver high-quality programme outputs, as quality management is ultimately driven by the team members carrying out individual projects. However, an NEC contract does provide a framework, with specific timescales and obligations, that helps the team ensure quality management remains central throughout a project's lifecycle.

This framework has proved especially useful at CRIDF, which is by its very nature extremely complex. Not only are many

projects being run simultaneously, but the programme team delivering these projects includes a diverse mix of engineers, economists, communications specialists and experts in gender, social development and institutional and stakeholder engagement. The framework makes it easier to share the responsibility for programme objectives between all parties.

The NEC also allows the programme team to adopt an international best practice approach to risk management. Through the contract communications, CRIDF can keep FCDO up to date on different risks facing the programme. The programme team will then discuss the risk with FCDO and jointly decide how to mitigate it – for instance, by allowing more time for a task to be completed or increasing the budget for a project. These discussions are made much easier by the open and transparent communications at the heart of NEC contracts.

THE IMPORTANCE OF FLEXIBILITY

The flexibility of the NEC has proved very useful to both CRIDF and FCDO, as it allows them to tailor the NEC contract to fit their specific preferences and to formalise and document these changes in a contractually legal way. For example, the NEC did not specify a timescale for approving invoices, so CRIDF and FCDO agreed to sign payments off within a week to keep the cash flow moving. They also reduced the stated period of reply in the contract from two weeks to one week to streamline programme delivery.

By making project implementation faster, more efficient and more effective, changes such as these help ensure that CRIDF is being run in the best way possible. Looking beyond CRIDF, the NEC's broad principles of flexibility, clarity, simplicity and good management make it applicable to a wide range of other development projects.

