CMCS INSIGHTS · CONTRACTS · FIDIC · DEVELOPMENT BANKS

FIDIC Compliance by Design

Ten articles on delivering development-bank-funded projects under FIDIC contracts with PMWEB: the Bank conditions on top of FIDIC, Particular Conditions as configuration, mobilisation, ESHS, labour, integrity, change and no-objection, payments through the loan, reporting to the Bank, and closing the contract and the loan.

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Funding Comes with Conditions: Why FIDIC Compliance Is Now a Development-Bank Requirement

What the multilateral development banks add on top of FIDIC, and why borrowers need a PMIS like PMWEB to prove compliance

When a development bank finances the works, the FIDIC contract stops being an agreement between two parties. It becomes a condition of the loan, administered under the eyes of a third party that was never at the negotiating table. Every notice, approval, payment and safety record must be capable of being shown to the Bank. A borrower that cannot produce that evidence on request does not have a documentation problem; it has a financing risk.

This series is written for the people who deliver works financed by multilateral development banks: ministries of finance and planning, implementing agencies and their project implementation units (PIUs), Engineers and supervision consultants, and contractors. It explains what the banks add on top of FIDIC, and how PMWEB turns each added obligation into a record that can be evidenced.

FIDIC has become the language of development finance

On a privately funded project, a poorly administered FIDIC contract costs money. On a Bank-financed project, it can cost the financing. A late notice, an unapproved variation, an unreported safety incident or a certificate issued without supporting records becomes a finding in a supervision mission, a query in a procurement post-review, a qualification in an audit report, or a reason to delay a disbursement.

Over the past seven years almost every major development bank has signed a formal agreement with FIDIC. Each grants the bank a non-exclusive licence to reference FIDIC contracts in its standard bidding and procurement documents:

Development bank	Agreement with FIDIC	Scope
World Bank	Licence dated 6 February 2019; Emerald Book added July 2021; renewed 30 October 2023 for five years	Nine FIDIC contracts, led by the 2017 Red, Yellow and Silver Books
African Development Bank	Five-year agreement January 2020; new and expanded agreement reported December 2024	Seven contracts at signature, including the 1999 and 2017 Red Books
Islamic Development Bank	Five-year agreement October 2020	Seven contracts, including the Emerald Book
Asian Development Bank	Five-year agreement November 2021	Six contracts
EBRD	Renewed 28 June 2023 for five years	Twelve contracts across the 1999 and 2017 editions
Caribbean Development Bank	Renewed June 2024 for five years	Twelve documents
Asian Infrastructure Investment Bank	New and expanded agreement reported December 2024	FIDIC standard contracts
Inter-American Development Bank	Renewed 19 February 2025 for five years	Nine contracts

The consequence is simple. If your country, agency or company works on infrastructure financed by any of these institutions, you will administer FIDIC, and you will be asked to prove that you administered it properly.



Infographic 1: FIDIC and the Development Banks: One Contract Language, Many Funders

What the Bank adds on top of FIDIC

The banks do not adopt FIDIC unchanged. The World Bank uses the 2017 General Conditions with its own Conditions of Particular Application, which address environmental, social and integrity risks. In its Standard Procurement Document for Works, the Particular Conditions have four parts: Part A Contract Data, Part B Specific Provisions, Part C the Bank's policy on corrupt and fraudulent practices, and Part D the environmental and social (ES) reporting metrics for the Contractor's progress reports.

Many contracts financed by other banks still run on the FIDIC MDB Harmonised Edition, the "Pink Book" of June 2010, based on the 1999 Red Book. It carries its own bank-driven amendments: the Bank's right to inspect and audit the Contractor's accounts and records (Sub-Clause 1.15), evidence of the Employer's financial arrangements before the Commencement Date (2.4), the Employer's specific approval before the Engineer acts on defined matters (3.1), provisions on corrupt or fraudulent practices (15.6), and additional Contractor termination grounds, including suspension of the loan or credit (16.2).

Whatever the edition, the bank layer adds obligations that a private Employer would rarely impose:

- **Particular Conditions.** Project-specific periods, percentages, currencies, approval thresholds and amended clauses.
- **Engineer's authority limits.** Employer approval before the Engineer instructs certain Variations or agrees time and cost.
- **Environmental, social, health and safety (ESHS).** A Code of Conduct for Contractor's Personnel, Sexual Exploitation and Abuse / Sexual Harassment (SEA/SH) prevention, Management Strategies and Implementation Plans (MSIPs), and possibly an ES Performance Security.
- **Integrity and audit.** The Bank's inspection and audit rights, its anti-corruption policy and sanctions.
- **Prior review and no-objection.** The Bank's no-objection for defined decisions, such as DAAB members and contract amendments above agreed thresholds.
- **Disbursement.** Payments drawn against loan categories and the financing agreement's closing date.
- **Reporting.** Monthly, quarterly and annual progress reports, procurement plan updates and implementation status.

Bank layer	Evidence the Bank or auditor expects	PMWEB process
Particular Conditions (Part A Contract Data, Part B Specific Provisions)	Periods, percentages and thresholds applied exactly as signed	Contract Data held as structured fields on the commitment; Part B rules configured in workflows
Engineer's authority limits (Pink Book 3.1; 2017 Sub-Clause 3.2)	Employer approval recorded before the Engineer acted	Delegation of Authority (DoA) levels and conditional routing that cannot be skipped
ESHS obligations and Part D ES metrics	Incidents, inspections, grievances and training traceable to records	Inspections, adaptive incident and grievance forms, training records, monthly ES roll-up
Integrity, audit and sanctions	Complete records and a trail of who did what, when	Full audit trail on every record; versioned documents; on-demand evidence packs
Prior review and no-objection	No-objection obtained before the decision took effect	Mandatory no-objection workflow step, with the Bank's letter attached
Disbursement against the financing agreement	Each payment traceable to its loan category and source	Progress Invoices tagged to funding sources; forecast against the closing date
Reporting to the Bank	Reports consistent with site, cost and contract records	Reports and dashboards generated from live records and shared with the Bank's task team

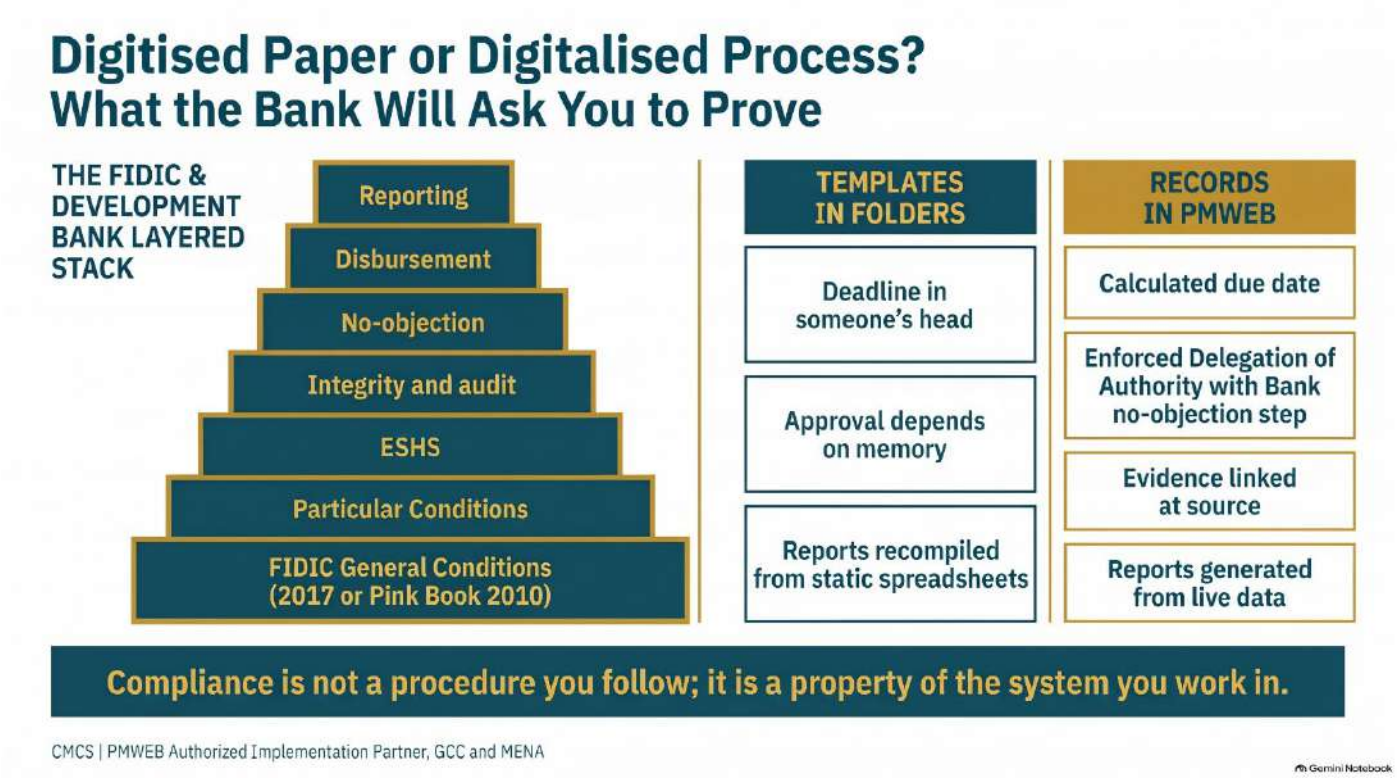
Why borrower PIUs struggle

The banks know where the weakness lies. PIUs are often staffed quickly, rotate frequently, and must master FIDIC and the Bank's procurement and safeguard rules at the same time. Delays, cost overruns and disputes on development-financed infrastructure are repeatedly traced to insufficient project and contract management capacity, not to the contract forms.

The Government of Sri Lanka's Guide to Project Management and Contract Management (GPMCM), issued by the Ministry of Finance in February 2017 under ADB Technical Assistance TA-8562, is one of the most serious responses to that problem. It sets out 69 procedures, CA01 to CA69, that follow a Pink Book contract from Letter of Acceptance through mobilisation, execution, completion and dispute resolution, with forms, templates and specimen letters for each action. It also records the funding-agency layer: the financing agreement and the Project Administration Manual, the annually updated procurement plan, ADB's prior no-objection for contract modifications that in aggregate increase the original contract amount by more than 15%, copies of all amendments to be furnished to ADB, and the recommendation to report contract disputes to the funding agency.

It is an excellent body of practice. But the templates were placed in tools built on Microsoft SharePoint, and that is the critical distinction. A template in a document library digitises the paper. The letter becomes a file, but the deadline still sits in someone's head, the approval still depends on someone remembering to ask, and the link between a variation, its Employer approval, the Bank's no-objection, the revised contract amount and the payment certificate has to be rebuilt by hand whenever an auditor asks.

Our book, Digitalization of Construction Contract Administration Under FIDIC Contracts, makes the same distinction: digitization converts documents into electronic files, while digitalization converts the process itself into structured, rule-driven data. Bank-financed projects need the second.



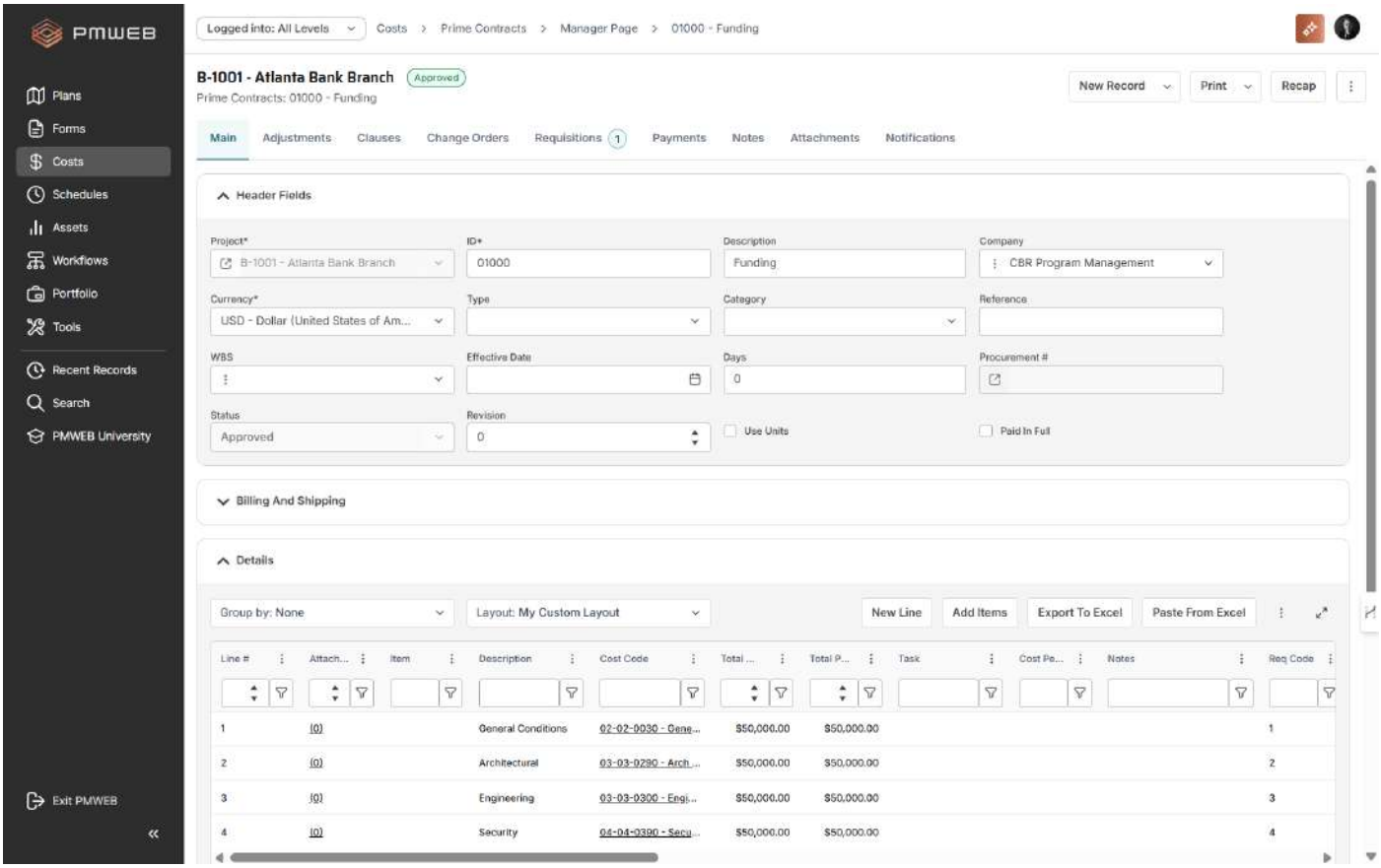
Infographic 2: Digitised Paper or Digitalised Process? What the Bank Will Ask You to Prove

Compliance must be a property of the system

The thesis of this series is that, on a Bank-financed project, compliance cannot depend on individuals working around their tools. It has to be a property of the system they work in. That means four things:

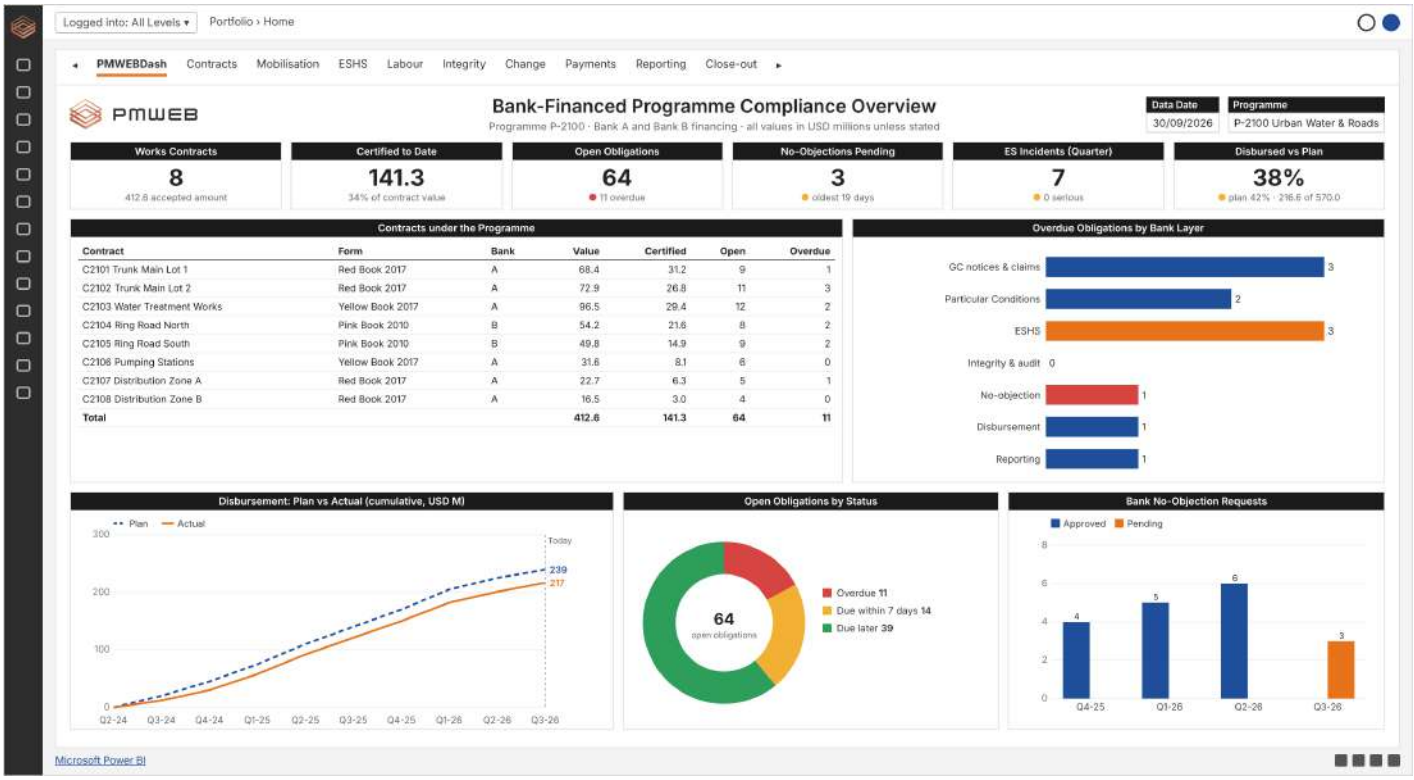
- **Every obligation is a structured record.** Each contractual and Bank obligation has mandatory fields, a calculated due date and an owner, rather than living in an attachment.
- **Every approval follows the imposed DoA.** Employer approval and Bank no-objection steps are enforced by workflow and cannot be bypassed.
- **Every record carries its evidence.** Daily reports, photographs, inspections, transmittals and correspondence are linked at source, not collected later.
- **Every report is generated from live data.** The Employer, Engineer, Contractor, ministry of finance and the Bank's task team see one version of the truth.

PMWEB comes with most of the processes needed to administer FIDIC contracts out of the box: contracts and commitments, change events, potential change orders (PCOs) and change orders, progress invoices, budgets and funding sources, schedules, daily reports, meeting minutes, correspondence, transmittals, RFIs, submittals, inspections, risk registers and document management. Where a Bank requirement has no standard process, the PMWEB Custom Form Builder creates it as an adaptive form, and the workflow engine routes it through the right approvals.



The Programme Compliance Overview dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions. The programme is financed by a Bank A loan of 450.0, Bank B co-financing of 120.0 and counterpart funds of 60.0, and runs eight works contracts on three generations of FIDIC form.

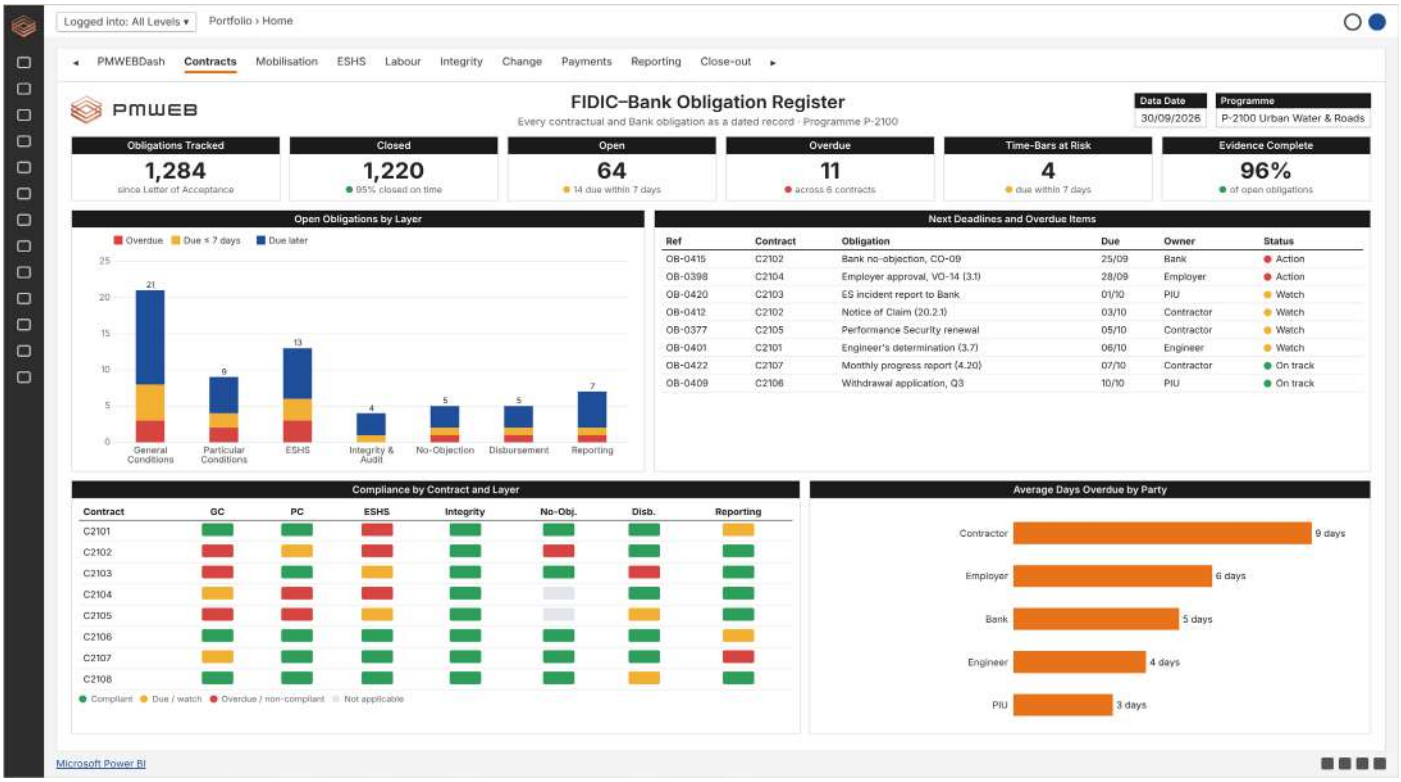


Bank-Financed Programme Compliance Overview in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **One programme, three contract forms.** The eight works contracts, worth 412.6, run on the Red Book 2017, the Yellow Book 2017 and the Pink Book 2010 side by side. A single register only works if each contract carries its own rules.
- **Disbursement is behind the money already earned.** 141.3 has been certified, but disbursement stands at 38% of the 570.0 Bank financing (216.6) against a plan of 42% (239.4). The gap is a conversation the PIU must have with the Bank before the next mission, not during it.
- **Eleven of the 64 open obligations are overdue.** Contractor-side notices and ESHS items account for six of them. C2102 Trunk Main Lot 2 alone holds three.
- **ESHS is where overdue items cluster.** Three of the eleven overdue obligations are ESHS items, the same number as General Conditions notices and claims, despite ESHS having fewer obligations in total.
- **No-objections are now on the critical path.** Fifteen no-objection requests have been received in the last four quarters; three are pending, the oldest for 19 days.
- **Integrity and audit show zero overdue items.** This is the result of controls built into the workflow, not of a separate audit exercise.

The FIDIC–Bank Obligation Register

Behind the overview sits the obligation register: every notice, approval, submission and Bank requirement as a dated record, classified by layer, contract and owner.



FIDIC–Bank Obligation Register in PMWEB: Programme P-2100, Urban Water & Roads (sample data)

- **1,284 obligations tracked since the Letters of Acceptance.** 1,220 are closed, 95% of them on time. The register is a by-product of administering the contracts, not a spreadsheet maintained beside them.
- **The two oldest overdue items sit with the Employer and the Bank.** The Bank's no-objection on CO-09 (C2102) was due on 25/09, and the Employer's approval of VO-14 under Pink Book Sub-Clause 3.1 (C2104) on 28/09. Contractors are not the only parties who must be chased.
- **Four time-bars fall due within seven days.** These include C2102's Notice of Claim under Sub-Clause 20.2.1, due on 03/10.
- **The heat map shows where to intervene.** C2102, C2104 and C2105 carry the most red cells. Reporting is green everywhere except C2107, whose monthly progress report is overdue.

- **Contractors are the slowest parties on average.** They run nine days overdue against six for the Employer, five for the Bank, four for the Engineer and three for the PIU.
- **96% of open obligations already have their evidence attached.** The audit file is assembled as the work is done.

PMWEB 2026 AI on Bank-financed contract data

AI Assistant mode	Example request from the PIU
Find	"Find all obligations on Programme P-2100 that are overdue and owned by the Employer"
Open	"Open the Bank no-objection request for Change Order CO-09 on C2102"
Create	"Create an obligation record for the quarterly ES report due to Bank A on 15 October"
Help	"How do I attach the Bank's no-objection letter to a change order workflow?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so contract and Bank data is visible only to the roles permitted to see it.

What the PIU must put in place

- **One register of forms in force.** A record for each contract of its FIDIC edition, the Bank's Particular Conditions and its financing source.
- **Every obligation as a record.** General Conditions, Particular Conditions and Bank obligations held as dated records with owners, not as reminders.
- **The imposed DoA, enforced.** Employer approvals and Bank no-objection steps built into the workflow.
- **Evidence at source.** Daily reports, inspections, transmittals and correspondence linked to the obligation they support.
- **Disbursement linked to certification.** Each certificate traced to its funding source and loan category.
- **Reports generated, not compiled.** One data set serving the Employer, the ministry and the Bank's task team.

> **Key takeaway**
>
> Development finance has made FIDIC the default contract, and the Bank's added obligations have made compliance a condition of the loan. Procedures in folders cannot prove compliance; records in a system can. With PMWEB, every obligation, approval and payment on a Bank-financed contract becomes evidence the moment it is created.

Over to you: *on the Bank-financed projects you have worked on, which Bank requirement caused the most rework or the most uncomfortable supervision-mission finding, and could better records have avoided it?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see the FIDIC–Bank obligation register and compliance dashboards built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi

Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

About CMCS

CMCS FZCO (Collaboration, Management and Control Solutions) is the PMWEB Authorized Implementation Partner for the GCC and MENA region, awarded PMWEB Global Partner of the Year 2025. With a track record of 170+ PMIS implementations and more than 40 years of PMIS experience in MENA, CMCS markets, implements and supports PMWEB for project owners, government entities, programme management consultants and contractors from its offices in Dubai, Abu Dhabi and Riyadh. Contact: info@CMCS-MENA.com

Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

From Particular Conditions to Platform: Configuring the Bank-Funded Contract in PMWEB

Turning Contract Data into master data and the Bank's Specific Provisions into enforced approval paths

The General Conditions tell you how FIDIC works. The Particular Conditions tell you how your contract works, and on a Bank-financed project that is where the obligations that matter to the Bank are written. If those provisions live only in a PDF, every member of a rotating PIU has to remember them. Configured in PMWEB, they are enforced for everyone, on every record, from the first day.

Every FIDIC project team knows the General Conditions by clause number. Far fewer can say, without opening the contract, what their own Particular Conditions changed. This article explains how to configure a Bank-financed contract in PMWEB so that the Particular Conditions are applied by the system, not by memory. Every later article in this series depends on this step.

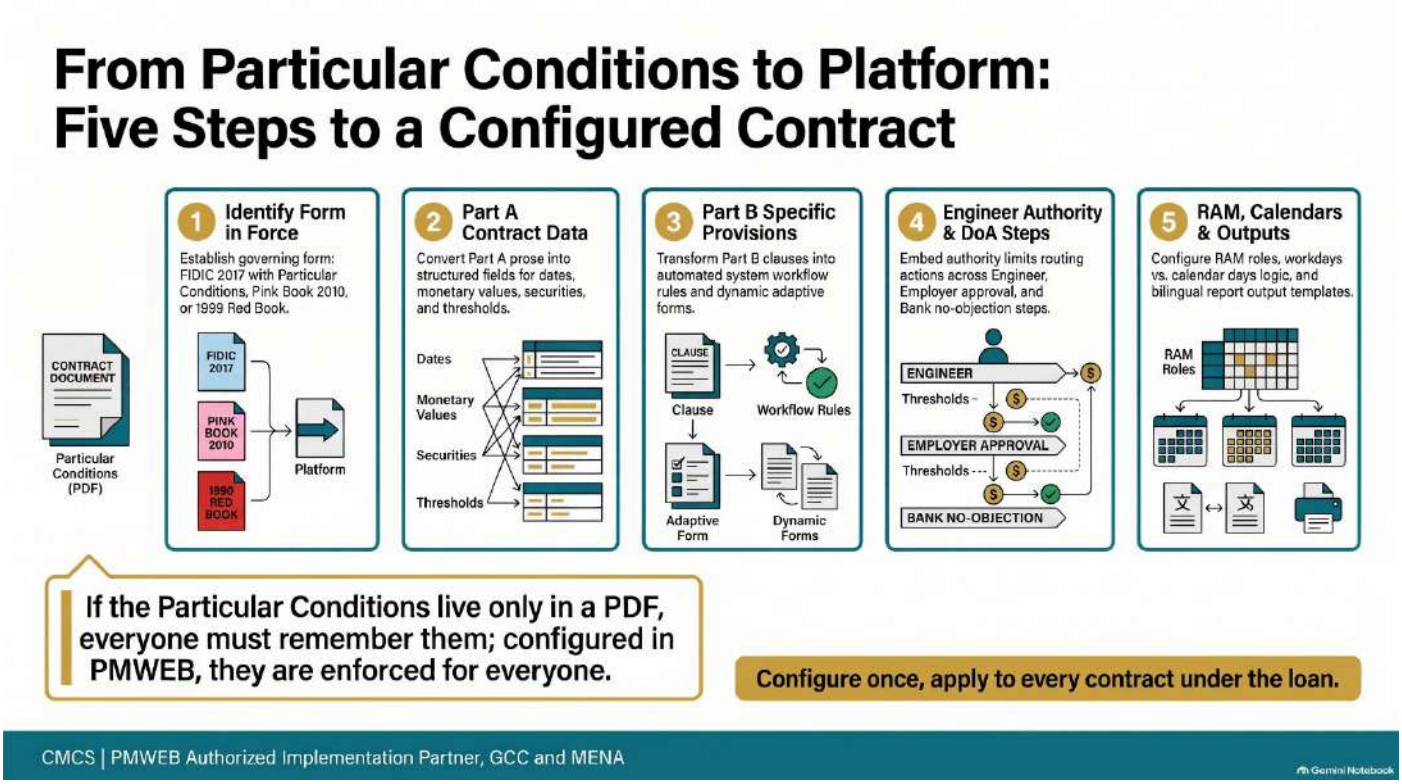
First question: which contract is actually in force?

Before configuring anything, the PIU has to establish precisely which form governs each contract. On development-financed programmes, three generations often run side by side:

- **FIDIC 2017 General Conditions with the Bank's Particular Conditions.** Newer World Bank-financed works use the 2017 General Conditions, with Particular Conditions organised as Part A Contract Data, Part B Specific Provisions, Part C the Bank's policy on corrupt and fraudulent practices, and Part D the environmental and social reporting metrics for progress reports.
- **The FIDIC MDB Harmonised Edition (the Pink Book).** First published in May 2005, amended in March 2006 and reissued in June 2010, based on the 1999 Red Book. Many contracts financed by participating banks still run on it.
- **The 1999 Red Book with bank-specific Particular Conditions.** Still found on older loans and with some lenders.

The differences are not cosmetic. The Pink Book makes Contract Data Part A of the Particular Conditions and gives the Bank the right to inspect and audit the Contractor's accounts and records (Sub-Clause 1.15). It requires the Employer to evidence its financial arrangements before the Commencement Date (2.4) and to notify its claims within 28 days (2.5). It fixes profit at 5% unless stated otherwise, and it adds Contractor termination grounds such as suspension of the loan or credit (16.2). The 2017 edition restructures claims, notices and the Engineer's determination entirely. A system configured for the wrong edition will calculate the wrong deadlines with complete confidence.

PMWEB records the form of contract, edition and governing Particular Conditions as fields on the contract record. That classification decides which workflows, form templates and deadline rules apply, so a programme can run Pink Book and 2017 contracts side by side without one team applying the other's rules.



Infographic 1: From Particular Conditions to Platform: Five Steps to a Configured Contract

Contract Data as master data

Part A Contract Data is, in effect, a configuration file written in prose. It holds the values every other process depends on: the Commencement Date mechanism, Time for Completion of the Works and each Section, the Defects Notification Period, the amount and form of the Performance Security, the advance payment percentage and repayment terms, retention percentages and limits, the currencies and proportions of payment, delay damages and their cap, the percentage above which a Variation needs Employer approval, and the DAAB arrangements.

In PMWEB these values become structured fields on the commitment (contract) record and its related records, not text in an attachment:

PMWEB process	What it captures	Example on a Bank-financed contract
Commitment record (Main tab)	Form of contract, edition, financing source, Accepted Contract Amount, currencies	C2104 Ring Road North: Pink Book 2010, Bank B, 54.2
Schedules and milestones	Commencement Date, Time for Completion, Sections, Defects Notification Period	Deadlines for programme, completion and DNP calculated from one set of dates
Commitment cost structure	Advance payment, retention, delay damages, currencies of payment	Progress Invoices apply retention and advance recovery automatically
Bonds & Insurance details	Performance Security, ES Performance Security, advance payment guarantee, insurances	Values and expiry dates flagged before they lapse
Threshold fields read by workflow	Variation percentage requiring Employer approval; Bank prior-review limits	5% on the 2017 contracts and 10% on the Pink Book contracts route records automatically
Document Management	Signed Contract Agreement, Particular Conditions, Bank letters	The source document is one click from every field it populates

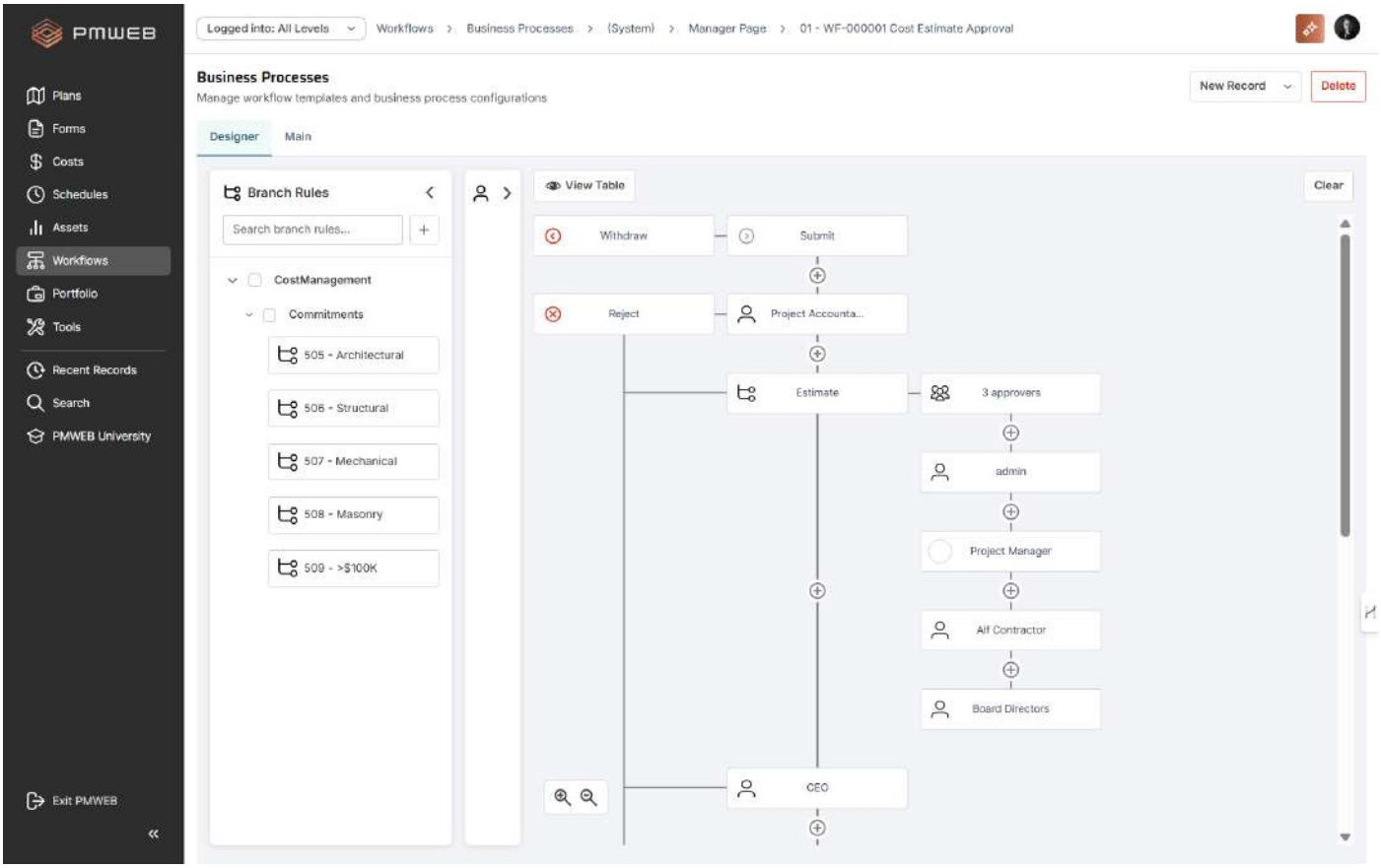
Once Contract Data is master data, nobody has to remember it. The system does.

Specific Provisions as rules and approval paths

Part B Specific Provisions, like the bank-driven amendments in the Pink Book, are less about values than about behaviour: who must approve what, within what time, with what evidence. These become rules in the PMWEB workflow engine.

The most important example is the Engineer's authority. Under the Pink Book, Sub-Clause 3.1 requires the Engineer to obtain the Employer's specific approval before certain actions. These include agreeing or determining time or cost for unforeseeable physical conditions, instructing a Variation that would increase the Accepted Contract Amount above the percentage in the Contract Data, and approving a Contractor's variation proposal. Under the 2017 edition, Sub-Clause 3.2 requires the Engineer to obtain the Employer's consent wherever the Particular Conditions say so. Either way, the contract itself imposes a Delegation of Authority (DoA).

In PMWEB that DoA is configured as approval levels with conditional routing. A Change Order below the threshold flows from the Engineer to issue. Above it, the workflow inserts the Employer's approval step automatically and, where the Bank's prior review applies, a Bank no-objection step as well. The step cannot be skipped, the approver and timestamp are recorded, and the Bank's response is attached to the record. When the Employer changes the Engineer's authority, which the Pink Book requires it to notify promptly to the Contractor, the DoA is updated once and applies to every new record.



The contract baseline register

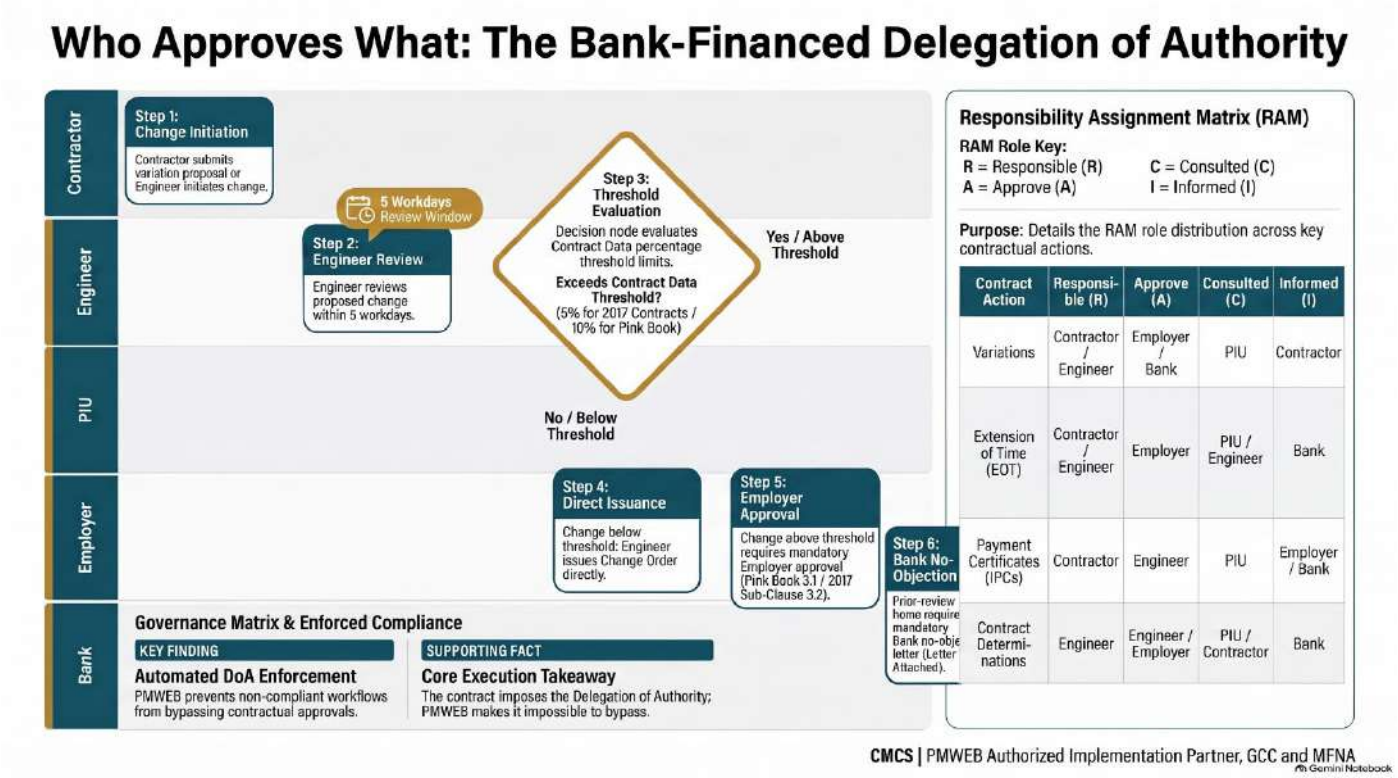
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Identify the governing form and edition for each contract	Contract register showing form, edition and Particular Conditions	Contract record classification fields; programme contract register report
Contract Data values (Part A) applied consistently	Periods, percentages and currencies traceable to the signed contract	Structured fields on the commitment; signed Contract Agreement in Document Management

Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Specific Provisions (Part B) and Pink Book amendments	Evidence that each amended procedure was followed	Workflows and adaptive forms configured per provision, with full audit trail
Engineer's authority limits (Pink Book 3.1; 2017 Sub-Clause 3.2)	Employer approval recorded before the Engineer acted	DoA levels and conditional routing; approval step with timestamp
Notification of changes to the Engineer's authority	Dated notice to the Contractor	Correspondence record with transmittal and delivery date
Bank prior review or no-objection where required	No-objection obtained before the decision took effect	Mandatory no-objection workflow step with the Bank's letter attached
Employer's financial arrangements (Pink Book 2.4; 2017 Sub-Clause 2.4)	Evidence provided to the Contractor	Adaptive form with linked financing evidence and dated transmittal
Securities and insurances maintained	Valid instruments throughout the contract	Bonds & Insurance details with expiry alerts

Responsibilities, calendars and languages

Three further configuration decisions determine whether the system works for the people who must use it.

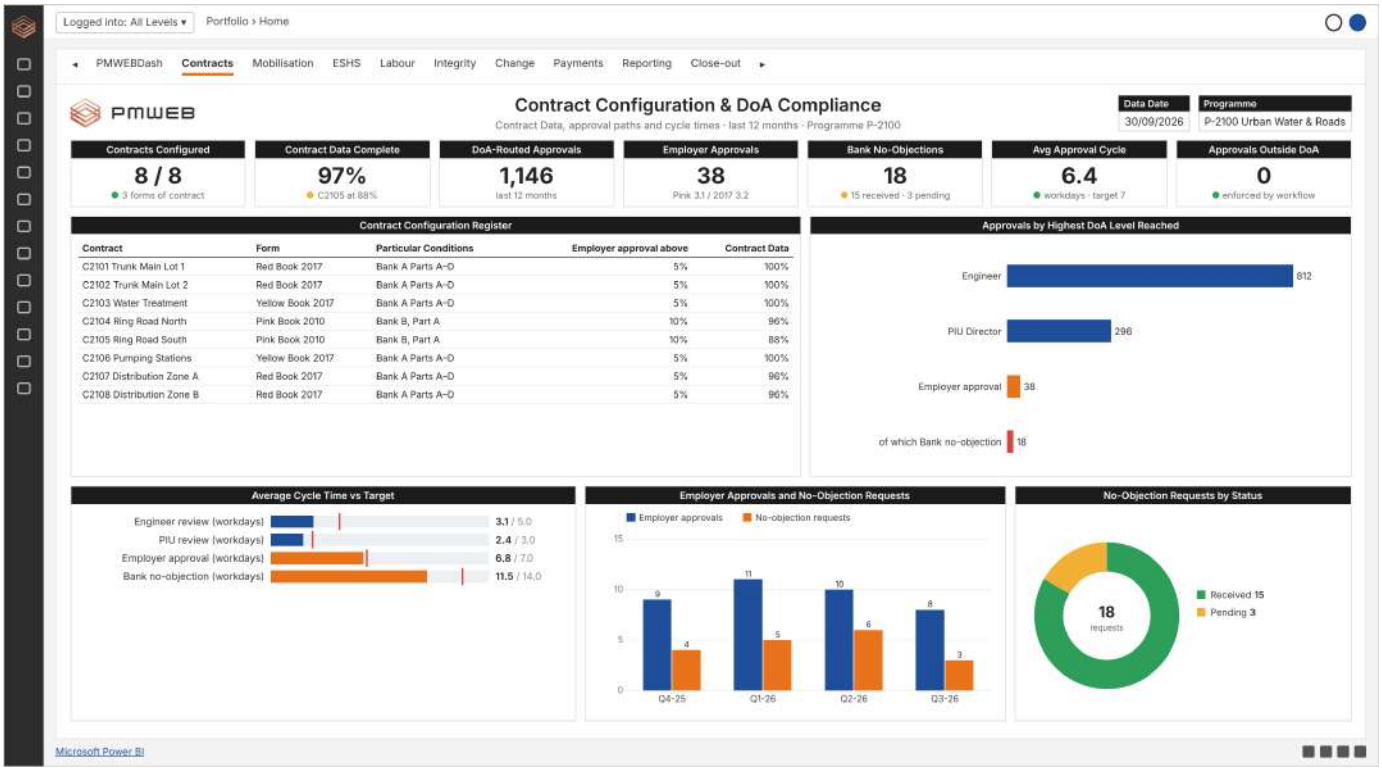
- **A Responsibility Assignment Matrix (RAM).** In our book Digitalization of Construction Contract Administration Under FIDIC Contracts, each contract administration function is assigned through a RAM: who prepares, who reviews, who approves and who is informed. On a Bank-financed project, the matrix must also show the Employer's approval steps and the Bank's role. In PMWEB the RAM becomes the role structure behind every workflow, so a new PIU member inherits the correct responsibilities on day one.
- **Workdays for tasks, calendar days for the contract.** FIDIC periods run in calendar days unless the Particular Conditions say otherwise, and PMWEB calculates contractual deadlines on that basis. Internal workflow tasks, such as the PIU engineer's review, the legal check and the director's approval, are better managed in workdays, respecting the working week and public holidays. Separating the two allocates internal review time realistically while protecting the contractual date.
- **Bilingual outputs.** Many borrower countries administer contracts in a national language while the Bank works in English. PMWEB output forms can be designed in both languages from the same record, an approach we describe in the book as Arabizing the contract administration functions. The letter to the Contractor, the report to the ministry and the submission to the Bank all come from one source rather than three translations.



Infographic 2: Who Approves What: The Bank-Financed Delegation of Authority

The Contract Configuration & DoA Compliance dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions. It shows whether each contract is configured correctly and whether the DoA the contracts impose is being respected.



Contract Configuration & DoA Compliance in PMWEB: Programme P-2100, Urban Water & Roads (sample data)

- **Three forms, one programme, eight configured contracts.** Six contracts run on the 2017 Red and Yellow Books with Bank A's Particular Conditions Parts A to D; two run on the Pink Book 2010 with Bank B's

Contract Data. Each applies its own Employer approval threshold: 5% on the 2017 contracts and 10% on the Pink Book contracts.

- **Contract Data is 97% complete, and the gap is visible.** C2105 Ring Road South is at 88%, so two of its deadline rules still rely on manual checks. The dashboard names the gap before an auditor does.
- **1,146 approvals in twelve months, none outside the DoA.** 812 closed at Engineer level and 296 at PIU Director level. 38 reached Employer approval under Pink Book 3.1 or 2017 Sub-Clause 3.2, and 18 of those also needed the Bank's no-objection.
- **The DoA works without slowing the project.** The average approval cycle is 6.4 workdays against a target of 7. Engineer reviews take 3.1 workdays (target 5) and PIU reviews 2.4 (target 3).
- **The Bank's no-objection is the longest step.** It averages 11.5 workdays against a 14-day target. Three of the 18 requests made in the last four quarters are still pending, so the PIU plans the Bank's turnaround into every Variation timetable.
- **Employer approvals are steady quarter by quarter.** Between 8 and 11 a quarter, with no-objection requests peaking at 6 in Q2-26. That is the pattern of a programme whose change is controlled, not absorbed.

PMWEB 2026 AI on contract configuration

AI Assistant mode	Example request from the PIU
Find	"Find all change orders on C2104 that needed Employer approval under Sub-Clause 3.1 this year"
Open	"Open the Contract Data fields for C2105 Ring Road South that are still incomplete"
Create	"Create a notification of change to the Engineer's authority for C2101"
Help	"How do I set a conditional workflow step that routes to Bank no-objection above 5%?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so contract configuration data is visible only to the roles permitted to see it.

What the PIU must put in place

- **A form-in-force register.** Edition, Particular Conditions and financing source recorded on every contract before the first notice.
- **Contract Data as structured fields.** Dates, money, securities and thresholds entered once, checked against the signed contract, and never retyped.
- **The imposed DoA, configured.** Engineer limits, Employer approvals and Bank no-objection steps as conditional workflow routing.
- **A RAM behind every workflow.** Preparer, reviewer, approver and informed parties defined for each function, including the Bank.
- **Two calendars.** Calendar days for contractual periods and workdays for internal review tasks.
- **Bilingual output templates.** One record producing correspondence in the national language and English.
- **One configuration for the whole loan.** Built at programme level and applied to every contract, then reused on the next loan.

Key takeaway

Configuration is where compliance on a Bank-financed contract is won or lost. When Contract Data becomes master data and the Specific Provisions become approval paths, PMWEB applies the contract the same way on every record, and the Bank sees the same discipline on every package of the loan.

Over to you: *on your Bank-financed contracts, how long does it take a new PIU engineer to learn what the Particular Conditions changed, and where do they find out?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see a Bank-financed contract configured in PMWEB, with Contract Data, DoA routing and no-objection steps, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

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CMCS FZCO (Collaboration, Management and Control Solutions) is the PMWEB Authorized Implementation Partner for the GCC and MENA region, awarded PMWEB Global Partner of the Year 2025. With a track record of 170+ PMIS implementations and more than 40 years of PMIS experience in MENA, CMCS markets, implements and supports PMWEB for project owners, government entities, programme management consultants and contractors from its offices in Dubai, Abu Dhabi and Riyadh. Contact: info@CMCS-MENA.com

Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

The First 90 Days: Mobilisation Compliance on a Bank-Funded FIDIC Contract

Securities, advance payment, commencement conditions, the Programme, ES plans and the DAAB, run as one controlled process in PMWEB

On a development-bank-funded contract, the most expensive compliance failures are rarely made in year three. They are seeded in the ninety days after the Letter of Acceptance, when securities, guarantees, insurances, ES plans and approvals move between four parties, each with its own deadline. The Bank will later ask whether every precondition was actually in place on the Commencement Date, and who verified it. A PIU that runs mobilisation as a PMWEB process answers with one record per contract, not a reconstruction from email.

This article follows a Bank-financed works contract from the Letter of Acceptance to the Commencement Date and the first weeks on site. It uses the sample programme P-2100, Urban Water & Roads, with eight works contracts worth USD 412.6 million.

Mobilisation is a dependency network, not a to-do list

The obligations of the first ninety days are interlocked. A delay in one blocks the next:

- **Performance Security.** The Contractor delivers it under Sub-Clause 4.2, in the form and amount stated in the Contract Data.
- **Advance payment.** Under Sub-Clause 14.2 the advance is paid only after the Advance Payment Guarantee and the Performance Security are in place.
- **Employer's financial arrangements.** Under Sub-Clause 2.4 the Employer must provide reasonable evidence that it can pay the Contract Price.
- **Commencement.** The Engineer gives notice of the Commencement Date under Sub-Clause 8.1, which starts the Time for Completion and the 28-day period for the initial Programme under Sub-Clause 8.3.

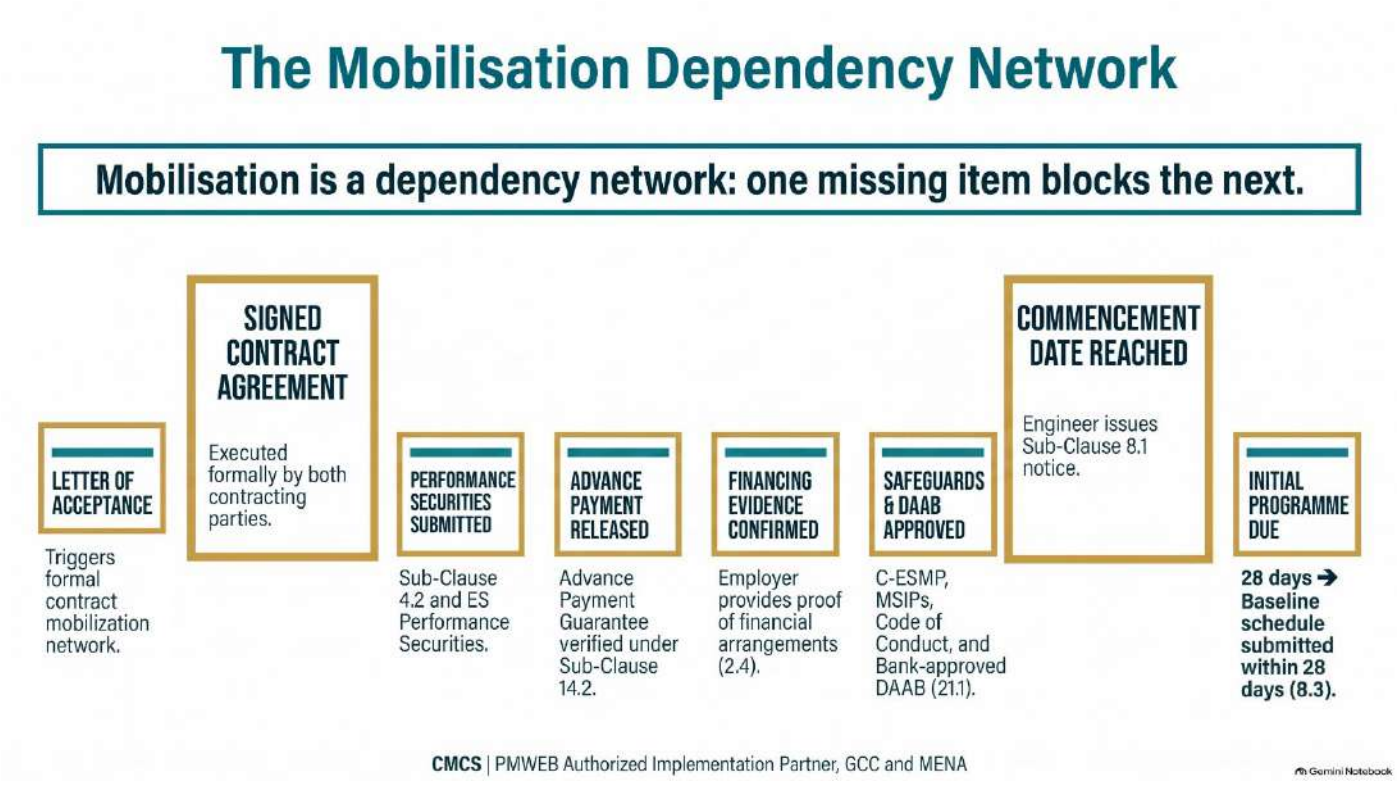
The MDB Harmonised Edition (the Pink Book), still used on many Bank-financed contracts, makes the dependency explicit. Its Sub-Clause 8.1 ties commencement to three preconditions: the Contract Agreement signed by both Parties, reasonable proof of the Employer's financing, and receipt of the advance payment by the Contractor. Its Sub-Clause 2.4 requires the Employer to evidence its financial arrangements before the Commencement Date.

On top of either form, the World Bank's Standard Procurement Document for Works adds a mobilisation layer of its own:

- **An Environmental and Social (ES) Performance Security**, normally required where ES risks are high.
- **A Code of Conduct for Contractor's Personnel** covering Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), submitted at bid stage and binding from day one.
- **Management Strategies and Implementation Plans (MSIPs)** for the project's ES risks, which become the Contractor's ES Management Plan (C-ESMP) on site.
- **DAAB nominees** that are subject to the Bank's no-objection.

The Government of Sri Lanka's Guide to Project Management & Contract Management (GPMCM), developed in 2017 under ADB Technical Assistance for Pink Book contracts, gives thirty-seven of its sixty-nine procedures, CA01 to CA37, to the mobilisation stage alone. That proportion is the lesson. Mobilisation is where the contract's compliance record is built.

A spreadsheet can list these items. It cannot enforce the order in which they must be satisfied, warn that one is blocking another, or prove who approved what and when. That is the job of a process engine.



Infographic 1: The Mobilisation Dependency Network: From Letter of Acceptance to Commencement

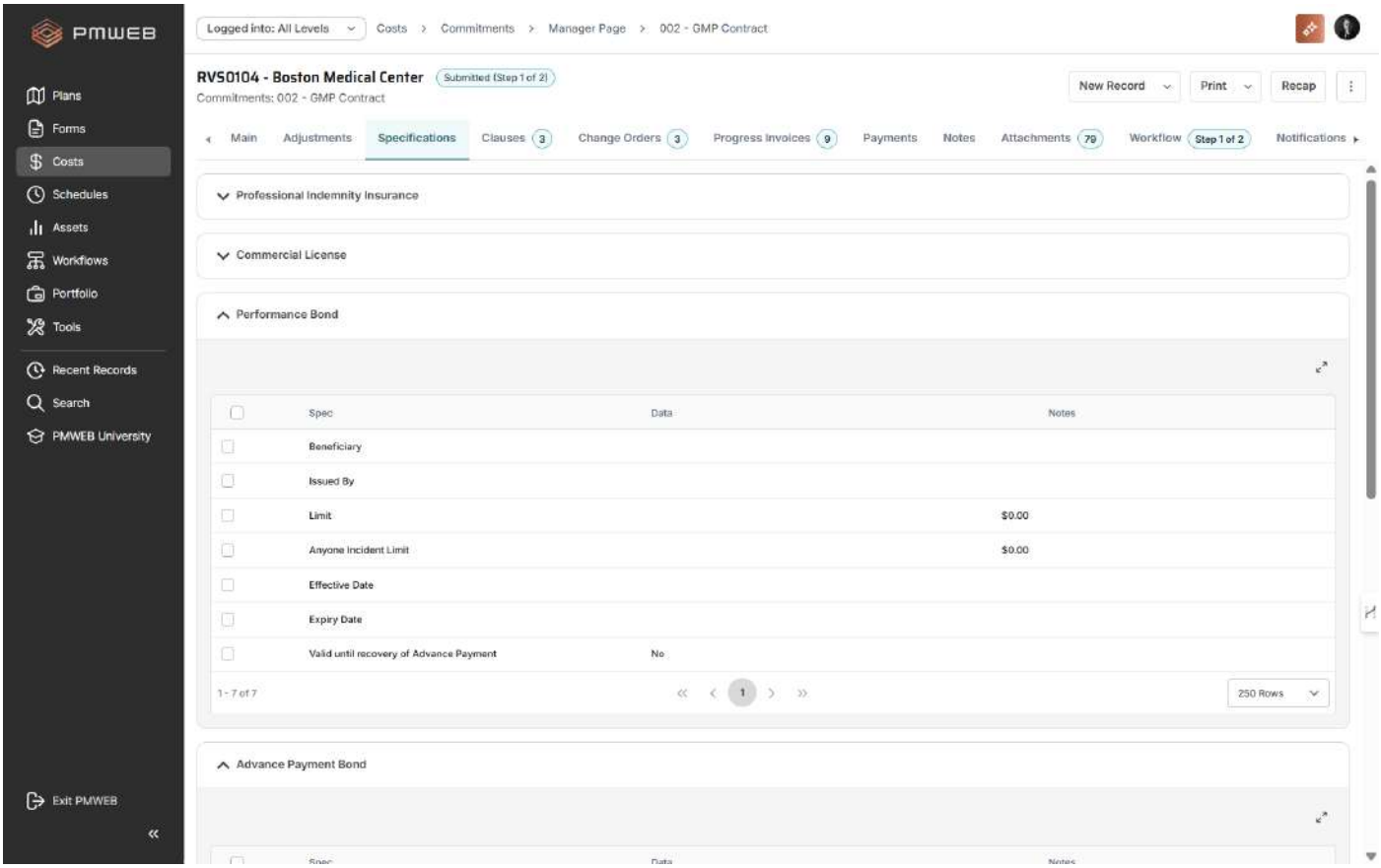
Securities, guarantees and insurances as live records

In PMWEB the awarded contract is created as a Commitment, and its Bonds and Insurance details become structured records rather than scanned PDFs in a folder. Each instrument is recorded with its issuer, amount, currency, form, effective date and expiry date, and the original is attached:

- **Performance Security** (Sub-Clause 4.2) and, where required, the **ES Performance Security**.
- **Advance Payment Guarantee**, reconciled against the advance recovered through Progress Invoices.
- **Insurances** under Clause 19: Contractor's All Risks, third-party liability and the other policies in the Contract Data.

That structure changes what the PIU can see. Expiry is a field the system watches, not a date the contract administrator remembers. A scheduled register, emailed weekly to the Employer's finance team, lists every instrument expiring within sixty or ninety days, so renewal is requested before the Employer's protection lapses. The Advance Payment Guarantee is compared with the unrecovered advance, so the PIU knows at any point whether the guarantee still covers the balance.

Acceptance becomes a workflow. GPMCM provides acceptance checklists for the Performance Security (CA20), insurance (CA21) and the Advance Payment Guarantee (CA23). In PMWEB each checklist is built once with the Custom Form Builder and routed under the Delegation of Authority (DoA): the contracts engineer checks the form and wording against the bidding documents, finance confirms the issuing bank, and the authorised signatory accepts. The Workflow tab records every step, so the evidence that the security was checked, and not merely received, exists from day one.



The PMWEB processes behind mobilisation

Every precondition has a natural home in PMWEB. Most use out-of-the-box processes; the rest are adaptive forms built once at programme level.

PMWEB process	What it captures	Example on a Bank-financed contract
Commitments (Bonds & Insurance)	Securities and insurances with values, validity and expiry	Performance Security, ES Performance Security, APG and Clause 19 policies for C2101
Adaptive forms with workflow	Acceptance checklists and approvals under the DoA	Performance Security acceptance (GPMCM CA20), APG acceptance (CA23), Key Personnel approval
Correspondence and Transmittals	Formal notices with proof of service	Employer's evidence of financial arrangements (2.4); Engineer's notice of the Commencement Date (8.1)
Submittals	Review cycles with status codes and resubmissions	Initial Programme (8.3), C-ESMP, MSIPs, health and safety manual
Schedules	Commencement milestone and accepted baseline	P6 or MS Project import, baseline snapshot kept for later delay analysis
Progress Invoices	Advance paid and recovered each month	Advance recovery lines reconciled against the APG value
Document Management	Controlled, versioned contract documents	Signed Contract Agreement, DAAB Agreement, approved plans

Plans, people, the Programme and the DAAB

ES plans. For the Bank, the ES documents submitted at mobilisation are the operational form of the project's environmental and social commitments. The C-ESMP, the MSIPs and the health and safety manual run through PMWEB Submittals: submission, review, comments, resubmission and approval with a status code. The Engineer's ES specialist reviews within the agreed period, the workflow escalates if the review stalls, and the approved version sits in Document Management, so the site team always works to the current plan.

The Code of Conduct. The Contractor's signature is not enough. The Bank expects every worker, including subcontractors' workers, to have been informed and to have acknowledged it. An acknowledgement form linked to each subcontractor's Commitment turns a commitment on paper into a record that can be counted.

Commencement and the Programme. Once the preconditions are met, the Engineer issues the notice of the Commencement Date through PMWEB Correspondence, and the Transmittal fixes the service date, as covered in our earlier Digital FIDIC Project series. The date becomes a milestone in Schedules, and the 28-day deadline for the initial Programme under Sub-Clause 8.3 is calculated from it. The Programme is imported from Primavera P6 or MS Project, reviewed through a Submittal workflow, and the accepted baseline is preserved.

Key Personnel. Under Sub-Clause 6.12, Key Personnel are recorded against the contract with their positions, CVs and approval status. Any replacement follows the same consent route, so the PIU can prove that the people offered at bid stage are the people on site, a frequent question in Bank supervision missions.

The DAAB. The board is constituted under Sub-Clause 21.1. On World Bank-financed contracts the nominees are subject to the Bank's no-objection, so the appointment has an external approval step that must be planned. PMWEB models it as a workflow with a "Bank no-objection" stage, the no-objection letter attached and the DAAB Agreement linked to the contract.

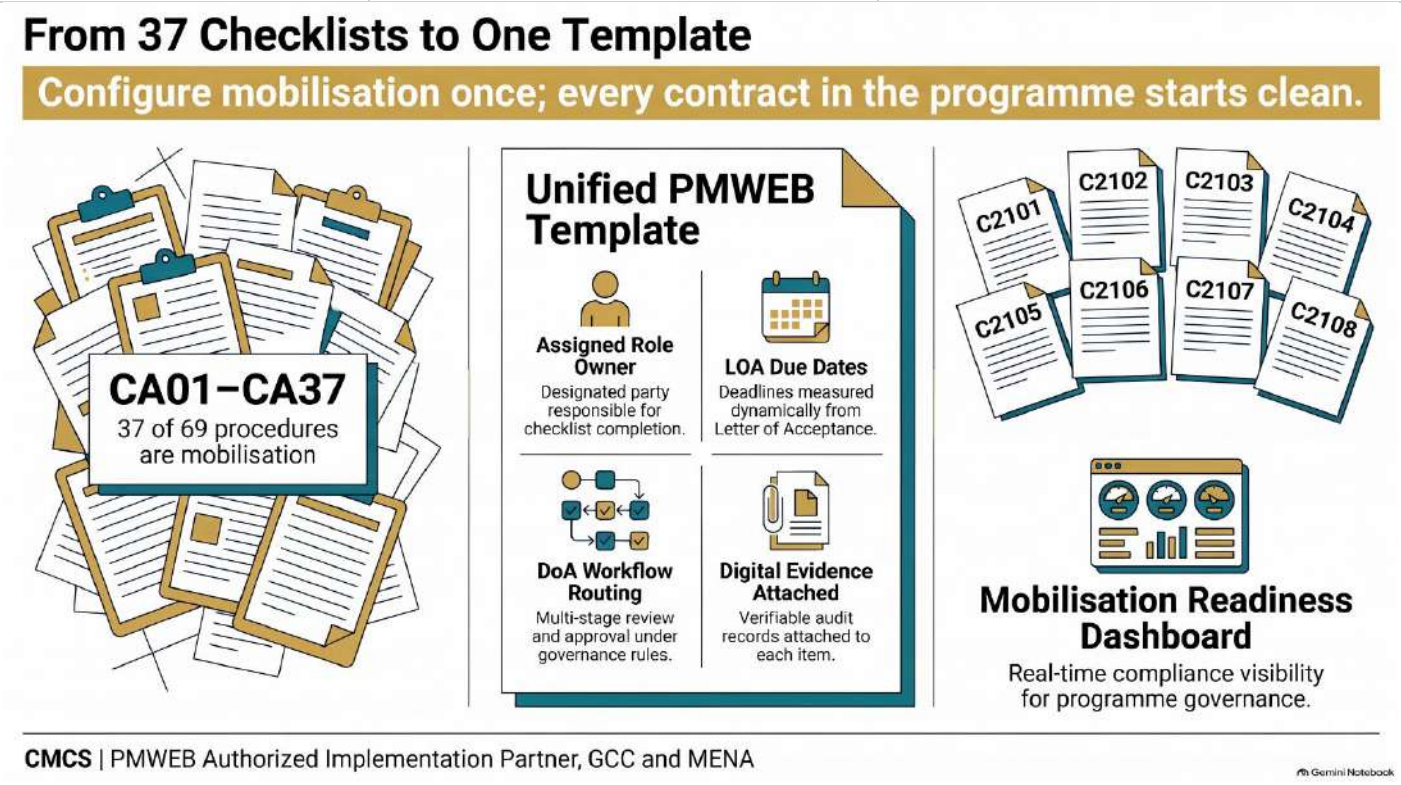
Subcontractors. Approval under Sub-Clause 5.1 closes the loop. Each proposed subcontractor is submitted with its scope and value, checked for eligibility and approved under the DoA. Its own Commitment is then created, so its workforce, ES obligations and Code of Conduct acknowledgements are tracked like the main Contractor's.

From GPMCM checklists to a mobilisation template

The practical step is to turn the mobilisation procedures into a configured PMWEB template. GPMCM's CA01 to CA37 run from the pre-award checklist through site possession, survey control points and the kick-off meeting, to the formats for daily reports, monthly statements and labour returns and the quality plan review. Each maps to a PMWEB checklist form with an owner, a due date measured from the Letter of Acceptance or the Commencement Date, and a workflow. The same sequence underpins Chapter 3 of our book, Digitalization of Construction Contract Administration Under FIDIC Contracts. Configured once at programme level, the template is copied to every new contract the PIU awards.

Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Performance Security (4.2) and ES Performance Security	Instrument in the required form, verified, accepted and valid until the required date	Commitment › Bonds & Insurance; acceptance checklist with DoA workflow; expiry register
Insurances (Clause 19)	Policies verified against the Contract Data; renewals tracked	Bonds & Insurance details; insurance acceptance checklist; renewal alerts
Advance Payment Guarantee and advance (14.2)	Guarantee received before payment; guarantee covers the unrecovered advance	APG acceptance checklist; advance and recovery lines in Progress Invoices
Employer's financial arrangements (2.4; Pink Book 8.1)	Evidence given to the Contractor before commencement	Correspondence record with the financing evidence attached
Notice of the Commencement Date (8.1)	Dated notice, proof of delivery, preconditions satisfied	Correspondence and Transmittal; Commencement milestone in Schedules
Initial Programme (8.3)	Submitted within 28 days, reviewed, accepted baseline preserved	Submittal workflow; P6 / MS Project import; baseline snapshot
Key Personnel (6.12)	Approved personnel match the bid; replacements consented	Key Personnel adaptive form linked to the Commitment
C-ESMP, MSIPs and Code of Conduct	Approved before the relevant works; workers' acknowledgements on file	Submittals with review cycles; acknowledgement form by subcontractor
DAAB constitution (21.1) with Bank no-objection	Nominees, no-objection letter, signed DAAB Agreement	DAAB appointment workflow with a Bank no-objection stage
Subcontractor approval (5.1)	Request, eligibility check, approval and	Subcontractor approval form; DoA

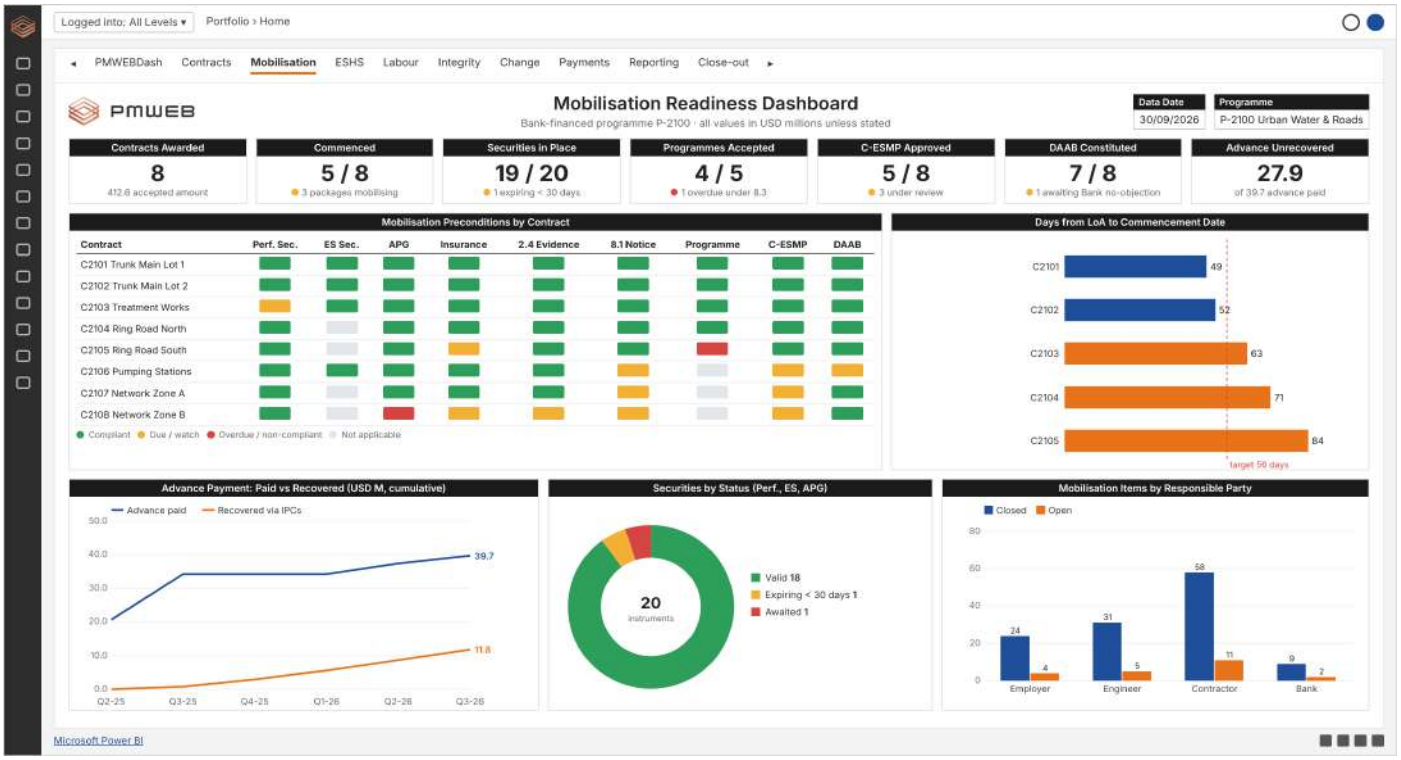
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
	subcontract	workflow; subcontractor Commitment



Infographic 2: From 37 Paper Checklists to One Mobilisation Template in PMWEB

The Mobilisation Readiness dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



Mobilisation Readiness dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **Five contracts have commenced; three are still mobilising.** C2106, C2107 and C2108 are waiting on their Commencement Date notices under Sub-Clause 8.1, and none of them yet has an approved C-ESMP.
- **One missing guarantee is blocking commencement.** C2108's Advance Payment Guarantee has not been received. Until it is, the advance cannot be paid under Sub-Clause 14.2, and the PIU is holding the Commencement Date notice while the counterpart-funding evidence under Sub-Clause 2.4 is also still pending. The dashboard shows it red before anyone asks.
- **Nineteen of twenty securities are in place, but one is about to lapse.** C2103's Performance Security expires within thirty days. Renewal has to be requested now, while the Employer still holds a valid instrument.
- **A Programme is overdue.** C2105 has not submitted an acceptable initial Programme within the 28 days required by Sub-Clause 8.3. Four of the five commenced contracts have an accepted baseline.
- **The DAAB is nearly complete.** Seven of eight boards are constituted; C2106's nominees are awaiting the Bank's no-objection.
- **Late commencement is concentrated on the Pink Book roads.** C2104 and C2105 took 71 and 84 days from the Letter of Acceptance to commencement against a 56-day target, and C2103 took 63. The advance paid so far is 39.7, of which 11.8 has been recovered, so 27.9 remains covered by Advance Payment Guarantees.

The same view tells the ministry of finance who owes what. Of 22 open mobilisation items, 11 sit with the Contractors, 5 with the Engineer, 4 with the Employer and 2 with the Bank. Not every delay is the Contractor's.

PMWEB 2026 AI on mobilisation data

AI Assistant mode	Example request from the PIU
Find	"Find all securities on programme P-2100 that expire in the next 60 days"
Open	"Open the Advance Payment Guarantee acceptance checklist for C2108"
Create	"Create a notice to the Contractor on C2105 that the initial Programme under Sub-Clause 8.3 is overdue"
Help	"How do I record an ES Performance Security on a Commitment?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so mobilisation data is visible only to the roles permitted to see it.

What the PIU must put in place

- **One mobilisation template for the programme.** GPMCM-style checklists CA01 to CA37 configured once, with owners and due dates measured from the Letter of Acceptance, and copied to every new contract.
- **Securities as records, not files.** Every Performance Security, ES Performance Security, APG and insurance captured with its value and expiry, and a weekly expiry register sent to finance.
- **Acceptance under the DoA.** Each instrument checked, verified and accepted through a workflow, so receipt and acceptance are never confused.
- **Preconditions before the notice.** The Commencement Date notice under Sub-Clause 8.1 issued only when the dashboard shows the preconditions are met.
- **ES plans approved before the works they govern.** C-ESMP, MSIPs and Code of Conduct acknowledgements tracked by contract and by subcontractor.
- **External approvals planned.** Bank no-objection steps, for the DAAB and anything else the financing agreement requires, built into the workflow with their own due dates.

> **Key takeaway**
>
> Mobilisation is where the contract's compliance record is either built or lost. When every security, notice, plan and approval of the first ninety days is a PMWEB record with an owner and a date, the PIU can show the Bank exactly what was in place on the Commencement Date. It also creates the master data that payment, change, ESHS reporting and close-out will depend on for the rest of the contract.

Over to you: *on the Bank-funded contracts you have worked on, which mobilisation item most often turned out to be missing or expired when someone finally checked it?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

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ESHS as Evidence: Environmental, Social, Health and Safety Compliance under the Bank's Conditions

Turning site observations, inspections, incidents and SEA/SH safeguards into the records a Bank supervision mission will test

On a development-bank-funded contract, environmental and social performance is three things at once: a contractual obligation, a reporting obligation and a condition of the financing. All three are judged on evidence. When ESHS lives in notebooks, phone photos and monthly spreadsheets, the evidence is reconstructed after the fact and rarely reconciles. PMWEB captures it where the work happens, so every figure in the monthly ES report drills down to a dated, assigned and closed record.

Ask a contractor what makes a World Bank-financed contract different from a commercially financed one, and the answer comes quickly: the environmental and social requirements. They are more detailed, reported more often, supervised more closely and increasingly backed by financial consequences. This article shows how a PIU manages them as structured evidence, using the sample programme P-2100.

Where ESHS lives in the contract

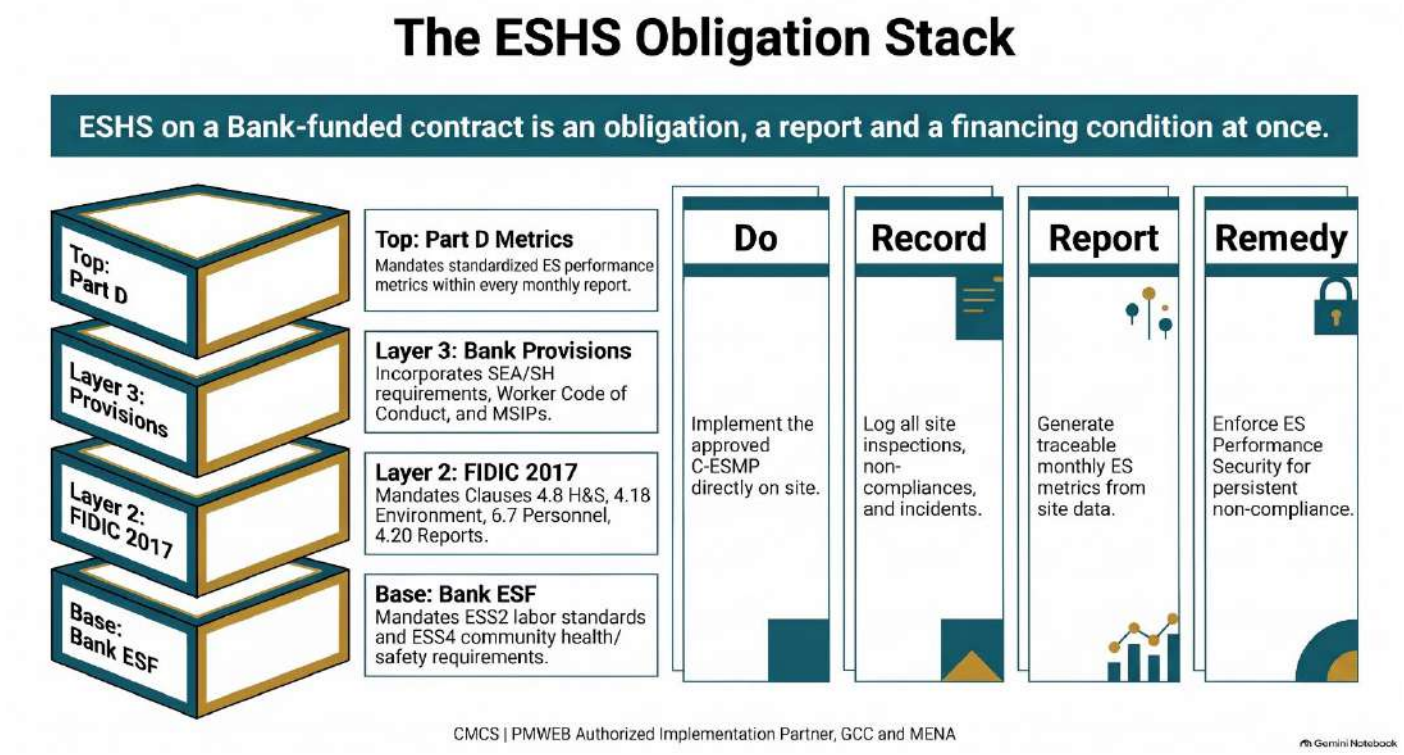
The Bank's Environmental and Social Framework (ESF) has been in effect since 1 October 2018. The commitments a borrower makes to the Bank under it must flow down into the works contracts that deliver the project. Environmental and Social Standard 2 (ESS2) covers labour and working conditions; ESS4 covers community health and safety.

The FIDIC 2017 Red Book provides the backbone:

- **Sub-Clause 4.8, Health and Safety Obligations.** The Contractor's safety obligations, including a health and safety manual and site safety arrangements.
- **Sub-Clause 4.18, Protection of the Environment.** Protecting the environment and limiting damage and nuisance from pollution, noise and other results of the Contractor's operations.
- **Sub-Clause 6.7, Health and Safety of Personnel.** The health and safety of the Contractor's Personnel on and around the Site.
- **Sub-Clause 4.20, Progress Reports.** Monthly reports that include safety statistics and environmental and public-relations matters.

The Bank's Specific Provisions (Particular Conditions Part B) build on that backbone. They strengthen the ESHS obligations, add SEA/SH requirements and tie them to the Code of Conduct for Contractor's Personnel and the MSIPs submitted at bid stage. The January 2020 update of the Bank's Standard Procurement Document for Works added the SEA/SH provisions. Part D of the Particular Conditions defines the environmental and social metrics the Contractor must include in its progress reports. Where ES risks are high, an ES Performance Security gives the Employer a financial remedy if the Contractor fails to meet its ES obligations.

For a PIU, ESHS compliance therefore has four dimensions at once: what the Contractor must do on site, what it must record, what it must report, and what the Employer can do if it does not.



Infographic 1: The ESHS Obligation Stack on a Bank-Funded FIDIC Contract

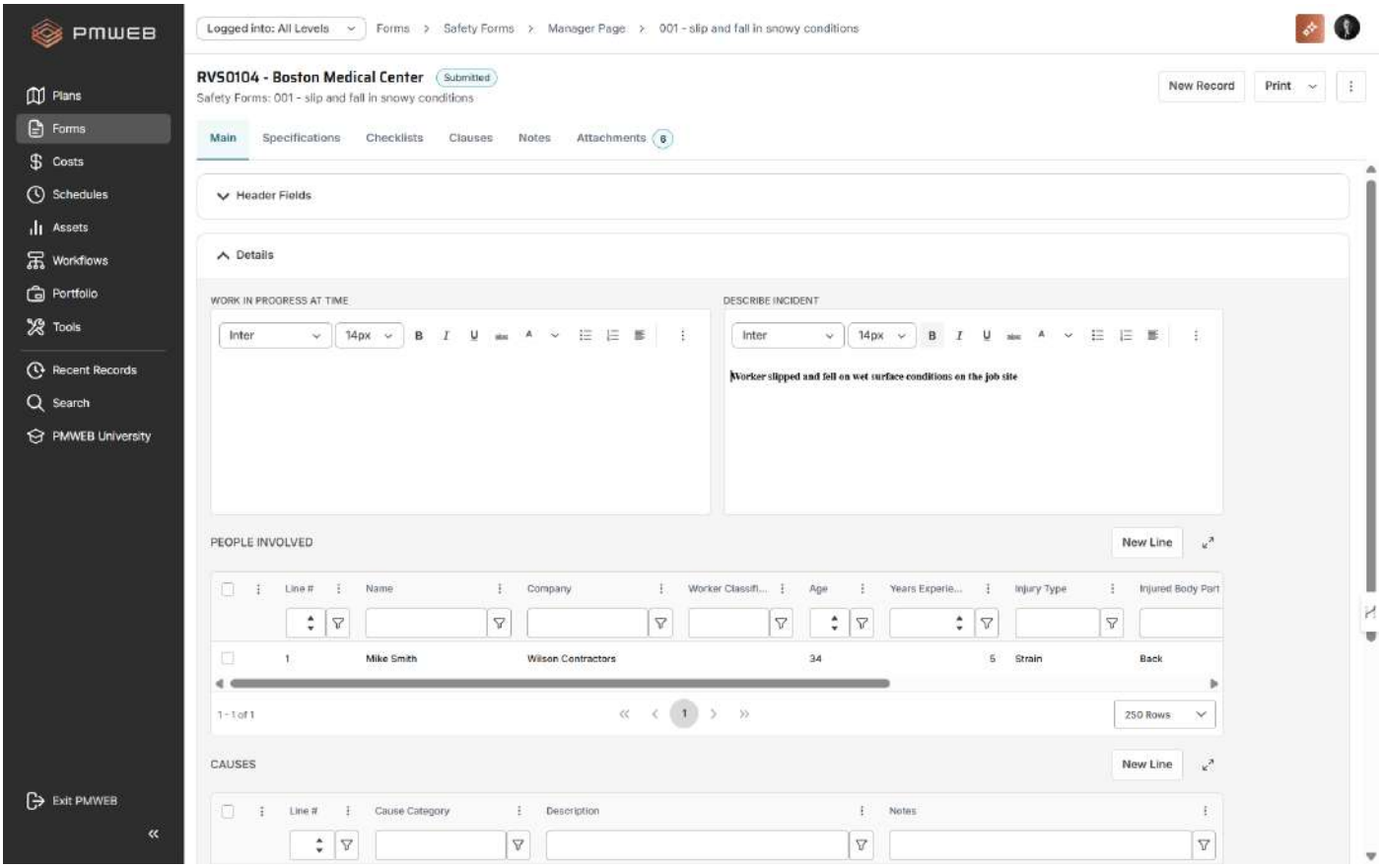
From site observation to structured record

Most ESHS non-compliance is visible long before it becomes serious. A missing silt fence. A fuel store without bunding. Work at height without edge protection. A blocked community access route. A workers' camp without adequate water. Site engineers, ES officers and supervision staff see these things every day. The problem is that the observation goes into a notebook, a messaging-app photo or a weekly email, and never becomes an item that someone owns and closes.

PMWEB closes the gap with processes the site team already uses:

- **Daily Reports.** Manpower, equipment, weather and narrative, with geotagged photographs attached at the moment of observation.
- **Inspections.** Scheduled and ad-hoc ESHS inspections against checklists derived from the approved C-ESMP and MSIPs. Each failed item generates a corrective action.
- **Issues.** Non-compliances tracked to closure with an owner, a due date and a verification step by the Engineer.
- **Risk Register.** The ES risks identified in the ESMP, linked to the mitigation measures and inspections that control them.
- **Document Management.** Environmental permits, quarry and borrow-pit licences, traffic management plans and workers' accommodation approvals, each with an expiry date and version control.

The point is not more paperwork. The record becomes a by-product of the inspection itself. When the Bank's mission asks how many non-compliances were raised last quarter and how quickly they were closed, the answer is a report, not a research exercise.



Incidents: notification, investigation and learning

Serious incidents are where ESHS compliance is tested hardest. On Bank-financed projects, significant incidents must be notified promptly through the Employer to the Bank, then investigated, with root causes and corrective actions documented. These include fatalities, serious injuries, major environmental releases, harm to the community and SEA/SH allegations.

A custom Incident form built with the PMWEB Custom Form Builder gives every incident the same structure:

- **Classification.** Incident type and severity, date, time and location, persons and assets affected.
- **Immediate actions** taken on site.
- **Notification timestamps** to the Engineer, the Employer and the Bank, driven by the Workflow tab and escalated if a step is overdue.
- **Investigation.** Findings, root cause, and corrective and preventive actions, each assigned and tracked.
- **Evidence.** Photographs, witness statements and the investigation report on the Attachments tab; the running record on the Notes tab.

Because each incident is a record rather than a letter, the PIU can trend incidents by type, contractor, subcontractor and location, measure the time to notification against the required window, and verify that every corrective action was closed. That is the difference between reporting incidents and learning from them.

SEA/SH: compliance that must protect people

SEA/SH needs a different approach from every other ESHS topic, and any system that handles it must be configured with that in mind. The principle is survivor-centred: confidentiality, safety and consent come before process efficiency.

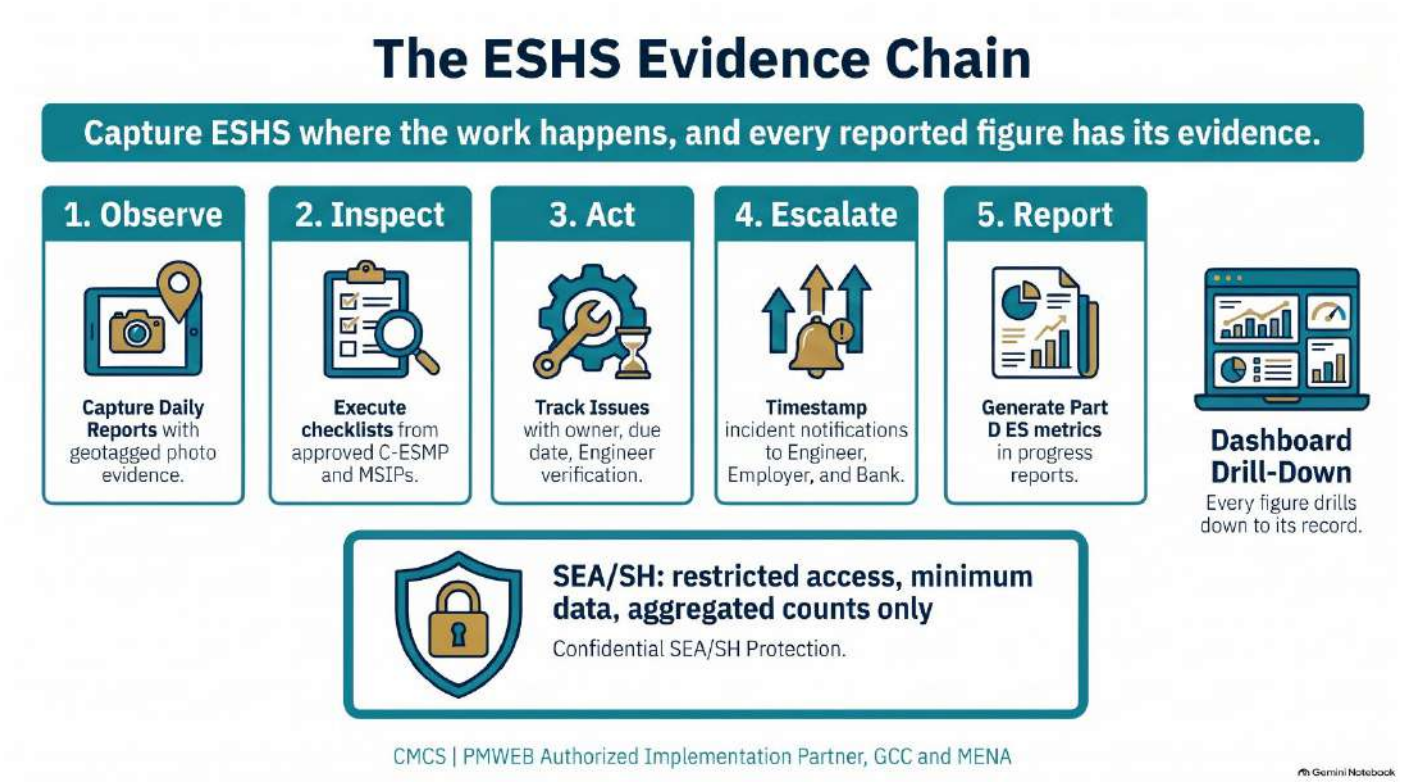
- **Never in general registers.** SEA/SH allegations are never recorded in Correspondence, Daily Reports or shared logs.

- **A restricted form.** A dedicated adaptive form, with access limited by role to the small group designated under the project's SEA/SH response arrangements.
- **Minimum data.** Identifying details stay with the designated service provider. The project record holds what the contract and the Bank need: that an allegation was received, referred and handled within the agreed protocol, and any contractual action taken.
- **Aggregated reporting only.** Dashboards show counts and timeliness indicators, never names, identifying locations or case narratives.

Training records for the Code of Conduct sit alongside, so the PIU can show that every worker received SEA/SH awareness training and acknowledged the Code. That is the preventive side of the obligation, and the Bank will review it too.

The ESHS compliance map

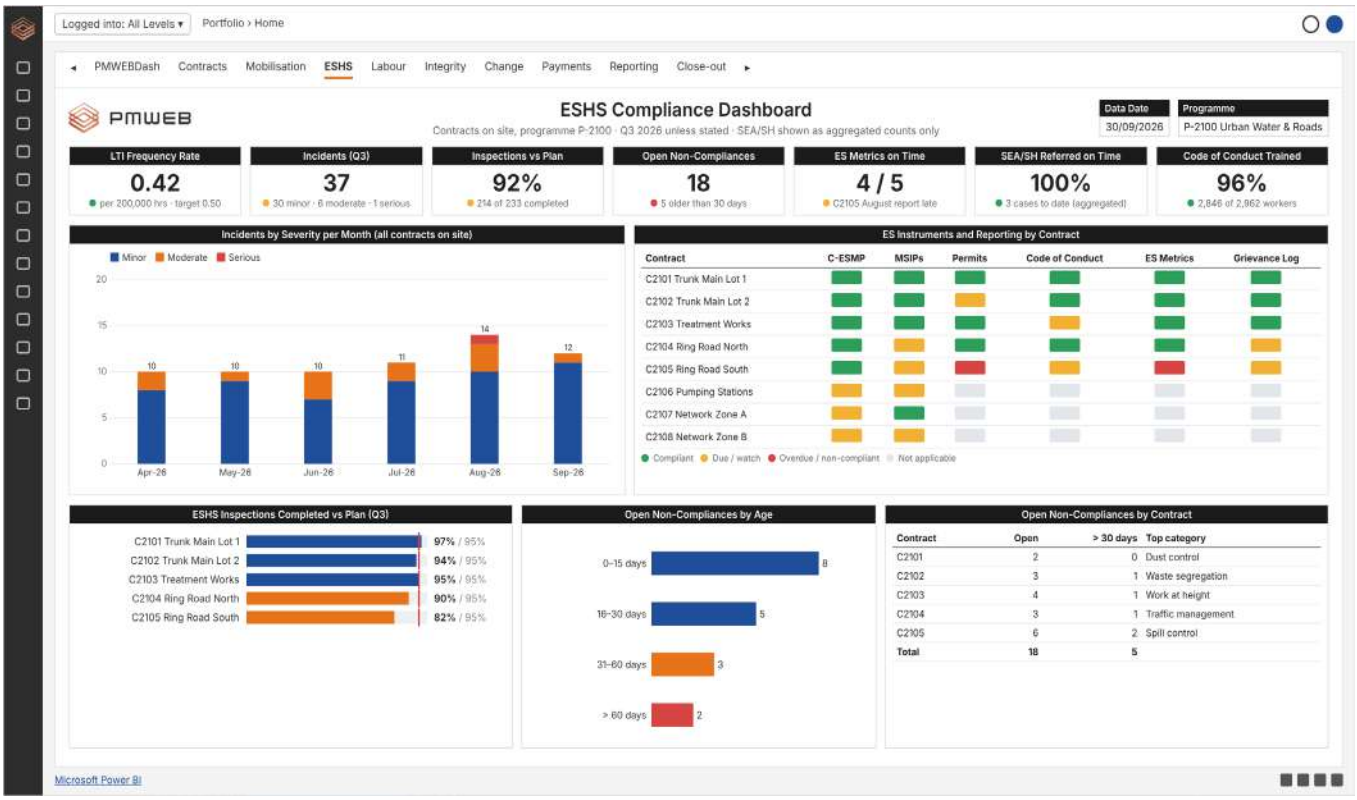
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Health and safety obligations (4.8) and personnel H&S (6.7)	H&S manual approved; inspections performed; hazards closed; training delivered	Submittals for the H&S manual; Inspections; Issues for corrective actions; training records
Protection of the environment (4.18)	Mitigation measures implemented and verified against the C-ESMP	Inspections linked to C-ESMP measures; Daily Reports with photos; Risk Register
ES permits and consents	Valid permits in place before and during the relevant works	Document Management with expiry dates; permit register; expiry alerts
Incident notification and investigation	Timely notification to the Employer and the Bank; root cause; actions closed	Incident adaptive form with notification workflow, timestamps and actions
SEA/SH provisions and Code of Conduct	Allegations handled confidentially per protocol; workers trained	Restricted SEA/SH form with role-based access; aggregated indicators; training records
ES metrics in progress reports (4.20; Part D)	Monthly metrics complete, consistent and traceable to source records	Progress report form pulling counts from Inspections, Incidents, Issues and Daily Reports
Community health and safety (ESS4) and grievances	Complaints logged, answered and closed	Grievance adaptive form with response workflow and closure verification
ES Performance Security	Evidence of non-compliance and notice before any call	Bonds & Insurance details; Issues and Correspondence trail linked to the security



Infographic 2: From Site Observation to Monthly ES Metric: The PMWEB Evidence Chain

The ESHS Compliance dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



ESHS Compliance dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, Q3 2026)

- **Safety performance is within target, but not everywhere.** The lost-time injury frequency rate is 0.42 per 200,000 hours against a target of 0.50. Q3 recorded 37 incidents: 30 minor, 6 moderate and 1 serious, in August.

- **One contract accounts for a third of the open non-compliances.** C2105 Ring Road South has 6 of the 18 open items, 2 of them older than 30 days, led by spill control. It is also the contract with a lapsed permit and a late August ES report.
- **Inspections are slipping where they matter most.** The programme completed 214 of 233 planned inspections (92%). C2101 to C2103 are at or near the 95% target; C2104 is at 90% and C2105 at 82%.
- **Ageing is the warning sign.** Five non-compliances are more than 30 days old, two of them more than 60. An item that old is no longer a site observation; it is a pattern the Bank will ask about.
- **The mobilising contracts have ES plans still under review.** C2106, C2107 and C2108 show amber for the C-ESMP, which is the gate before their works can start.
- **SEA/SH is visible without exposing anyone.** Three cases have been received to date, all referred within the agreed time, shown only as an aggregated count. Code of Conduct training covers 2,846 of 2,962 workers (96%).

PMWEB 2026 AI on ESHS data

AI Assistant mode	Example request from the PIU
Find	"Find all open non-compliances on C2105 older than 30 days"
Open	"Open the August incident investigation report for C2103"
Create	"Create a corrective action for the missing spill kit found in today's C2105 inspection"
Help	"How do I attach a photo to an inspection checklist item?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so ESHS data, and SEA/SH data above all, is visible only to the roles permitted to see it.

What the Employer, Engineer and Contractor must put in place

- **Checklists from the approved plans.** Inspection checklists built from the C-ESMP and MSIPs, so every inspection tests what the Contractor committed to.
- **One owner per non-compliance.** Every failed item raised as an Issue with a due date and closed only after the Engineer verifies it.
- **A single incident form.** Severity classification and a notification workflow that timestamps each step to the Engineer, the Employer and the Bank.
- **A confidential SEA/SH channel.** A restricted form, role-based access, minimum data and aggregated reporting only.
- **Permits with expiry dates.** Every permit and consent in Document Management, with alerts before it lapses.
- **ES metrics generated, not typed.** The Part D metrics in the monthly report pulled from the records, with drill-down to each one.

> **Key takeaway**
>
> ESHS compliance on a Bank-financed contract is judged on evidence, and evidence cuts both ways. For the Employer, a documented history of observations, notices and failed corrective actions supports any call on the ES Performance Security. For the Contractor, the same record proves diligent compliance. PMWEB captures that evidence where the work happens, so the side with the structured record is the side in control.

Over to you: *on the Bank-financed projects you know, is the ES section of the monthly report built from site records, or reconstructed every month for the report?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see an ESHS compliance dashboard and confidential SEA/SH configuration built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

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CMCS FZCO (Collaboration, Management and Control Solutions) is the PMWEB Authorized Implementation Partner for the GCC and MENA region, awarded PMWEB Global Partner of the Year 2025. With a track record of 170+ PMIS implementations and more than 40 years of PMIS experience in MENA, CMCS markets, implements and supports PMWEB for project owners, government entities, programme management consultants and contractors from its offices in Dubai, Abu Dhabi and Riyadh. Contact: info@CMCS-MENA.com

Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

People on Site: Labour, Workforce Records and Worker Welfare

Turning Clause 6, the Pink Book locality clauses and ESS2 into workforce records the Bank can count and audit

On a development-bank-funded project, the way the Contractor treats its workforce is not a site matter. It is a contract obligation, a financing condition and a metric reported to the Bank every month. The Bank does not want a labour policy; it wants evidence that every worker was recruited fairly, verified, inducted, housed decently and given a safe way to complain. That evidence can only come from records kept every day, by every company on site, in one system.

Walk onto almost any construction site and ask how many people are working today. The answer usually comes quickly. Ask how many of them signed the Code of Conduct, how many were inducted before they started, how many are employed by subcontractors two tiers down, and how long last month's grievances took to close, and the answer usually takes a week, a spreadsheet and several phone calls. On a Bank-financed project, that week is a compliance gap.

What the contract and the Bank require

Labour obligations on a Bank-funded FIDIC contract come from three layers, and the PIU must be able to evidence all three.

- **The FIDIC General Conditions.** Under the 2017 Red Book, Sub-Clause 6.1 places the engagement, payment, housing, feeding and transport of staff and labour on the Contractor. Sub-Clause 6.4 requires compliance with labour laws, Sub-Clause 6.5 governs working hours, Sub-Clause 6.6 requires facilities for staff and labour, and Sub-Clause 6.7 places the health and safety of personnel on the Contractor. Sub-Clause 6.9 lets the Engineer require the removal of personnel who misconduct themselves, and Sub-Clause 6.11 requires the Contractor to prevent disorderly conduct.
- **The record obligation.** Sub-Clause 6.10, Contractor's Records, requires records of the number of each class of Contractor's Personnel and each type of Contractor's Equipment on site. It is the contractual root of the monthly labour and equipment return, and of the personnel records that Sub-Clause 4.20 requires in every progress report.
- **The Bank layer.** The MDB Harmonised Edition, the "Pink Book" that still governs many Bank-financed contracts, adds locality and personnel clauses at Sub-Clauses 6.12 to 6.22, covering matters such as foreign personnel, foodstuffs and water. Newer World Bank-financed contracts sit under the Environmental and Social Framework, in effect since 1 October 2018, whose ESS2 on Labour and Working Conditions requires no forced labour, no harmful child labour, non-discrimination, respect for workers' organisations, safe working conditions and a grievance mechanism for all workers. Since the January 2020 Standard Procurement Document for Works, bidders also submit a Code of Conduct for Contractor's Personnel covering Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), and progress reports carry the environmental and social metrics set out in Part D of the Particular Conditions.

None of these obligations stops at the Contractor's own payroll. Under Sub-Clause 5.1 the Contractor is responsible for the acts and defaults of its Subcontractors as if they were its own. A labour violation by a third-tier subcontractor is the Contractor's violation and, in the Bank's eyes, the project's.



Infographic 1: Where the Labour Obligations Come From

Why the spreadsheet fails the audit

Most projects respond to these requirements with paper. The labour return is a monthly spreadsheet. Induction attendance sheets are scanned into a folder. Age verification sits with the subcontractor's HR clerk. The grievance box is emptied by the site HSE officer and the outcome written in a notebook. Each piece exists; none of them connects.

The weakness shows when the Bank's supervision mission or an independent ES monitor asks a simple question: show me that every worker on site in August had completed induction and signed the Code of Conduct before starting work. Answering it means reconciling the daily manpower count, the subcontractor rosters, the training records and the site access list. That is four sources, kept by four parties, in four formats. The answer, when it arrives, is an assertion rather than evidence.

Our book, *Digitalization of Construction Contract Administration Under FIDIC Contracts*, draws the line between digitization and digitalization. Scanning the attendance sheet is digitization: the paper becomes a file. Digitalization means the induction is a record, linked to a named worker, linked to that worker's employer, linked to the days the worker appears in the daily report. The compliance question is then answered by a query, not by a reconciliation exercise.

The workforce as structured data in PMWEB

PMWEB gives a Bank-funded project connected building blocks for the workforce, all coded to the contract and to the company that employs each worker.

PMWEB process	What it captures	Example on a Bank-financed contract
Daily Reports	Manpower by trade and company, equipment, weather, narrative and photographs, every day	655 workers on C2102 Trunk Main Lot 2, of which 214 belong to Sub-A Pipe Laying
Personnel register (custom form)	One record per worker: employer, trade, nationality category, engagement date, age verification, employment contract, permit validity, Code of Conduct	A worker cannot be marked "active" until age verification and the signed Code of Conduct are attached

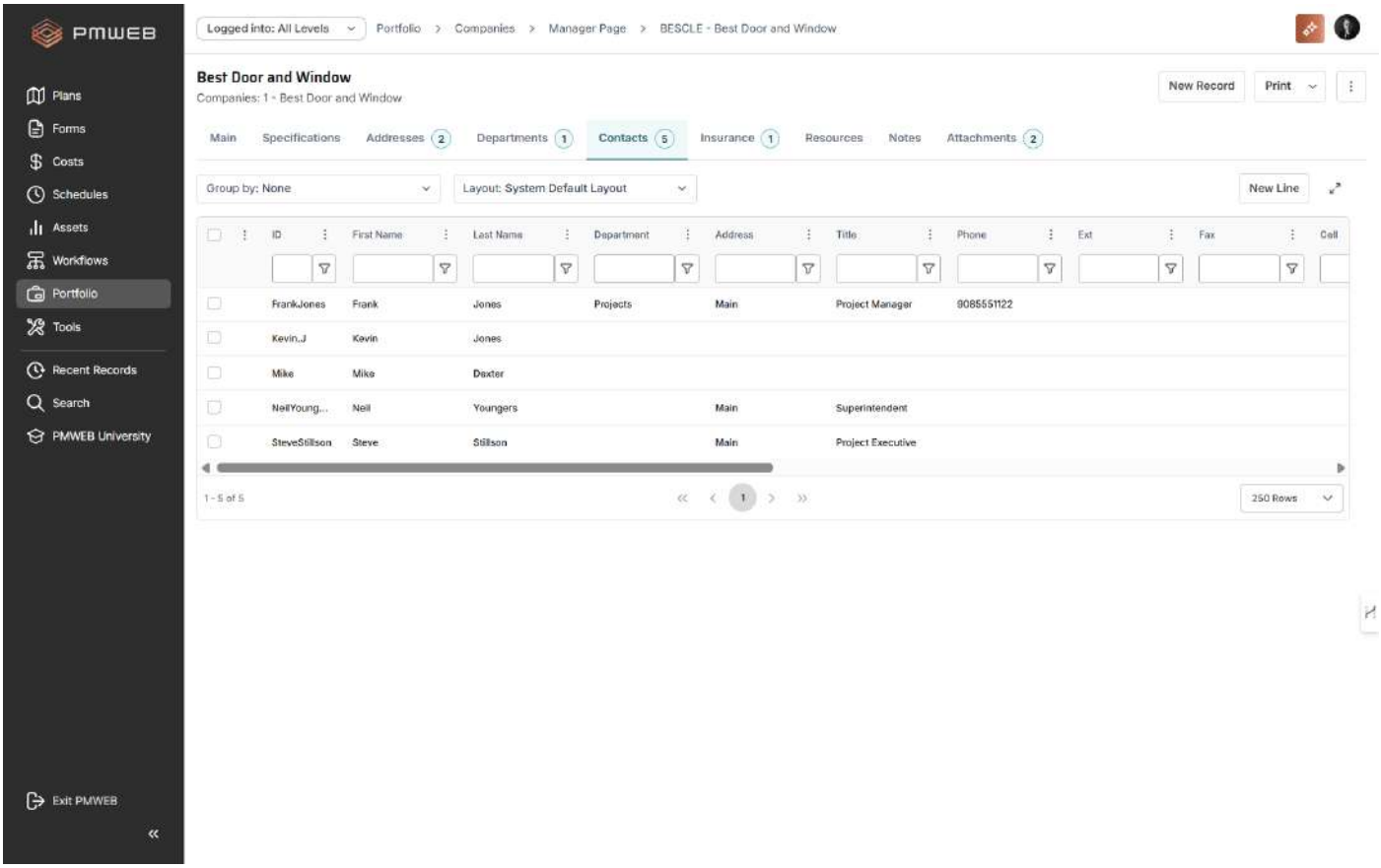
PMWEB process	What it captures	Example on a Bank-financed contract
	acknowledgement	
Training matrix (custom form)	Induction, SEA/SH awareness, task safety training and toolbox talks, linked to the worker	SEA/SH awareness at 94.1% of the programme workforce against a 100% target
Timesheets	Hours worked by worker or crew, by activity	Working-hours exceptions under Sub-Clause 6.5 flagged weekly
Inspections	Camp, welfare, water and sanitation checklists with photographs	Accommodation inspection at C2104 Ring Road North failed; corrective action tracked
Grievance log (custom form)	Date received, category, acknowledgement, actions, closure, with confidential routing for sensitive categories	64 grievances received in Q3, 57 closed, average 6.2 workdays to close
Commitments	Each subcontract, with the labour flow-down documents required before approval	Sub-D Labour Supply on C2105 at 85% document completeness

The daily manpower record. Daily Reports are the contemporaneous record that Sub-Clause 6.10 demands. They roll up automatically into the labour and equipment return in the format the Engineer accepts at mobilisation, the procedure the Sri Lanka Ministry of Finance's ADB-supported Guide to Project Management and Contract Management (GPMCM) calls CA36, Acceptance of Formats for Returns of Labour/Equipment. Because each entry names the company, the return is no longer a single number but a breakdown of who is on site under whose responsibility.

The personnel register. Built with the PMWEB Custom Form Builder, the register carries the standard adaptive form tabs: Main for the worker's details, Notes, Attachments for the signed documents, and Workflow where review is required. Permit and document expiry dates become alerts rather than surprises. Projects can hold one record per worker or per crew, depending on the privacy rules that apply.

The training matrix. For each company and trade, the matrix shows who completed which training and when. Cross-checked against Timesheets, it makes a worker booked to a task without the required training visible on the day, not at the quarterly ES audit. For the contractor this is the discipline the CIDB (South Africa) Contractor Management Guidelines recommend for time cards and site records, held in one system instead of a site office drawer.

The workers' grievance log. ESS2 requires a grievance mechanism for all workers, and SEA/SH allegations require a survivor-centred, confidential channel. The grievance form uses conditional workflow: ordinary workplace grievances route to the Contractor's labour officer and the Engineer's social specialist; sensitive categories route only to a restricted group, with record-level security so that names are never visible to general project users or on dashboards.



Mapping the labour obligations to PMWEB

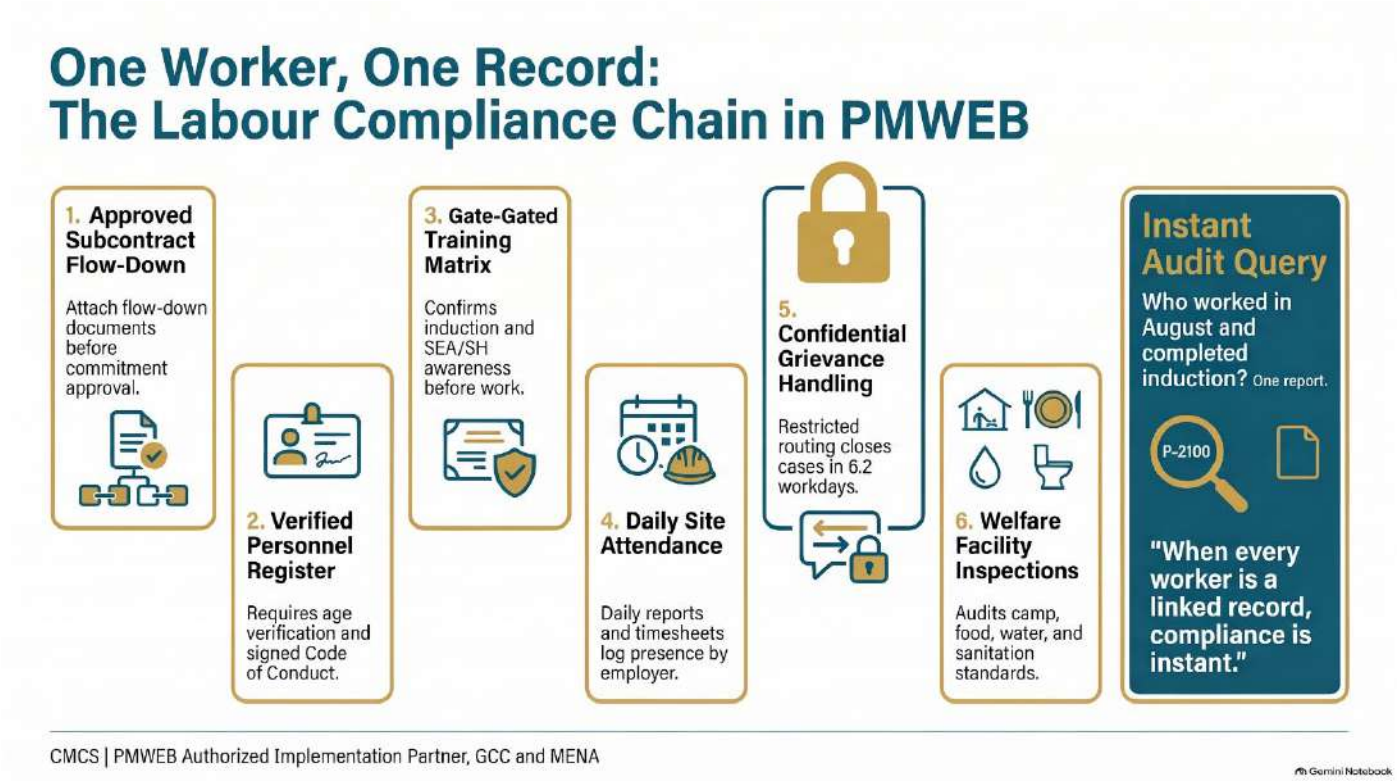
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Sub-Clause 6.10: records of Contractor's Personnel and Equipment	Daily counts by class of personnel and type of equipment, reported to the Engineer	Daily Reports rolled up into a monthly labour and equipment return
Sub-Clauses 6.1, 6.4, 6.5: engagement, labour laws, working hours	Employment contracts, wage payment evidence, hours within legal limits	Personnel register with attachments; Timesheets; working-hours exception report
ESS2: no forced labour, no harmful child labour	Age verification and voluntary employment evidence for every worker, including subcontractors	Mandatory personnel register fields and retained documents before a worker is "active"
ESS2: non-discrimination, workers' organisations	Recruitment and termination records, policy acknowledgements	Engagement and termination history; Document Management for policies
Code of Conduct and SEA/SH (World Bank SPD, January 2020)	Signed Code of Conduct and SEA/SH training before work starts	Training matrix linked to the personnel register
ESS2: workers' grievance mechanism	Log of grievances, response times, outcomes; confidential SEA/SH handling	Grievance custom form with restricted workflow routing and record-level security
Sub-Clauses 6.6, 6.7 and Pink Book 6.12 to 6.22: facilities, welfare, foreign personnel	Inspections of accommodation, water and sanitation; permits for foreign personnel	Inspections (camp and welfare checklists); permit expiry alerts
Sub-Clause 5.1: Subcontractor responsibility	Evidence that every labour requirement is flowed down and met	Subcontract approval workflow; all records tagged by company
Part D ES metrics in the Sub-Clause 4.20 progress report	Workforce, training and grievance figures in the agreed format	Progress report output form pulling live metrics from the records above

Flowing the obligations down the supply chain

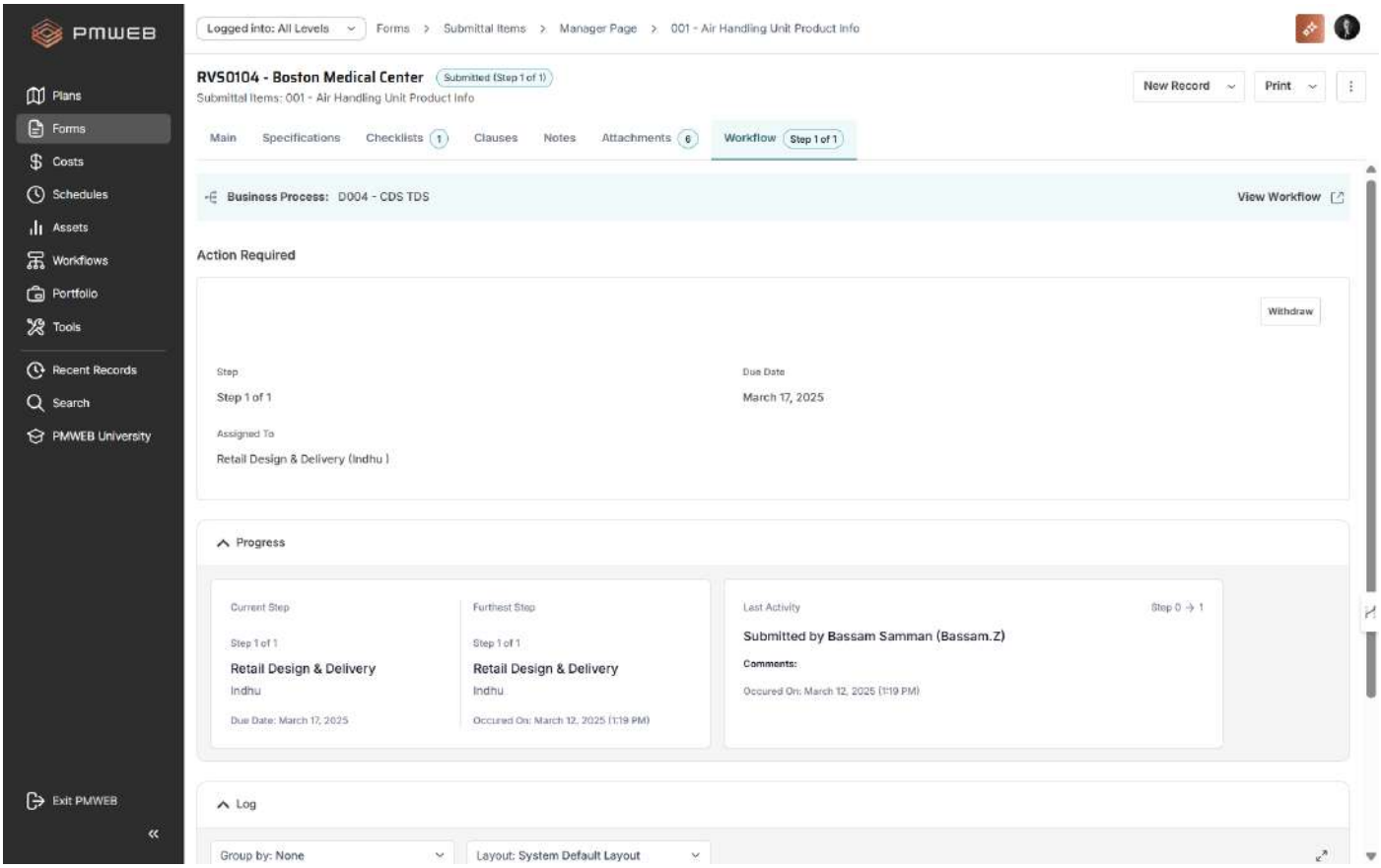
The hardest labour compliance problem on Bank-funded works is rarely the main contractor. It is the subcontractor that mobilises fifty workers on a Monday for a three-week package, and the labour-only gang hired through an agent. These are the workers most exposed to the risks ESS2 is written to prevent.

PMWEB handles this through the same commitment structure used for cost. Every subcontract is a commitment record, and the approval of the Subcontractor under Sub-Clause 5.1 is a workflow that will not complete until the labour flow-down documents are attached: the subcontractor's Code of Conduct, its acknowledgement of the labour management procedure and its list of key personnel. Once approved, the subcontractor's workers can only be entered in the personnel register against that commitment, and its manpower appears in Daily Reports under its own name.

For the main contractor this is protection as much as compliance. When the Engineer raises a concern under Sub-Clause 6.9, or the Bank's monitor finds a gap, the contractor sees immediately which company and which records are involved, acts on it, and shows the corrective action as a dated record. Workflow tasks inside the process, such as acknowledging a grievance, are measured in workdays, while the contract periods themselves remain in calendar days, a distinction we recommend in the book for every digitalised contract administration function.

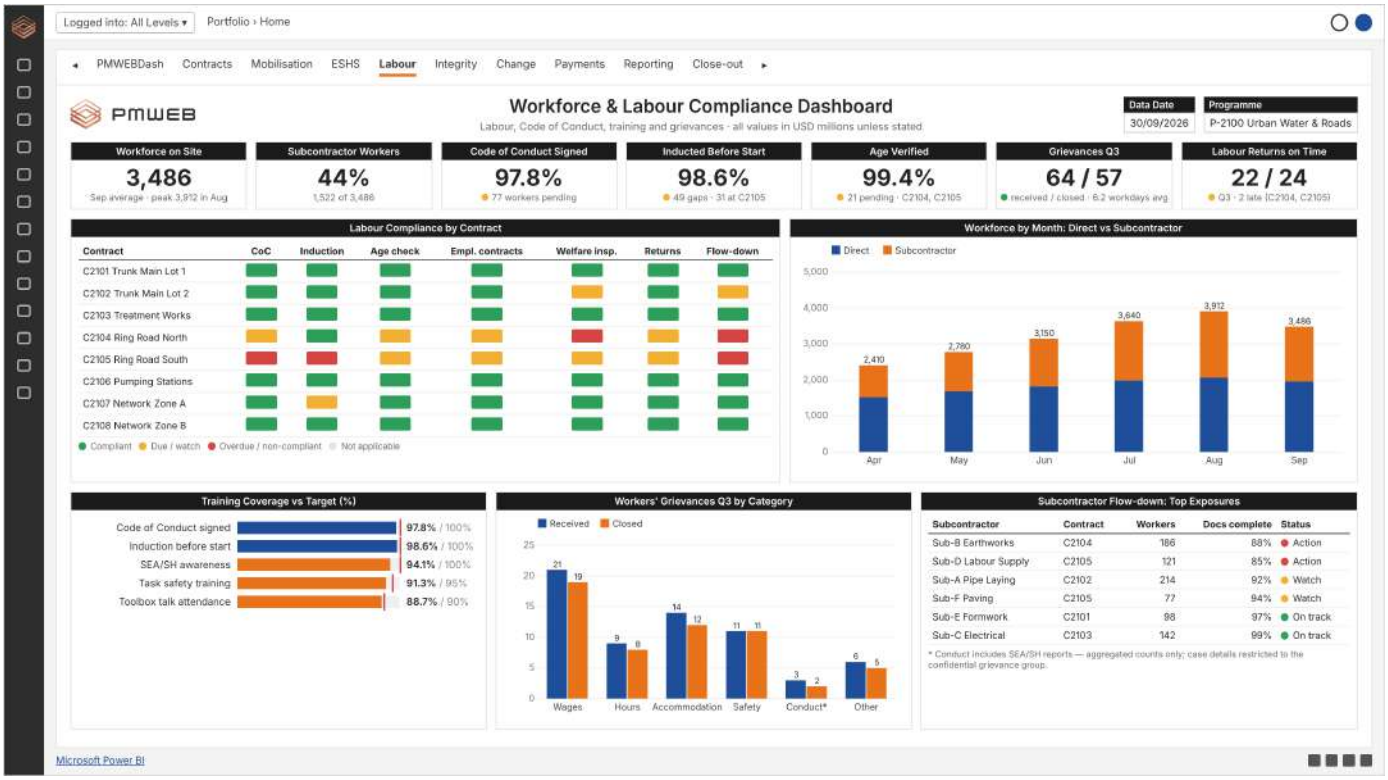


Infographic 2: One Worker, One Record: The Labour Compliance Chain in PMWEB



The Workforce & Labour Compliance dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



Workforce & Labour Compliance dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **The workforce is large and increasingly subcontracted.** September averaged 3,486 workers across eight contracts, down from a peak of 3,912 in August. 1,522 of them, or 44%, are employed by subcontractors, which is where compliance risk concentrates.
- **The gaps are small in percentage and large in consequence.** Code of Conduct coverage is 97.8% and induction before start 98.6%, but that still leaves 77 workers without a signed Code of Conduct and 49 who started work before induction, 31 of them at C2105 Ring Road South.
- **Two Pink Book road contracts carry most of the exposure.** C2104 Ring Road North failed its accommodation inspection and has incomplete flow-down at Sub-B Earthworks (88% of documents complete). C2105 Ring Road South is red on Code of Conduct, induction and flow-down, driven by Sub-D Labour Supply at 85%. All 21 workers still awaiting age verification are on these two contracts.
- **Training lags where it matters most.** SEA/SH awareness stands at 94.1% against a 100% target, and task safety training at 91.3% against 95%. Both are visible by company and trade, so the Contractor knows exactly whom to train this week.
- **The grievance mechanism is working, and it is measured.** 64 grievances were received in Q3 and 57 closed, at an average of 6.2 workdays. Wages (21) and accommodation (14) are the largest categories, the latter linked to the C2104 camp. Conduct reports, including SEA/SH, appear only as aggregated counts.
- **Reporting discipline is visible too.** 22 of 24 monthly labour returns were submitted on time in Q3; the two late returns were C2104 in July and C2105 in August.

PMWEB 2026 AI on workforce data

AI Assistant mode	Example request from the PIU
Find	“Find all workers on C2105 who started work before completing induction”
Open	“Open the August labour and equipment return for C2104”
Create	“Create a corrective action for the failed accommodation inspection at the C2104 camp”
Help	“How do I record a Code of Conduct acknowledgement on a personnel register record?”

Action is taken only with the user’s approval, and PMWEB AI honours security settings, so workforce data, and above all grievance and SEA/SH records, is visible only to the roles permitted to see it.

What the Employer, Engineer and Contractor must put in place

- **One personnel register for the programme.** Every worker of every company recorded against an approved commitment, with age verification and the signed Code of Conduct as mandatory fields before the worker is active.
- **Daily Reports by company.** Manpower and equipment recorded daily by the party on site, so the Sub-Clause 6.10 return is generated, not compiled.
- **A training matrix with gates.** Induction and SEA/SH awareness required before a worker appears on a timesheet or in a daily report.
- **A confidential grievance mechanism.** Conditional routing, restricted access for sensitive categories, and response times measured in workdays.
- **Flow-down at approval, not after.** Subcontractor approval under Sub-Clause 5.1 blocked until labour documents are attached.
- **Welfare inspections as records.** Camp, water and sanitation checklists with photographs and tracked corrective actions.
- **Bank metrics from live data.** The labour section of the monthly progress report and the Part D ES metrics drawn directly from the records above.

> **Key takeaway**
>
> On a Bank-funded project, worker welfare is proven by records, not by policies. When every worker is a record linked to an employer, a commitment, a training history and the daily report, the Bank’s questions are answered by a filter in PMWEB, and the gaps are found by the PIU before the supervision mission finds them.

Over to you: *On the Bank-funded projects you have worked on, where did labour compliance break down first: at the main contractor, at the subcontractors, or in the reporting to the Bank?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

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Integrity by Design: Fraud, Corruption, Audit Rights and Sanctions

Building eligibility, authority, segregation and an audit-ready trail into every Bank-financed transaction

Development banks lend on the condition that every dollar can be traced and every decision defended. On a FIDIC contract they finance, integrity is not a value statement: it is a contract term, an audit right and a sanctions risk for every firm in the supply chain. Annual audits find fraud after the money has gone. A PMIS designed for the purpose makes the irregular transaction hard to make and easy to see, while it can still be stopped.

Every capital project carries a fraud risk, and few organisations have the courage to say so out loud. On a project financed by a development bank the subject cannot be avoided: it is written into the bidding documents, the contract and the financing agreement, and the consequences fall not only on individuals but on the borrower, the implementing agency and every firm that touched the transaction.

What the Bank actually asks for

The integrity provisions sit in several places. The World Bank's Standard Procurement Document for Works places the Bank's policy on corrupt and fraudulent practices in Part C of the Particular Conditions, alongside the Contract Data in Part A and the Specific Provisions in Part B, and gives the Bank the right to inspect and audit accounts and records. The FIDIC MDB Harmonised Edition, the "Pink Book" still used on many Bank-funded contracts, added Sub-Clause 1.15 on the Bank's inspection and audit of the Contractor's accounts and records, and Sub-Clause 15.6 on corrupt or fraudulent practices. Under the 2017 General Conditions, Sub-Clause 15.2 already lists bribery and corrupt inducement among the grounds on which the Employer may terminate for the Contractor's default.

Read together, these provisions ask a project for five things:

- **Clean parties.** Firms the Bank has debarred, or that are otherwise ineligible, must not participate as Contractor, Subcontractor or supplier. Under the Pink Book, eligibility extends to goods: equipment, materials and services incorporated in the Works must originate in an eligible source country as defined by the Bank.
- **Honest decisions.** Approvals, certifications and variations are made by the people authorised to make them, within their limits and without conflicts of interest.
- **Inspectable records.** The Bank, and auditors it appoints, may inspect and audit the accounts, records and documents relating to the contract. Records must exist, be complete and be retained.
- **Cooperation.** Contractors and subcontractors cooperate with any Bank investigation, which presupposes that information can be produced quickly and in full.
- **Consequences.** Where corrupt, fraudulent, collusive, coercive or obstructive practices are found, the Employer may terminate and the Bank may sanction the firms involved.

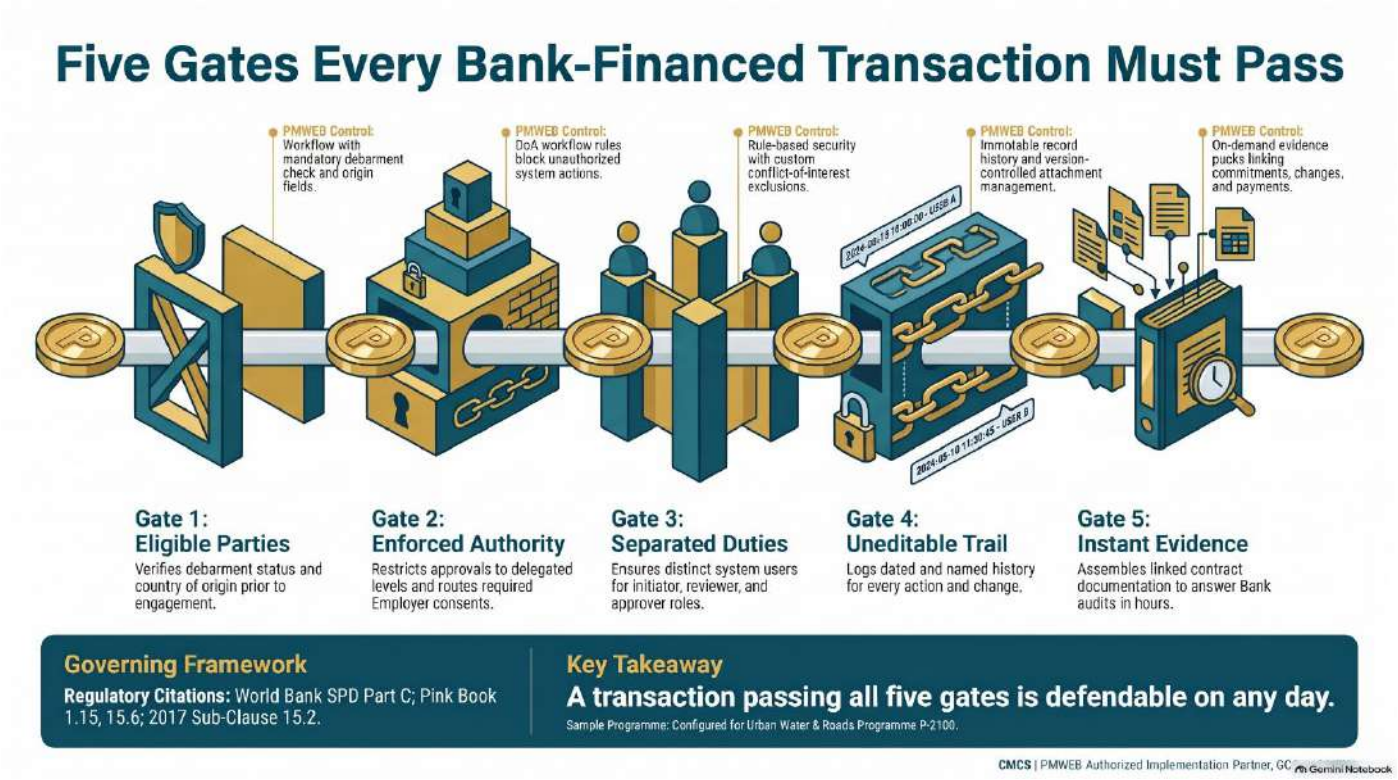
What makes a Bank-funded project different is the third party. A lender with the power to suspend disbursement, and, under Pink Book Sub-Clause 16.2, thereby to trigger the Contractor's own right to terminate, will be looking at the evidence.

Why after-the-fact audit is not enough

Most projects meet these obligations with a declaration form at award, an annual audit, and the hope that the email and document archive will hold up if anyone asks. The audit is useful, but it is structurally late. It finds the irregularity after it has been paid, when the evidence has had months to decay and the money is hard to recover.

Prevention, meaning a process designed so that the irregular transaction is difficult to make and easy to see, is far more valuable and far cheaper.

There is a second, quieter problem. Many projects believe they are digitalised because they run a document management system, a correspondence platform or a common data environment. Those tools are valuable for what they were designed to do, but they were not designed as a project management information system. They record that a document was uploaded. They do not enforce who may approve a variation of what value, check that a payment application matches the quantities measured, or stop a commitment from being split to stay below an approval threshold. The result is a false sense of control: the appearance of digital governance without its substance. On a Bank-funded project, that gap is exactly where integrity failures hide.



Infographic 1: Five Gates Every Bank-Financed Transaction Must Pass

Building integrity into the PMWEB process

PMWEB treats integrity as a property of the process. Five controls do most of the work, and each produces its own evidence.

PMWEB control	What it captures	Example on a Bank-financed contract
Company record and eligibility gate	Dated check against the Bank's debarment list, beneficial ownership declaration where required, integrity undertakings	61 of 63 firms on P-2100 checked; the two pending firms cannot be given a commitment
Delegation of Authority in Workflow	Approval levels by process, value and project; Employer consent for actions reserved by the Particular Conditions	Zero approvals outside delegated authority since award
Segregation of duties	Different users as initiator, reviewer and approver; conflict-of-interest declarations	Three role conflicts flagged in user set-up; two already resolved
Audit trail	Who created, changed, approved, rejected or returned each record, and when	Full history on every change order of C2103 Water Treatment Works
Evidence pack	Commitment, change orders, progress invoices, approvals and attachments linked per contract	Seven of eight contract evidence packs complete; C2105 at 86%

Eligibility gates on every party. In PMWEB every subcontractor and supplier is a company record before it can hold a commitment. Subcontractor approval under Sub-Clause 5.1 is configured as a workflow with a

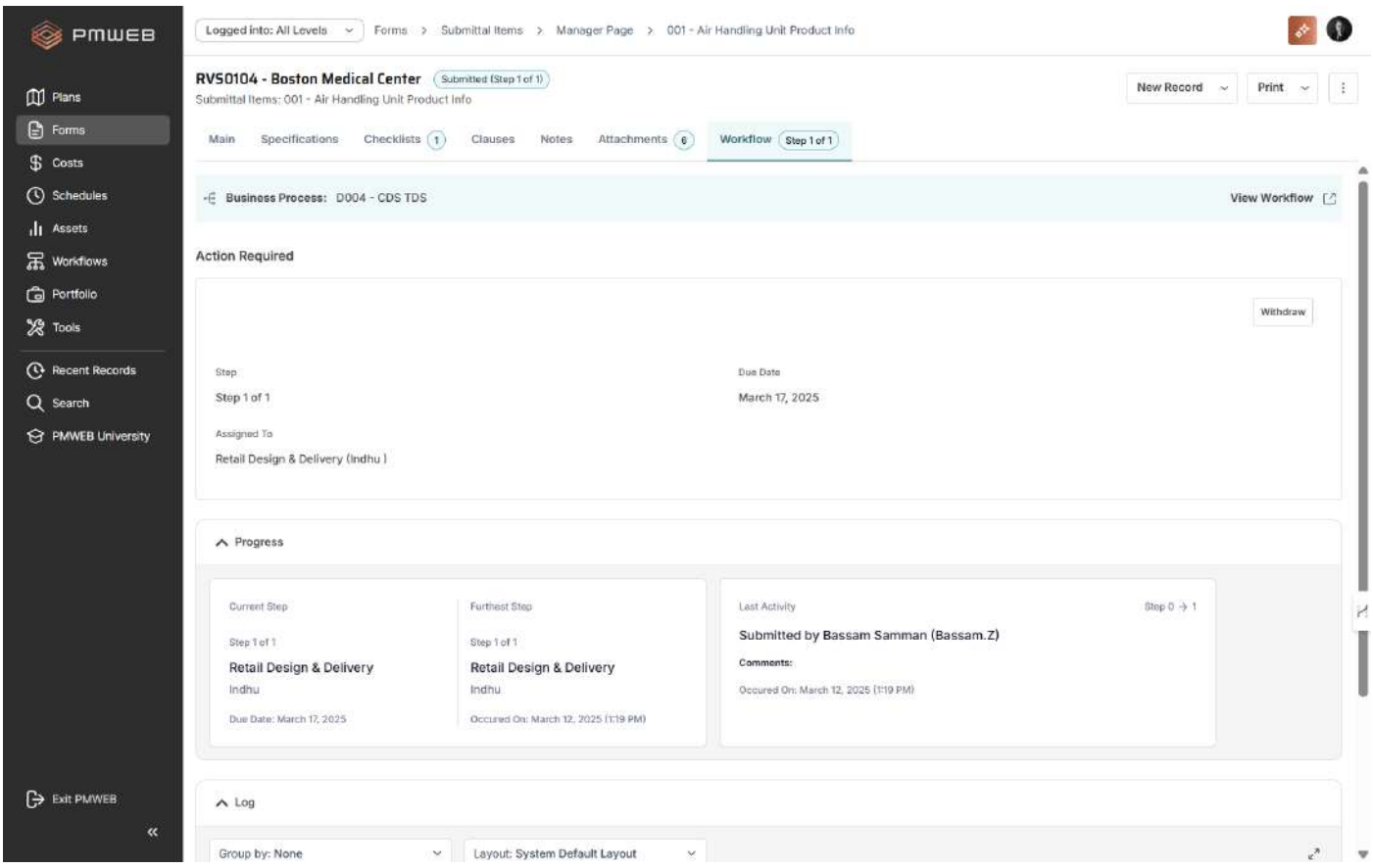
mandatory step recording the check of the Bank's list of debarred firms, the beneficial ownership declaration where the project requires it, and the firm's integrity undertakings, each attached to the company record with the date and the name of the person who performed it. Material approvals carry a country-of-origin field, so the eligible source country requirement is evidenced when the material is approved, not reconstructed at the final account.

Delegation of Authority enforced, not documented. A DoA matrix in a policy manual prevents nothing. A DoA matrix configured in PMWEB Workflow does. Approval levels are set by process, value and project, and the Engineer's actions that the Particular Conditions reserve for the Employer's consent, under Sub-Clause 3.2 of the 2017 edition or Sub-Clause 3.1 of the Pink Book, route automatically to the Employer before the Engineer can act. A user cannot approve outside their authority because the system never presents them the step.

Segregation of duties. The person who raises a commitment does not approve it; the person who measures quantities does not certify payment; the person who requests a budget transfer does not authorise it. Role-based security and workflow design make these separations structural. Conflict-of-interest declarations are captured on a custom form for every member of evaluation, certification and approval teams, and a declared conflict removes that user from the relevant workflow.

An audit trail no one can edit. Every PMWEB record carries its full history, with comments, and attachments are versioned in Document Management. This is the record the Bank's auditors need, produced as a by-product of the work rather than as a separate compliance exercise that someone may be tempted to tidy up.

Retention and the evidence pack. Because the contract, its correspondence, approvals, payments and supporting documents are linked in one system, PMWEB produces an audit-ready evidence pack for any contract on demand. When the Bank exercises its inspection and audit rights, the response is measured in hours, not weeks, and the speed itself signals control.



Mapping the integrity obligations to PMWEB

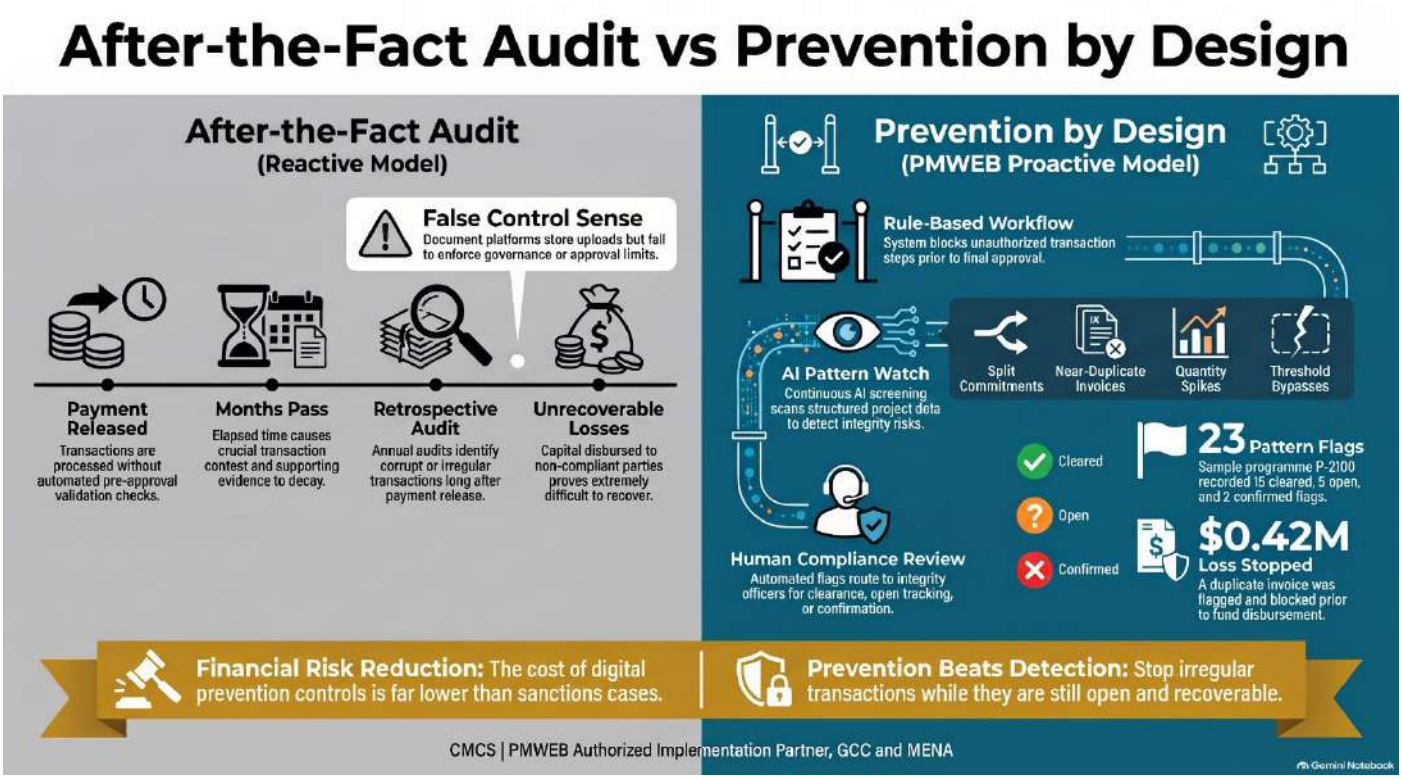
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Bank policy on corrupt and fraudulent	Integrity undertakings by Contractor	Company records with attached

Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
practices (World Bank SPD Particular Conditions Part C)	and subcontractors; policy awareness across the team	undertakings; policy acknowledgements in Document Management
Eligibility and debarment of firms	Dated check of each subcontractor and supplier before engagement	Subcontractor approval workflow with a mandatory eligibility-check step and attachment
Pink Book eligible source country of goods	Country of origin for equipment and materials incorporated in the Works	Submittals and material approval form with country-of-origin field and certificates
Pink Book Sub-Clause 1.15; Bank inspection and audit rights	Complete, retained accounts and records available on request	Linked contract records with full audit trail; on-demand evidence pack report
Sub-Clause 3.2 (2017) / 3.1 (Pink Book): Employer consent for reserved Engineer actions	Proof the Employer approved before the Engineer acted	Conditional workflow routing to the Employer on reserved actions and value thresholds
Delegation of Authority and segregation of duties	Approvals within authority; no one person controlling a whole transaction	DoA levels in Workflow; role-based security; separate initiator, reviewer and approver
Conflict of interest	Declarations by evaluation, certification and approval personnel	Conflict-of-interest custom form linked to the user and to workflow exclusion
Sub-Clause 15.2 (2017) / 15.6 (Pink Book): termination for corrupt practices	Documented facts, notices and decisions if the remedy is exercised	Correspondence and notice records with transmittals; Issues log restricted to the integrity team

AI that watches the pattern

The controls above stop the obvious irregularity. The harder cases are patterns: a series of small commitments to the same supplier that together exceed an approval threshold; two progress invoices with the same amount and description in different periods; quantities claimed for an item that run far ahead of planned progress; variations clustered just below a no-objection threshold; approvals concentrated in a single user. Each transaction looks acceptable on its own. Together they deserve a question.

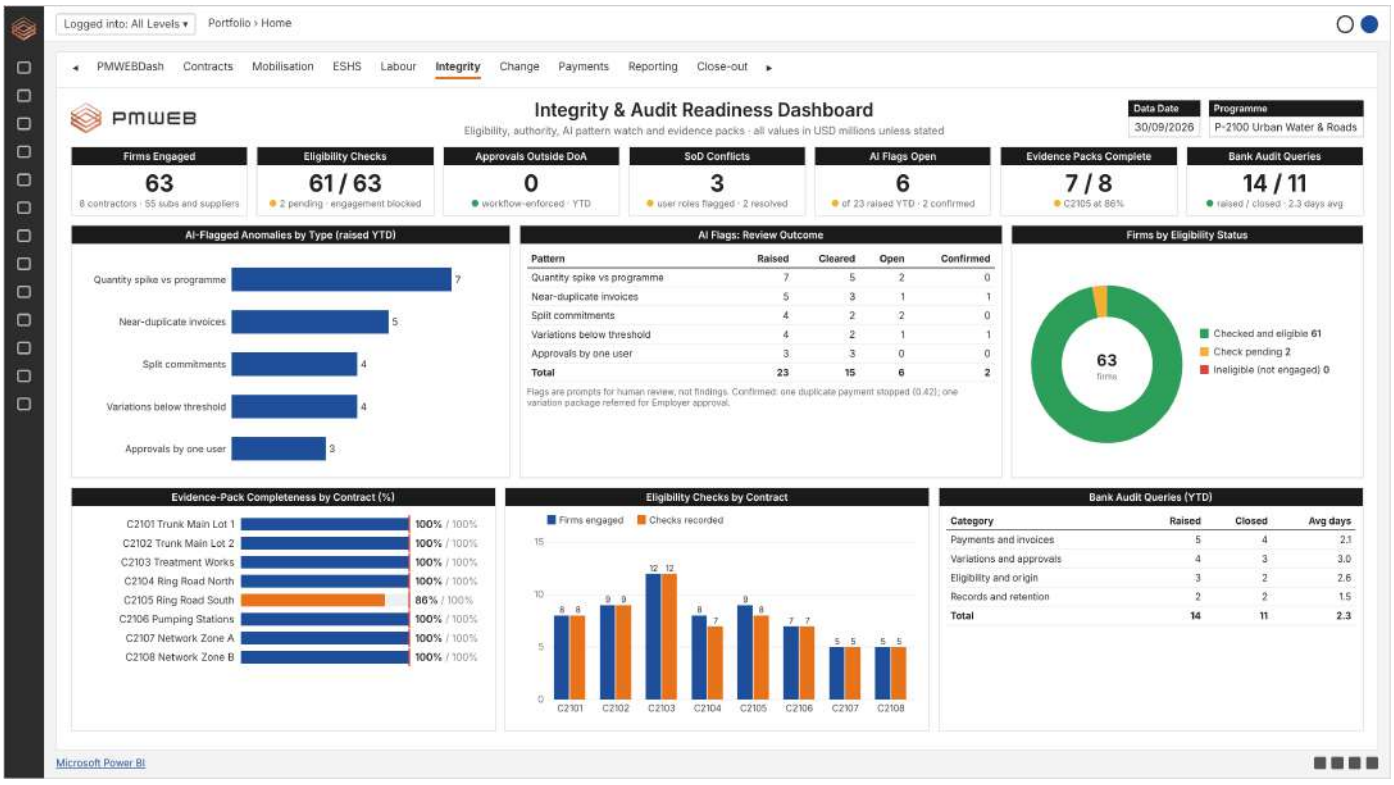
PMWEB 2026, rebuilt on Angular with AI embedded, opens the door to use cases that review the structured data PMWEB already holds and flag such patterns for a human reviewer. A flag is not an accusation. It is a prompt for the integrity officer, the Engineer or the PIU's internal auditor to look more closely while the transaction is still open. AI can only reason over data that exists in structured form, which is why the discipline described in this series comes first: no data, no AI.



Infographic 2: After-the-Fact Audit vs Prevention by Design

The Integrity & Audit Readiness dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



Integrity & Audit Readiness dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **No firm is engaged without a check.** 63 firms work on the programme: 8 contractors and 55 subcontractors and suppliers. 61 have a dated eligibility check on record; the two pending firms, one on C2104 and one on C2105, cannot be given a commitment until the check is complete.
- **Authority is enforced, not trusted.** There have been no approvals outside delegated authority since award, because the workflow never offered the step to an unauthorised user. Three segregation-of-duties conflicts were flagged in user role set-up; two are resolved and one is under review.
- **The AI pattern watch earns its keep.** 23 patterns were flagged for review this year: 15 were cleared, 6 remain open and 2 were confirmed. Quantity spikes against the programme (7) and near-duplicate invoices (5) are the most frequent patterns.
- **Two confirmed flags, two problems avoided.** One near-duplicate invoice was a genuine duplicate, and a payment of 0.42 was stopped before release. One cluster of variations just below the threshold was referred for Employer approval as a single package.
- **One contract is not audit-ready.** Seven of eight contract evidence packs are complete. C2105 Ring Road South stands at 86%, the same Pink Book contract where an eligibility check is still pending.
- **The Bank's questions are answered fast.** Of 14 audit queries raised this year, 11 are closed, at an average of 2.3 days. Variations and approvals take longest (3.0 days on average), records and retention the shortest (1.5 days).

PMWEB 2026 AI on integrity data

AI Assistant mode	Example request from the PIU
Find	"Find all commitments on C2105 to the same supplier within 30 days whose combined value exceeds the approval threshold"
Open	"Open the eligibility check attached to Sub-D Labour Supply on C2105"
Create	"Create an issue for the internal auditor on the near-duplicate progress invoice flagged on C2102"
Help	"How do I attach a conflict-of-interest declaration to a user's workflow role?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so integrity data, and especially open investigations, is visible only to the roles permitted to see it.

What the PIU must put in place

- **An eligibility gate.** No commitment for any firm without a dated check against the Bank's debarment list and, where required, a beneficial ownership declaration.
- **Country of origin at approval.** Material and equipment submittals carry the origin and its certificates when they are approved.
- **DoA in the workflow, not the manual.** Approval levels by value and process, with automatic routing to the Employer for actions the Particular Conditions reserve.
- **Structural segregation of duties.** Separate initiator, reviewer and approver on every financial process, with conflict-of-interest declarations that exclude conflicted users.
- **An evidence pack per contract.** Commitment, changes, payments, approvals and documents linked, so a Bank audit request is answered the same day.
- **A pattern watch with human review.** AI flags routed to a named integrity officer, with every flag cleared, kept open or confirmed as a record.

> **Key takeaway**
>
> On a Bank-funded project, integrity must be built into the process, not discovered by the audit. When eligibility, authority, segregation and the audit trail are enforced by PMWEB on every transaction, the PIU can defend every dollar to the Bank on the day it is questioned, and the ROI of the system is measured in financing that keeps flowing.

Over to you: *On a Bank-funded project, would you rather defend your controls to an auditor after the payment, or have the system stop the irregular transaction before it is approved?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see an integrity and audit readiness dashboard built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

About CMCS

CMCS FZCO (Collaboration, Management and Control Solutions) is the PMWEB Authorized Implementation Partner for the GCC and MENA region, awarded PMWEB Global Partner of the Year 2025. With a track record of 170+ PMIS implementations and more than 40 years of PMIS experience in MENA, CMCS markets, implements and supports PMWEB for project owners, government entities, programme management consultants and contractors from its offices in Dubai, Abu Dhabi and Riyadh. Contact: info@CMCS-MENA.com

Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

Change under Scrutiny: Variations, Employer Approvals and Bank No-Objection

On a Bank-financed FIDIC contract, the running total of change decides who must approve, not the value of a single Variation

On a development-bank-funded contract, a Variation is not only a commercial decision between the Parties. It changes a contract the lender reviewed and is financing, so it has to pass two approval chains: the Engineer and Employer under FIDIC, and the Bank under the financing agreement. The trigger for the Bank's no-objection is usually cumulative, so no single change crosses the line, but together they do. A PIU's change process in PMWEB has to read the running total from the first Change Event, not discover it at the mid-term review.

This article looks at change control through the Bank's eyes, and at how PMWEB makes the Bank's scrutiny a built-in step of the change process rather than an after-the-fact reconciliation. It uses the sample programme P-2100, Urban Water & Roads: eight works contracts with an original value of USD 412.6 million, financed by Bank A and Bank B.

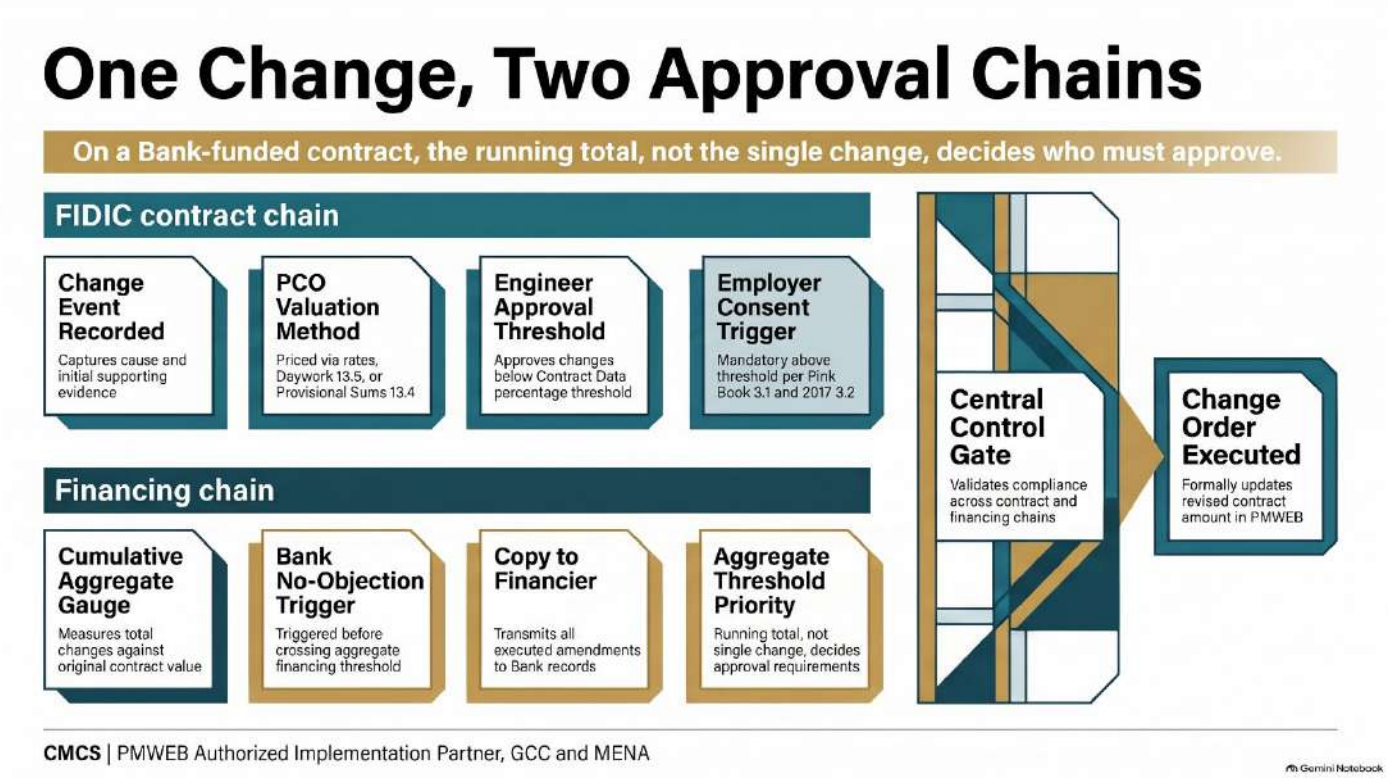
Two approval chains, one change

Every construction contract changes. Ground conditions differ from the site data, designs evolve, authorities impose new requirements and end users discover needs they did not express at tender. FIDIC accepts this. Under the 2017 Red Book the Engineer may vary the Works under Sub-Clause 13.1, the Variation Procedure is set out in Sub-Clause 13.3, and Sub-Clauses 13.4 and 13.5 govern Provisional Sums and Daywork.

A Bank-financed contract has two approval chains sitting on top of those clauses:

- **The contract chain.** Under the FIDIC MDB Harmonised Edition (the "Pink Book"), Sub-Clause 3.1 requires the Engineer to obtain the Employer's specific approval before instructing a Variation, except in an emergency or where it would increase the Accepted Contract Amount by less than the percentage stated in the Contract Data, and before approving a Contractor's Variation proposal. The 2017 Red Book reaches the same point differently: under Sub-Clause 3.2, the Engineer obtains the Employer's consent wherever the Particular Conditions require it, and Bank-financed contracts use that hook.
- **The financing chain.** Development banks review certain contract modifications before they take effect. The Sri Lanka Ministry of Finance's Guide to Project Management and Contract Management (GPMCM), prepared under ADB technical assistance for Pink Book contracts, gives a clear example. Citing ADB's Procurement Guidelines, it notes that the Borrower must seek ADB's no-objection in advance, except in extreme urgency, where changes would in aggregate increase the original contract amount by more than 15 percent, and that a copy of every amendment must be sent to ADB for its records. Other banks set their own prior-review rules in the financing agreement and the procurement plan, and the thresholds differ.

The critical word is *aggregate*. No single Variation needs to cross the line; the running total does. A contracts engineer approving Variation number 23 rarely has an up-to-date cumulative figure in front of them. By the time someone notices that the contract has grown by 17 percent, the works are built and the no-objection request has become a request for forgiveness.



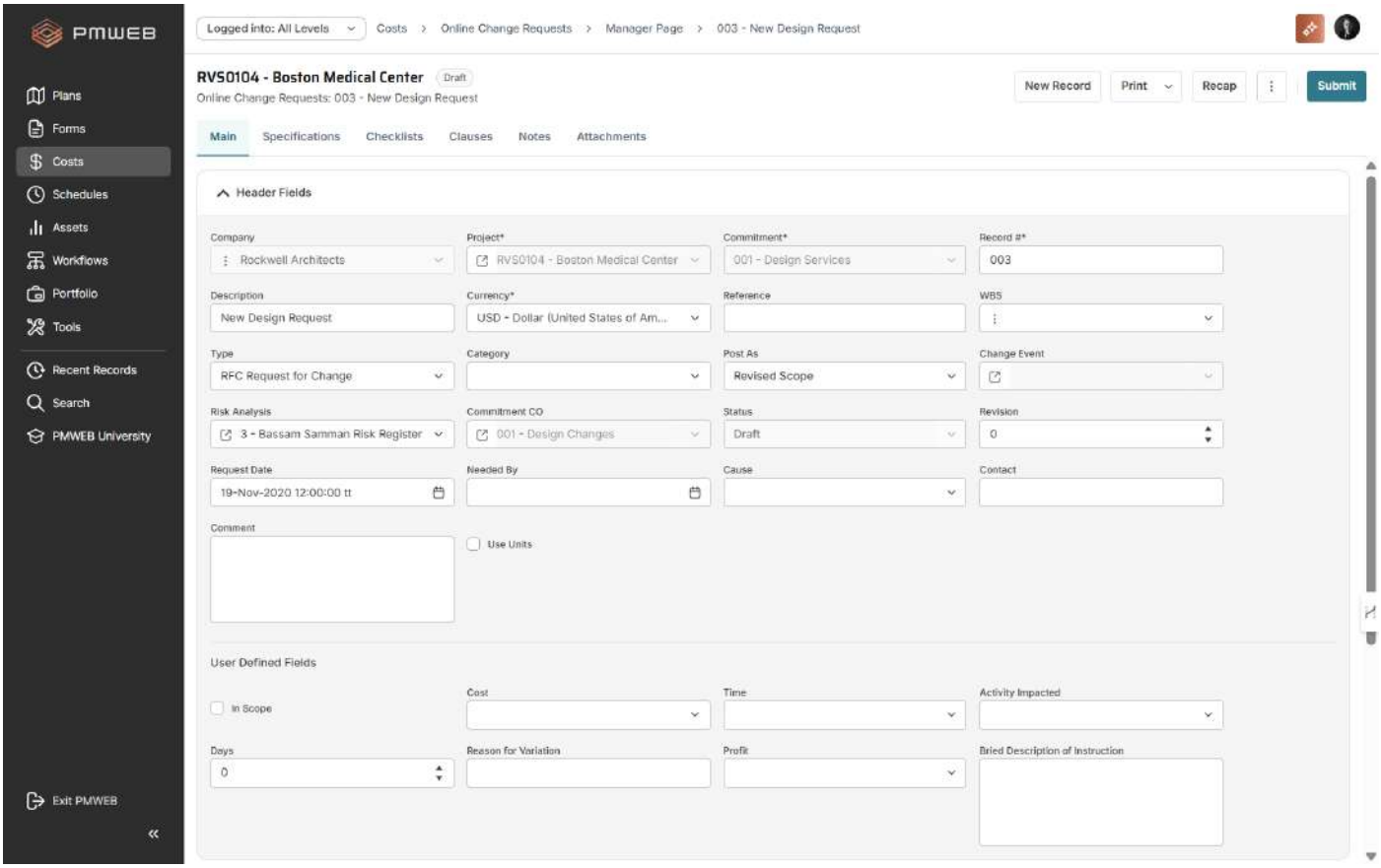
Infographic 1: One Change, Two Approval Chains: FIDIC and the Bank

The change chain in PMWEB

PMWEB manages change as a linked sequence of records, not as isolated letters. The same chain carries the FIDIC approval and the Bank approval, and every link is coded to the commitment, the WBS and the cost codes.

PMWEB process	What it captures	Example on a Bank-financed contract
Change Event	The cause of a potential change and its evidence: instruction, RFI response, site condition, Advance Warning under Sub-Clause 8.4	Unforeseen rock recorded in the Daily Report on C2104 Ring Road North, with photographs
Potential Change Order (PCO)	The valuation: line items in contract rates and currencies, method (rates, new rates, Daywork, Provisional Sum) and time impact	PCO-2104-021, valued at USD 1.3 million with a 21-day time impact
Workflow with DoA	Who must approve, in which order, at what value; conditional steps for Employer approval and Bank no-objection	Engineer, then Employer approval above the Contract Data percentage, then the no-objection step
Change Order	The approved change that revises the contract amount	Change Order 2104-017 increasing the contract amount once the no-objection is recorded
Commitment	Original amount, approved and pending changes, cumulative percentage change	C2104 original USD 54.2 million, approved changes USD 7.4 million (13.7%)
Cost Worksheet	Original, approved, pending, forecast final and variance by contract and financing source	Programme forecast final value of USD 454.1 million
Issues / disputes log	Disagreements, DAAB involvement under Sub-Clause 21.3 and reports to the funding agency	A disputed valuation on C2102 logged with a “report to financier” step

Nothing reaches the commercial stage without a recorded cause. Once a PCO is approved and becomes a Change Order, the revised contract value, the approved and pending changes and the remaining balance update immediately. That is the “updating of contract amount and forecast cost” that GPMCM procedure CA46 asks a PIU to keep every month, produced as a by-product of approving the change rather than as a separate spreadsheet.



The cumulative tracker that asks for no-objection

The decisive feature for a Bank-financed contract is a rule that reads the running total, not only the value of the current change.

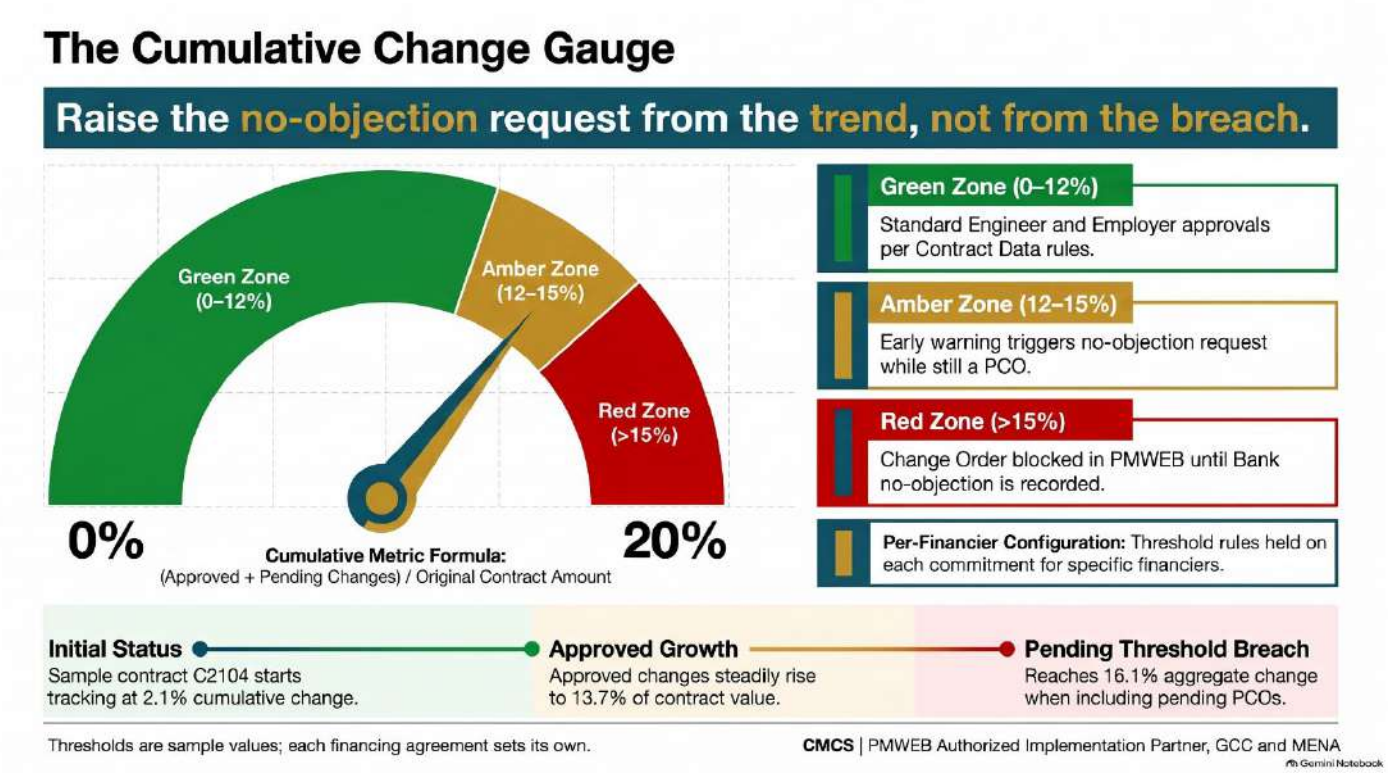
In PMWEB the commitment holds the original contract amount. Every approved and pending Change Order is summed against it, so the cumulative percentage change is a live, calculated field. Workflow conditions can test that field:

- **Early warning.** When approved plus pending changes reach 80 percent of the prior-review threshold, the PIU's contracts manager and the Bank liaison officer are notified, so the request is prepared while the change is still a PCO.
- **Automatic no-objection step.** When a proposed Change Order would take the cumulative change past the threshold set for that contract, the workflow inserts a step to prepare the no-objection request, with the justification, valuation, schedule impact and the list of earlier changes attached.
- **Hard stop.** Until the Bank's no-objection is recorded on the record, with its reference and date, the Change Order cannot move to final approval.
- **Per-financier rules.** The threshold and its basis (original amount, currency, treatment of price adjustment and Provisional Sums) are set per commitment, so one programme can hold different rules for Bank A and Bank B contracts.

Not every change is agreed. Where the Parties disagree, the matter moves into the claims procedure under Clause 20 and the Engineer's agreement or determination under Sub-Clause 3.7, covered in our earlier Digital FIDIC Project series. What matters for the Bank is the link: a determined claim that becomes a Change Order counts in the cumulative tracker exactly like an agreed Variation. A contract cannot slip past the threshold because the increase came through a determination rather than an instruction.

Sub-Clause 21.3 of the 2017 Red Book lets the Parties ask the DAAB to help resolve an issue informally before it becomes a dispute, and the GPMCM recommends reporting any contract dispute to the funding agency. In PMWEB, a disagreement logged as an Issue can carry a "report to financier" step, so the Bank hears about it from the PIU, with the facts attached, rather than from the Contractor's escalation letter.

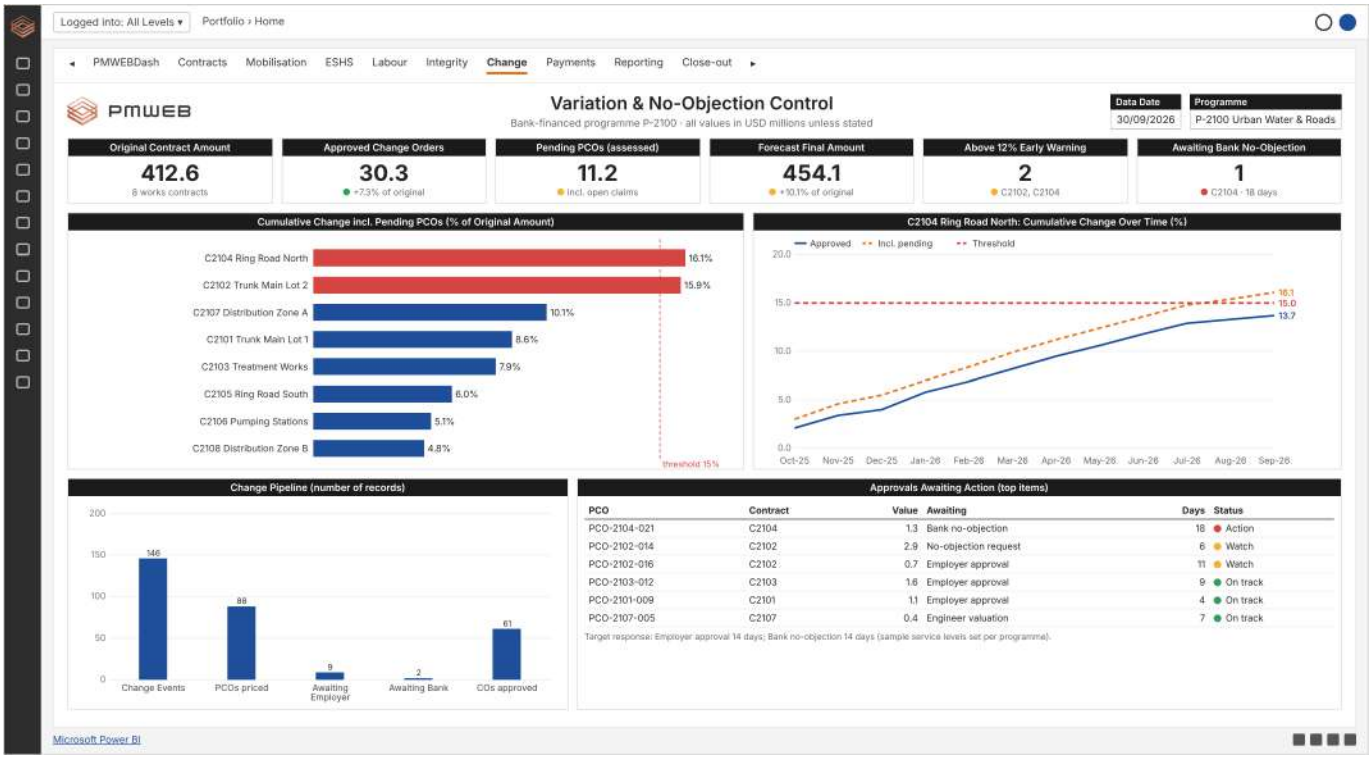
Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Right to vary and Variation Procedure (13.1, 13.3)	Instruction or approved proposal, valuation and time impact for each change	Change Event → PCO → Change Order chain linked to the commitment
Employer's approval above the Contract Data threshold (Pink 3.1; 2017 3.2 via Particular Conditions)	Proof that the Employer approved before the instruction took effect	Conditional workflow step routed by value, with DoA levels and time-stamped approvals
Bank prior review / no-objection (e.g. ADB, more than 15% aggregate, per GPMCM)	No-objection dated before the modification; cumulative change calculation	Cumulative percentage on the commitment; automatic no-objection step; Bank reference on the Change Order
Copy of every amendment to the Bank	Complete, dated amendments register matching the contract file	Change Order register scheduled to the Bank task team, with output forms and attachments
Provisional Sums (13.4)	Engineer's instruction and the Contractor's quotations, invoices or receipts	Provisional sum lines on the commitment; substantiation attached to each draw-down
Daywork (13.5)	Daily signed records of labour, equipment and materials	Daywork adaptive form linked to Daily Reports and the PCO
Contract amount and forecast cost (GPMCM CA46)	Monthly revised contract value and forecast final cost	Cost Worksheet: original, approved, pending, forecast and variance
Avoidance of disputes (21.3) and reporting to the funding agency	Record of disagreements, DAAB involvement and reports to the Bank	Issues log linked to PCOs and claims; Bank notification as a workflow step



Infographic 2: The Cumulative Change Gauge: Early Warning, No-Objection and Hard Stop

The Variation and No-Objection Control dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.

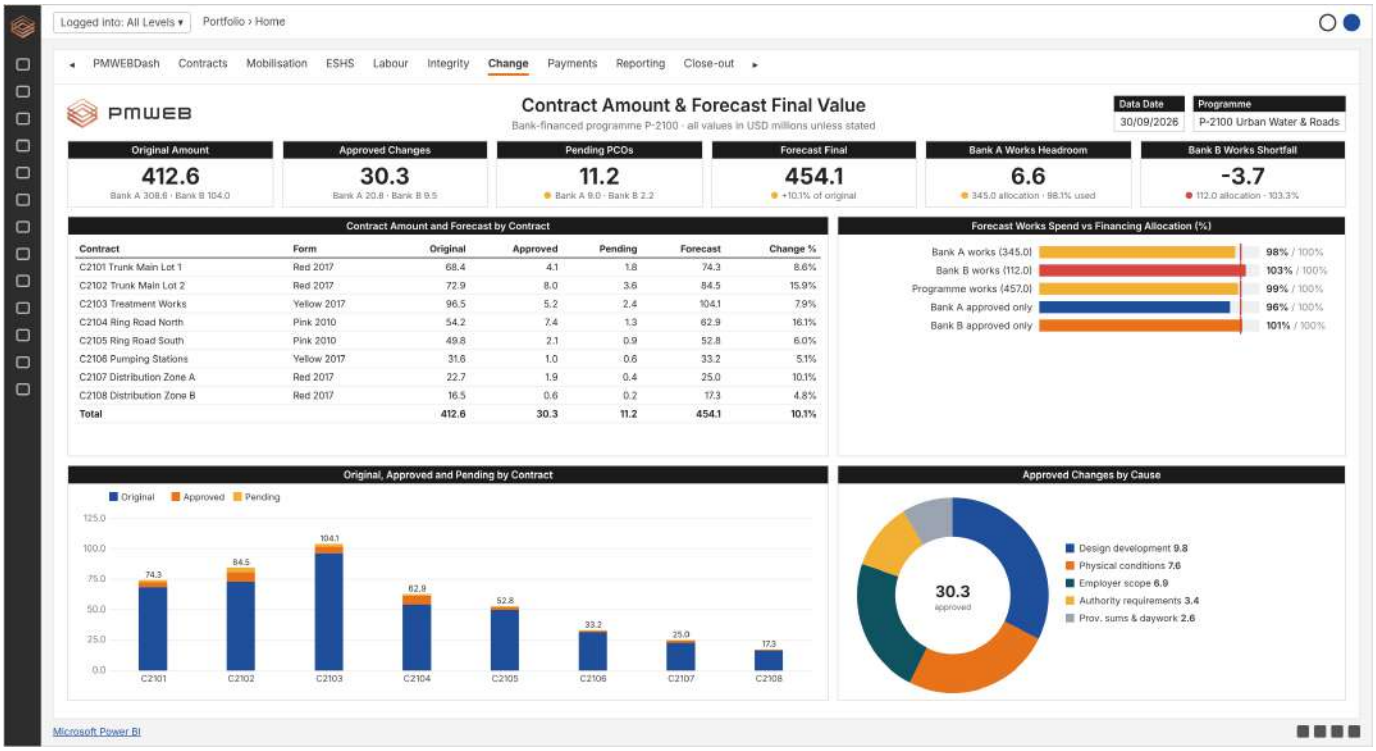


Variation and No-Objection Control dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **The programme has grown 7.3 percent, but that is not the real number.** Approved Change Orders total 30.3 on an original 412.6. With pending PCOs of 11.2 at their assessed value, the forecast final amount is 454.1, or 10.1 percent above the original.
- **Two contracts will cross the threshold on pending changes alone.** C2104 Ring Road North stands at 16.1 percent including pending PCOs and C2102 Trunk Main Lot 2 at 15.9 percent, both above the sample prior-review threshold of 15 percent.
- **The trend gave months of warning.** Including pending PCOs, C2104 passed the 12 percent early warning in May 2026; its approved changes alone reached 13.7 percent by September. The no-objection request was raised from the trend, not from the breach.
- **One item is already late.** PCO-2104-021 has waited 18 days for Bank B's no-objection against a 14-day service level. PCO-2102-014, worth 2.9, is the next request in preparation.
- **The pipeline shows where effort is stuck.** Of 146 Change Events, 88 have been priced as PCOs and 61 approved as Change Orders. Nine are with the Employer and two with the Bank.

The Contract Amount and Forecast dashboard

A task team also asks where each contract is heading, because a contract that will outgrow its financing allocation is a financing problem before it is a contractual one. The second dashboard compares the forecast final value with the works allocation of each financier.



Contract Amount and Forecast Final Value dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **Bank B's works allocation is already short.** The two Pink Book road contracts are forecast at 115.7 against a Bank B works allocation of 112.0, a shortfall of 3.7, or 103.3 percent. Even approved changes alone take Bank B to 101.3 percent.
- **Bank A has little headroom.** Its six contracts are forecast at 338.4 against an allocation of 345.0, leaving 6.6, or 98.1 percent used. Pending PCOs of 9.0 are already inside that forecast, so any new change above 6.6 on Bank A contracts would exceed the allocation.
- **Design development drives the largest share of change.** Of the 30.3 approved, 9.8 comes from design development, 7.6 from physical conditions, 6.9 from Employer-requested scope, 3.4 from authority requirements and 2.6 from Provisional Sums and Daywork.
- **The largest contract is not the largest risk.** C2103 Treatment Works, at 96.5 the biggest contract, has grown 7.9 percent. The highest risks are the mid-sized road and trunk-main contracts.
- **The PIU can act now.** With the shortfall visible 33 months before loan closing, the PIU can seek a reallocation, re-scope the works or arrange counterpart funding while there is still time.

PMWEB 2026 AI on change data

AI Assistant mode	Example request from the PIU
Find	"Find all PCOs on C2102 and C2104 that would take the contract above 12 percent cumulative change"
Open	"Open the workflow history of Change Order 2104-017 and show the Bank no-objection step"
Create	"Create a Change Event on C2107 for the additional valve chamber instructed by the Engineer today"
Help	"How do I attach the Bank's no-objection letter to a Change Order?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so change and commercial data is visible only to the roles permitted to see it.

What the PIU must put in place

- **Thresholds held as data.** The Contract Data percentage for Employer approval and each financier's prior-review rule recorded on every commitment, not in a separate guidance note.

- **One chain for every change.** Change Event → PCO → Change Order for instructions, Contractor proposals, determinations and Provisional Sum draw-downs alike.
- **Cumulative tracking including pending items.** The early warning reads approved plus assessed pending changes, so the no-objection request starts while the change is still a PCO.
- **A no-objection step that cannot be skipped.** The Bank's reference and date recorded on the record before final approval.
- **An amendments register the Bank receives automatically.** A scheduled Change Order register sent to the task team, matching the contract file.
- **Forecast against allocation.** Forecast final value per contract compared monthly with each financier's category allocation.
- **Disputes reported early.** Disagreements logged as Issues with a step that notifies the funding agency.

> **Key takeaway**
>
> On a Bank-financed FIDIC contract, the running total of change, not the value of the single Variation, decides who must approve. When PMWEB calculates the cumulative change on every commitment and routes the record to the Employer and the Bank at the right moment, no-objection becomes a planned step instead of a late request for forgiveness, and the forecast shows a financing shortfall while there is still time to fix it.

Over to you: *on your last development-bank-funded contract, did anyone know the cumulative change percentage on the day each Variation was approved, or was it discovered at the mid-term review?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

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About the Author

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PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

About CMCS

CMCS FZCO (Collaboration, Management and Control Solutions) is the PMWEB Authorized Implementation Partner for the GCC and MENA region, awarded PMWEB Global Partner of the Year 2025. With a track record of 170+ PMIS implementations and more than 40 years of PMIS experience in MENA, CMCS markets, implements and supports PMWEB for project owners, government entities, programme management consultants and contractors from its offices in Dubai, Abu Dhabi and Riyadh. Contact: info@CMCS-MENA.com

Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

Paying through the Loan: IPCs, Currencies, Price Adjustment and Disbursement Traceability

Every Interim Payment Certificate traced from the measured quantity to the loan category, the currency and the disbursed dollar

On a development-bank-funded contract, an Interim Payment Certificate is only half the story. The other half is which loan category, which currency and which funding source paid it, and whether the money can still be drawn before the financing closes. A PIU that cannot show that trace for every certificate meets it later as rejected withdrawal applications, ineligible expenditure refunded from the national budget, and audit findings. PMWEB carries the trace inside the payment records themselves.

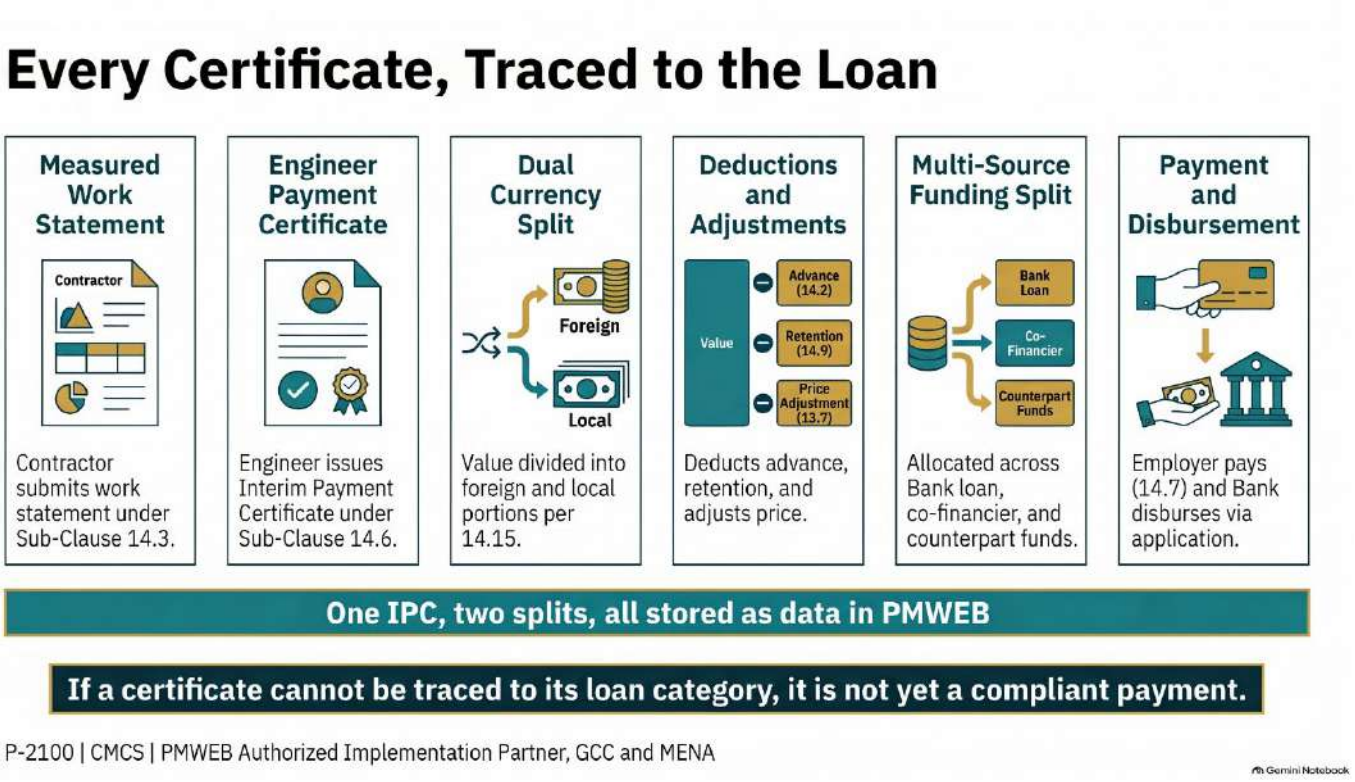
Our earlier Digital FIDIC Project series covered the Clause 14 payment cycle itself: the Statement under Sub-Clause 14.3, the Engineer's Interim Payment Certificate under Sub-Clause 14.6 and payment under Sub-Clause 14.7. This article covers the Bank layer that sits on top of that cycle, using the sample programme P-2100, Urban Water & Roads, financed by a Bank A loan of USD 450 million, Bank B co-financing and government counterpart funds.

Where a Bank-financed payment comes from

The Employer pays the Contractor, but the money comes from a loan or grant with its own rules. Four features make a Bank-financed payment different from a privately funded one:

- **Categories.** The financing agreement allocates funds to categories such as works, consultancy, goods and project management. The GPMCM, prepared under ADB technical assistance for the Sri Lankan Ministry of Finance, tells PIU staff to keep the financing agreement and the Project Administration Manual (PAM) at hand. The financing agreement sets the amount financed, the expiry date and the allocation of funds per category, and the guide notes that category allocations may be modified as needed.
- **Shares.** Some expenditure is financed by the Bank, some by a co-financier and some by the government's counterpart budget, often in fixed percentages per category.
- **Disbursement methods.** Depending on the financing agreement and the Bank's disbursement rules, the Bank may pay the Contractor directly at the Borrower's request, reimburse eligible expenditure the Borrower has already paid, or advance funds to a designated account that is documented later. Each needs a withdrawal application supported by evidence of eligibility.
- **A closing date.** After the loan closing date the Bank does not finance new expenditure. An extension is possible but not guaranteed.

If the PIU cannot show, for every certificate, how it was split and where the money came from, the problems arrive in three forms: withdrawal applications returned for missing support, ineligible expenditure the government must refund from its own budget, and audit findings that follow the Borrower into its next operation.



Infographic 1: Every Certificate, Traced to the Loan: From Measured Work to Disbursed Dollar

The financing agreement is a budget, so treat it like one

That structure is a budget, and PMWEB is built around budgets. The PIU sets up each financing source as a funding source in PMWEB: the Bank A loan, the Bank B co-financing and the counterpart funds. It maps the project budget, by WBS and cost code, to the financing categories each source covers. Every commitment, and every line within a commitment where needed, carries its funding allocation: for example 80 percent Bank loan and 20 percent counterpart funds on civil works, or 100 percent counterpart on land acquisition and taxes.

From that point every financing category has a live position: allocated, committed, certified, paid and disbursed. A category heading for over-commitment shows up in the Cost Worksheet long before the Bank's disbursement desk notices. That leaves time to request a reallocation under the financing agreement, rather than discovering the gap when a withdrawal is refused.

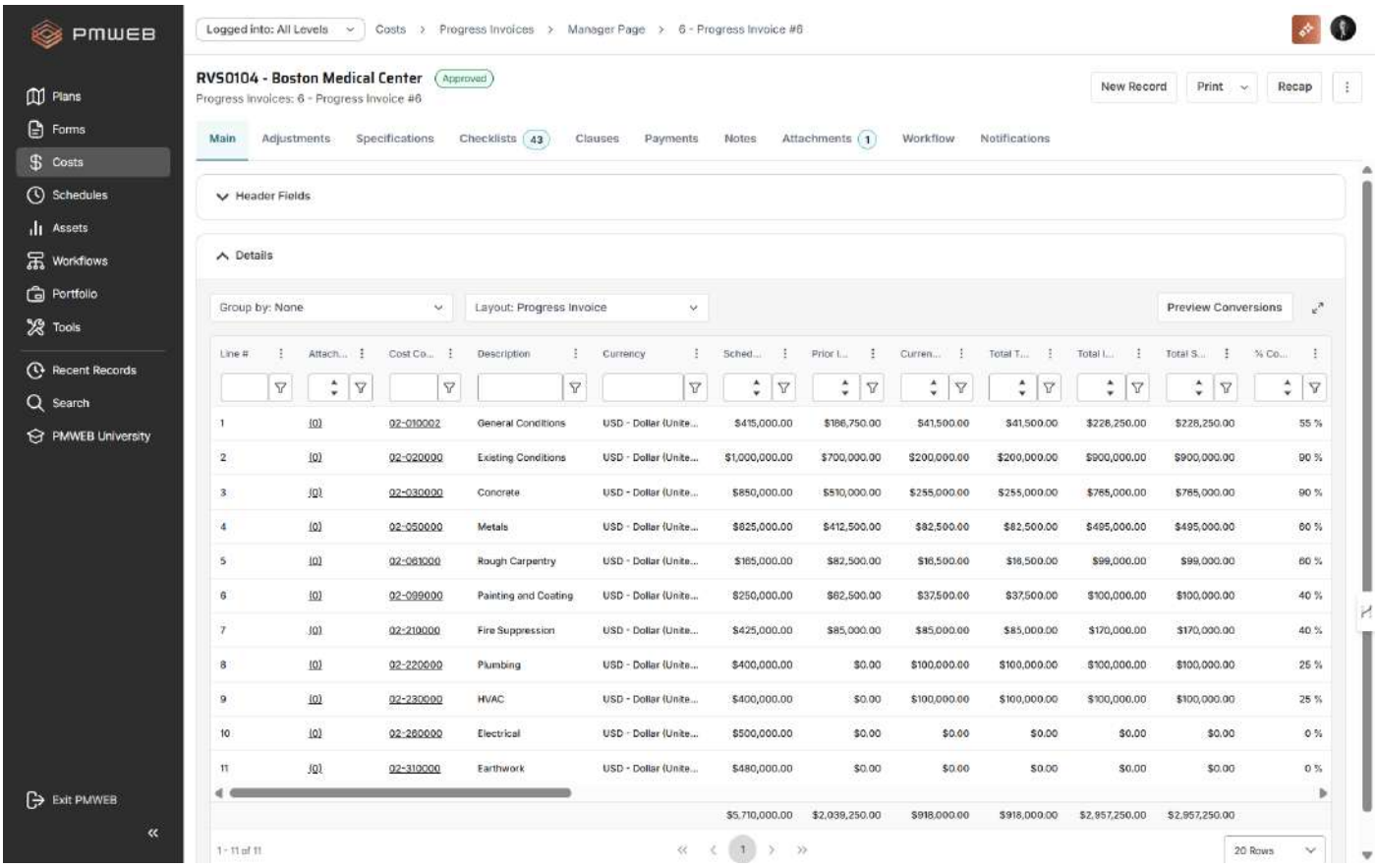
PMWEB process	What it captures	Example on a Bank-financed contract
Funding sources	Each loan, grant, co-financing and counterpart source with its amount and closing date	Bank A loan 450.0, closing 30/06/2029
Budget by WBS and cost code	Financing categories mapped to the budget, with financed shares	Works category, Bank A 345.0
Commitments	Contract currencies and proportions, advance payment, retention, price adjustment formula, Bonds & Insurance details	C2102 with an advance of 7.3 and its guarantee expiring 30/11/2026
Progress Invoices (IPCs)	Measured value split by currency, deductions, adjustment lines and funding split	Monthly IPC on C2103 with foreign and local portions
Disbursement request (adaptive form)	Withdrawal application linked to the IPCs it covers, with category, currency, financed share and the Bank's reference	Direct payment request to Bank B covering two road IPCs
ERP integration (REST API)	Payment date and amount from SAP, Oracle or Dynamics	Employer's payment of the C2105 IPC posted back to PMWEB
Cost Worksheet	Allocated, committed, certified, paid and disbursed by source and category	Bank A works certified 118.6, disbursed 104.9

Splitting every certificate by currency and source

FIDIC already requires part of the split. Under Sub-Clause 14.15 of the 2017 Red Book, the Contract Price is paid in the currency or currencies named in the Contract. International competitive bidding on Bank-financed works routinely produces contracts with a local-currency portion and one or more foreign-currency portions, each with its own proportions and exchange-rate basis.

In PMWEB the commitment carries its currency structure, and the Progress Invoice that becomes the IPC applies it automatically. Deductions follow the same structure:

- **Advance payment recovery.** The advance under Sub-Clause 14.2 is recorded against the commitment, with its guarantee in the Bonds & Insurance details. Each IPC deducts the amortisation at the contract rate and in the currencies of the advance, and the outstanding balance is always visible. A guarantee that expires before the advance is recovered is an unsecured exposure, so its expiry is tracked against the balance.
- **Retention.** Retention is deducted per certificate and accumulated per currency, ready for release under Sub-Clause 14.9 at taking-over and at the end of the Defects Notification Period.
- **Funding split.** Once the net amount is known per currency, the funding allocation divides it between the Bank, the co-financier and the counterpart budget. The IPC carries both splits at once, by currency and by source, and both are stored as data rather than typed into a cover letter.



Price adjustment and changes in law

Bank-financed contracts of any length usually include price adjustment. Under Sub-Clause 13.7 of the 2017 Red Book, the amounts payable are adjusted for rises or falls in the cost of labour, goods and other inputs, typically through a formula in the Contract Data that applies published indices to fixed and adjustable proportions per currency.

This is one of the most error-prone calculations on any project. It depends on the right index values for the right months and the right base date. Where the works run late through the Contractor's fault, the contract formula normally prevents delay from earning extra inflation. PMWEB holds the formula, the coefficients and the index table against the commitment, with each index value entered once and its publication source attached. The

adjustment is calculated on each Progress Invoice per currency and shown as its own line, so the Engineer checks the inputs rather than rebuilding a spreadsheet. Keeping price adjustment as a distinct line also keeps disbursement claims clean where it has its own financing treatment.

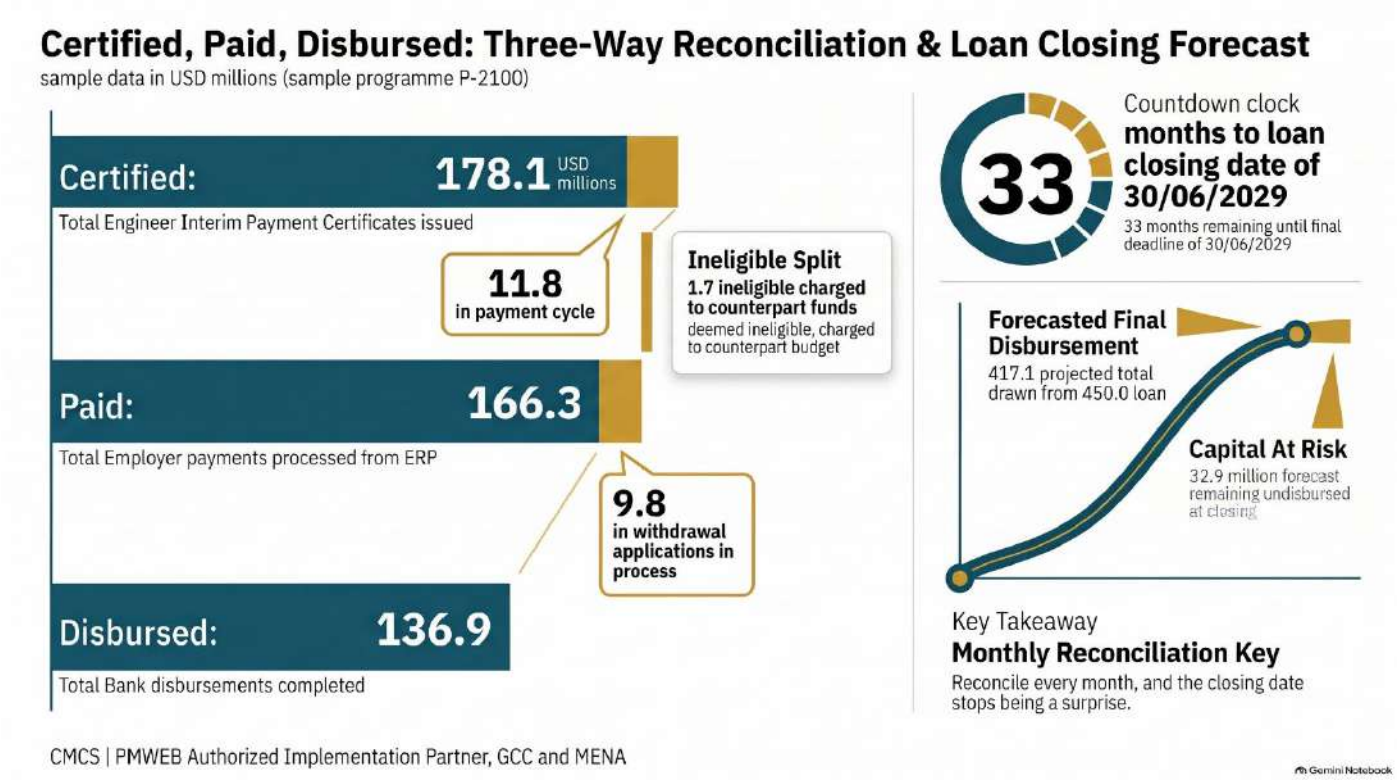
Adjustments under Sub-Clause 13.6 for Changes in Laws, such as a new tax rate or labour regulation, follow a different route. They are valued and approved through the change chain described in Article 7, and they enter the IPC only once approved, with a trace back to the legal change that caused them.

Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Financing categories and allocations (financing agreement, PAM)	Expenditure by category against allocation; reallocation history	Funding sources mapped to budget categories; Cost Worksheet by source and category
Advance payment and recovery (14.2)	Guarantee in force; recovery per IPC	Bonds & Insurance details with expiry alerts; amortisation line on each Progress Invoice
Currencies of payment (14.15)	Per-currency amounts and rates on each certificate	Currency structure on the commitment applied to every Progress Invoice
Price adjustment (13.7)	Index values, base dates and formula working	Formula, coefficients and index table on the commitment; adjustment line per currency
Changes in Laws (13.6)	Legal change, valuation and approval	Change Event → PCO → Change Order, then the IPC line
Retention and release (14.9)	Retention held per currency; release triggers	Retention accumulated per commitment; release tied to taking-over and DNP records
Payment periods (14.6, 14.7)	IPC issued and paid within the contract periods	Workflow dates on each Progress Invoice; payment date from the ERP
Eligible, documented disbursement	Withdrawal application with supporting IPCs and payment evidence	Disbursement request form linked to IPCs; Bank reference and value date recorded

From certificate to disbursement

What every disbursement method has in common is a document chain, and PMWEB holds it. The disbursement request is an adaptive form linked to the IPCs it covers. It pulls the certified amount, the category, the currency and the financed share from the certificates themselves. The IPC, the Contractor's Statement, the measurement and the supporting records are already attached through the record links. When the Bank's reference and value date come back, they are recorded on the same form. Payment data flows back from the ERP through the API, so each Progress Invoice shows certified, paid and disbursed values side by side.

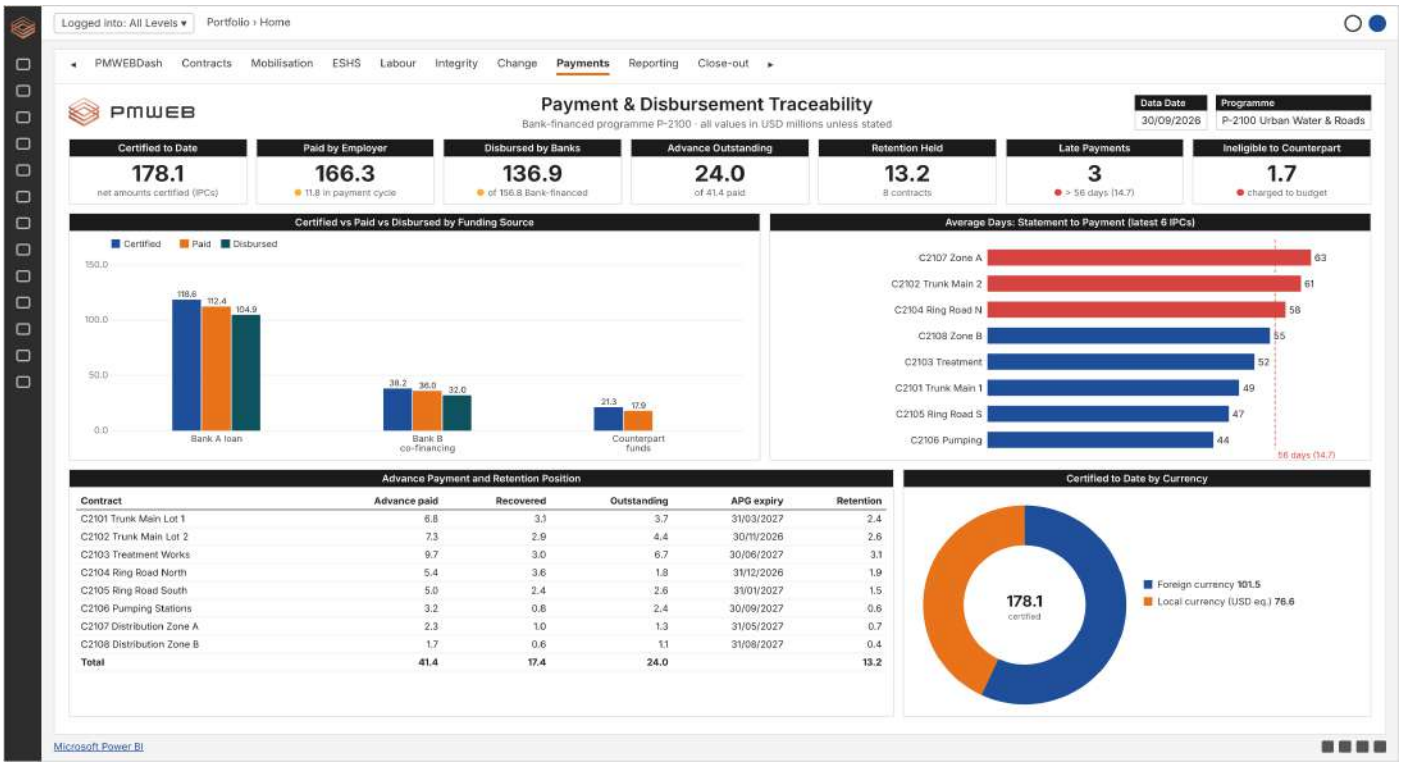
The result is a three-way reconciliation run continuously, not at year-end: what the Engineer certified, what the Employer paid and what the Bank disbursed. Every difference is a named item: an IPC paid from counterpart funds awaiting reimbursement, a withdrawal application in process, or an amount found ineligible and charged to the government budget.



Infographic 2: Certified, Paid, Disbursed: The Three-Way Reconciliation and the Closing-Date Clock

The Payment and Disbursement Traceability dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



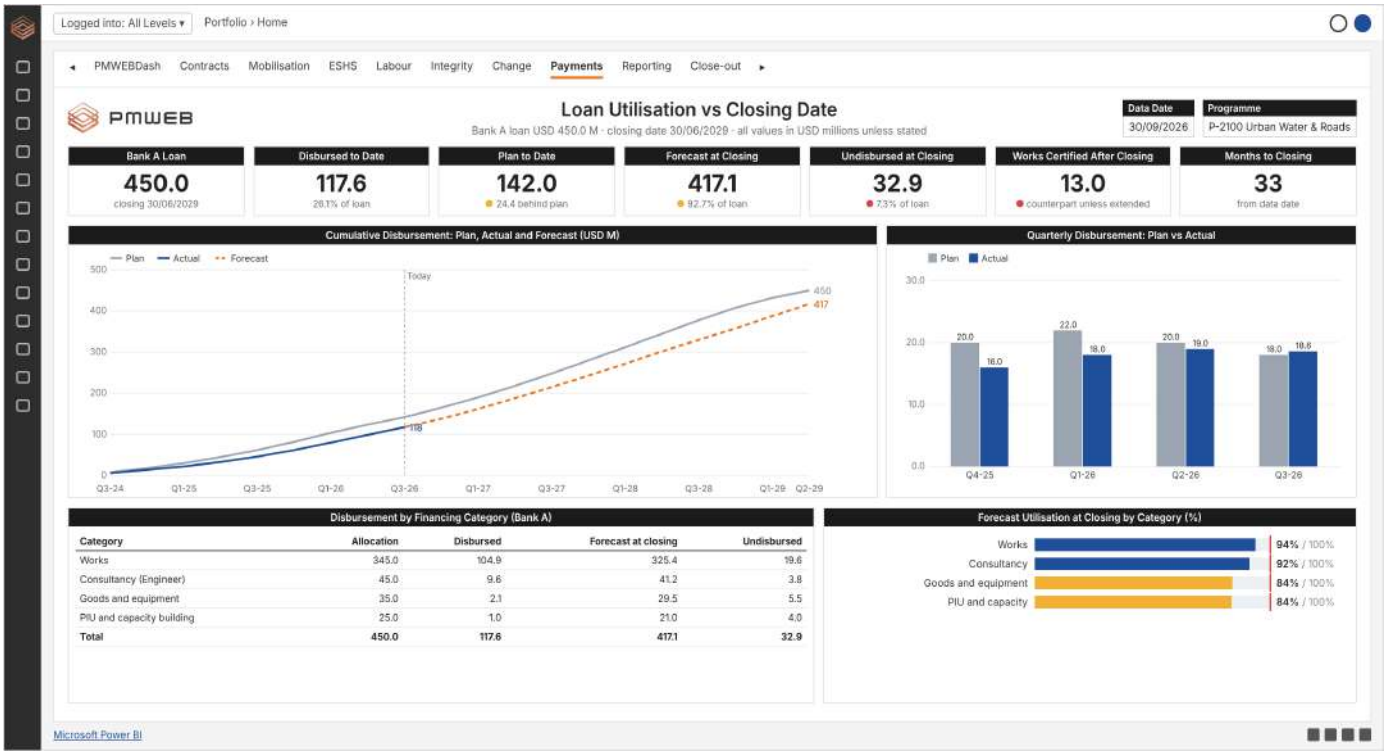
Payment and Disbursement Traceability dashboard in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

- **Certified is not disbursed.** IPCs worth 178.1 have been certified across the eight works contracts, 166.3 has been paid by the Employer and 136.9 has been disbursed by the two banks, out of 156.8 certified as Bank-financed.

- **Every gap is named.** Of the 11.5 the Employer has paid but the banks have not yet disbursed (7.5 for Bank A, 4.0 for Bank B), 9.8 sits in three withdrawal applications in process and 1.7 was found ineligible and charged to the counterpart budget.
- **Three contracts are paid late.** C2107, C2102 and C2104 average 63, 61 and 58 days from Statement to payment, beyond the 56 days of Sub-Clause 14.7. Late-payment financing charges are often not eligible for Bank financing, so they become a budget cost.
- **One guarantee needs action now.** C2102 still has 4.4 of advance outstanding, but its Advance Payment Guarantee expires on 30/11/2026. Across the programme, 24.0 of the 41.4 advanced remains to be recovered.
- **Currency exposure is visible.** Of the 178.1 certified, 101.5 was paid in foreign currency and 76.6 in local currency, so the PIU can forecast exchange needs per financier.
- **Retention is a future obligation.** Retention of 13.2 is held across eight contracts and will be released under Sub-Clause 14.9, so it has to be planned within the loan period.

The closing date is a deadline, so give it a clock

Every loan has a closing date. Delays on the works, slow certification and late withdrawal applications all push eligible expenditure towards it, and anything certified or claimed too late may fall to the government budget. PMWEB treats the closing date the way our earlier series treated FIDIC time-bars: as a deadline the data can see. The forecast final contract value from the Cost Worksheet, the cash-flow forecast from the programme and the undisbursed balance per category sit on one dashboard.



Loan Utilisation vs Closing Date dashboard in PMWEB: Programme P-2100, Bank A loan (sample data, USD millions)

- **The loan is a quarter drawn and behind plan.** Bank A has disbursed 117.6 of 450.0, or 26.1 percent, against a plan of 142.0 to date: 24.4 behind.
- **The gap has stopped growing, but has not closed.** Quarterly disbursement was 16.0 against a plan of 20.0 in Q4-25 and 18.6 against 18.0 in Q3-26. The trend is now on plan, but the earlier shortfall remains.
- **The forecast leaves money on the table.** At the current certification rate, disbursement reaches 417.1 by 30/06/2029, leaving 32.9 (7.3 percent of the loan) undisbursed.
- **Works are the largest exposure.** The works category is forecast to disburse 325.4 of its 345.0 allocation; 13.0 of works is forecast to be certified after closing and would fall to the counterpart budget unless the loan is extended.

- **Goods and PIU categories are under-used.** Goods and equipment are forecast at 84 percent of allocation and PIU and capacity building at 84 percent, candidates for reallocation to works.
- **There are 33 months to act.** The PIU can accelerate certification, request a reallocation or plan an extension while it still has options.

PMWEB 2026 AI on payment data

AI Assistant mode	Example request from the PIU
Find	"Find all IPCs on Bank B contracts paid by the Employer but not yet included in a withdrawal application"
Open	"Open the September progress invoice for C2102 and show the advance recovery line"
Create	"Create a disbursement request for Bank A covering the approved IPCs on C2101 and C2103"
Help	"How do I record the Bank's value date on a disbursement request?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so payment and financing data is visible only to the roles permitted to see it.

What the PIU must put in place

- **Funding sources that mirror the financing agreement.** Each loan, grant, co-financing and counterpart source set up with its categories, shares and closing date.
- **Currency and funding split on every commitment.** Applied automatically to every Progress Invoice, never re-entered.
- **Advance, retention and price adjustment as data.** Recovery schedules, guarantee expiries, retention balances and index tables held on the commitment.
- **A disbursement request linked to its certificates.** Category, currency and financed share pulled from the IPCs; the Bank's reference and value date recorded on return.
- **Payment data from the ERP.** Certified, paid and disbursed shown side by side through the API, with every gap named.
- **A closing-date forecast every month.** Forecast certification and disbursement by category against the closing date, with expenditure after closing flagged.

> **Key takeaway**
>
> On a Bank-financed contract, a certificate is not a compliant payment until it can be traced to its loan category, its currency, its funding source and its disbursement. PMWEB carries that trace inside the Progress Invoice and the disbursement request, so certified, paid and disbursed reconcile every month, and the closing date becomes a deadline the PIU can see coming rather than a surprise at the end of the loan.

Over to you: *how many days does it take on your projects to answer a simple question from the lender: how much of this certificate has been disbursed, and from which category?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see a payment and disbursement traceability dashboard built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

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Reporting to the Bank: Progress Reports and the PIU Control Tower

Generating Sub-Clause 4.20 reports, ES metrics and portfolio views from the records the project already keeps

On a Bank-financed project, the progress report is not the end of the month's work. It is the Borrower's evidence that it is in control. When that report is assembled by hand from a dozen spreadsheets, every figure the Bank's task team questions sends the PIU back into the files. A PIU needs PMWEB to generate its reports from the project's own records, so every figure reconciles and every figure has its evidence one click away.

This article applies the reporting discipline to every level of a Bank-financed programme: the Contractor's monthly progress report, the PIU's programme reports and Steering Committee, and the ministry of finance that oversees several programmes financed by more than one development bank.

The reporting calendar of a Bank-financed programme

Every development-bank-financed programme runs on a reporting calendar:

- **Monthly.** The Contractor submits its progress report under Sub-Clause 4.20. The Engineer reviews it and reports to the Employer on progress, payment, quality and contractual matters.
- **Quarterly and annually.** The PIU consolidates contract-level information into programme reports for its ministry and for the Bank: physical and financial progress, disbursement, procurement and environmental and social performance.
- **Steering Committee.** Senior officials review the reports, take decisions and assign actions.
- **Missions.** Between reports, the Bank's task team carries out implementation support missions and asks the questions the reports did not answer.

The Sri Lanka Ministry of Finance's *Guide to Project Management & Contract Management* (GPMCM), developed under ADB Technical Assistance TA-8562, gives this calendar procedures of its own: CA39 for monthly progress reports, CA40 for quarterly reports, CA41 for annual reports and CA42 for Steering Committee meetings. It is clear about what each report must contain. But it assumes, like most procedure manuals, that someone will compile it.

Compilation is where reporting breaks. The physical progress figure comes from the Engineer's measurement, the financial figure from the payment register, the disbursement figure from the finance department, the ES incident count from the safety officer's spreadsheet and the variation total from a log kept by the contracts team. Each number is correct in its own file. Put together, they rarely agree, and the reporting week is spent reconciling them instead of acting on them.

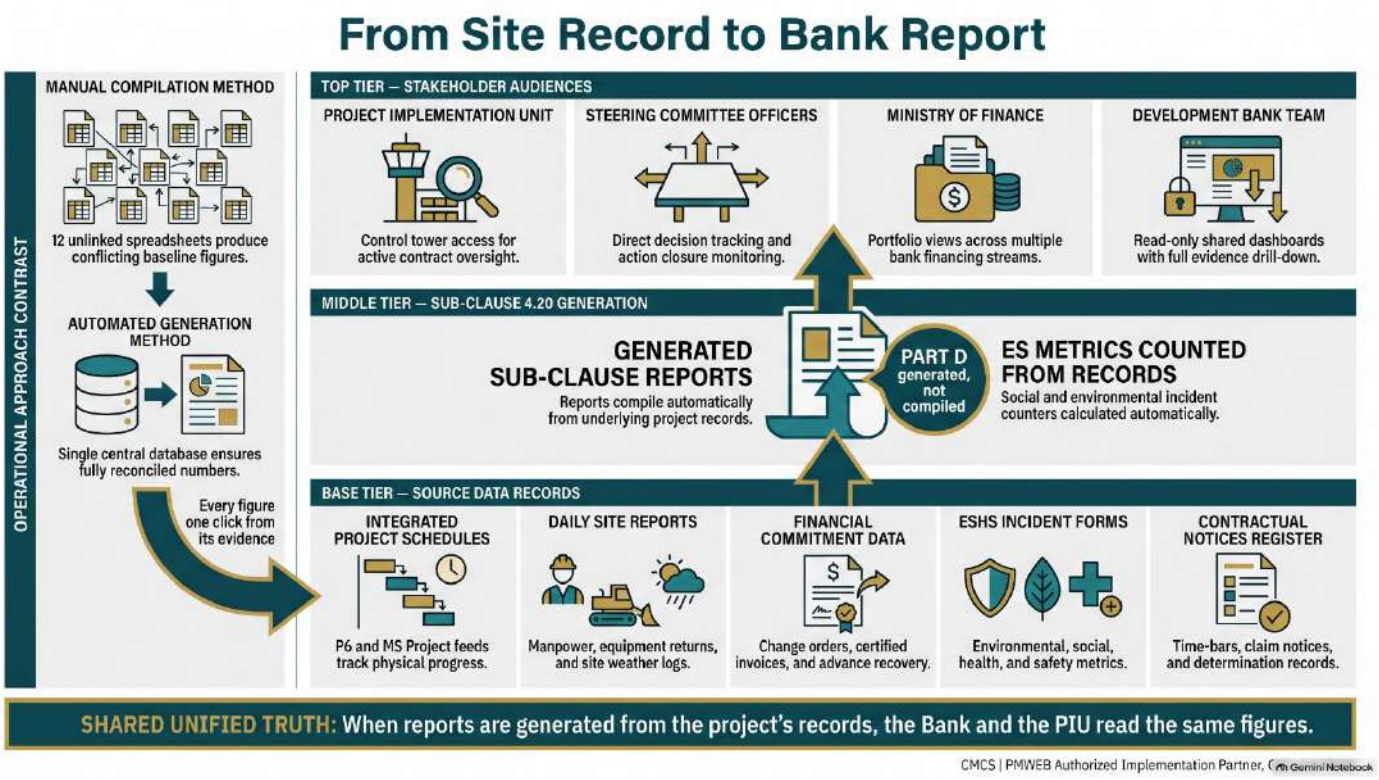
What Sub-Clause 4.20 and the Bank now ask for

Under the 2017 Red Book, the monthly progress report is already a substantial document. Sub-Clause 4.20 requires charts and detailed descriptions of progress, photographs, the status of manufacture of key Plant, records of Contractor's Personnel and Equipment, quality documents and test results, a list of Variations and notices given, health and safety statistics, environmental and public-relations activities, and a comparison of actual and planned progress with the measures being taken to recover delays.

The Bank adds to this. The World Bank's Standard Procurement Document for Works includes, in Particular Conditions Part D, a set of environmental and social (ES) reporting metrics that the Contractor must include in its progress reports. That brings incidents, non-compliances, grievances, training, worker numbers and ES

performance against the Contractor's plans into every monthly report. The ESHS and labour obligations covered in Articles 4 and 5 of this series are only as credible as the report that evidences them each month.

A Bank-financed progress report is therefore a compliance instrument. It records what the Contractor did, what the Engineer verified and what the Employer knows. When it is a Word document built from other documents, its compliance value is only as good as the last copy-and-paste.



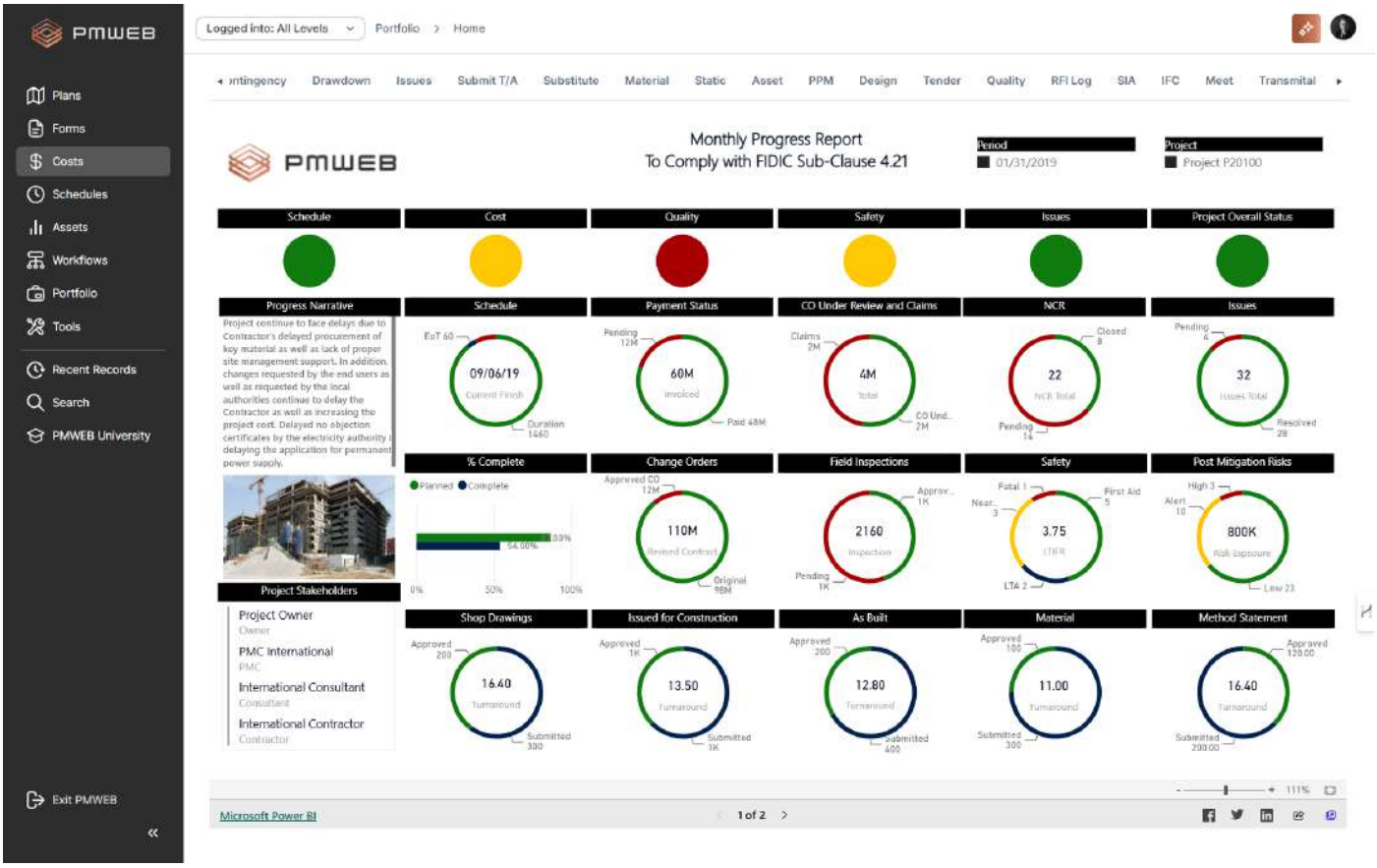
Infographic 1: From Site Record to Bank Report

Generating the report instead of compiling it

PMWEB turns the reporting calendar around. The monthly progress report is generated from records the project already keeps, rather than written as a separate document. Every figure has a source process:

PMWEB process	What it feeds into the report	Example on a Bank-financed contract
Schedules (P6 / MS Project integration)	Planned versus actual progress, critical path, recovery measures	C2102 physical progress of 31% against 34% planned, with the recovery programme attached
Daily Reports	Manpower, equipment, weather, photographs; Personnel and Equipment returns	Monthly labour and plant returns for C2103 rolled up from 30 daily reports (GPMCM CA36)
Commitments, Change Orders, Progress Invoices	Contract value, approved and pending change, certified to date, retention, advance recovery	C2104 certified 31.4 of 54.2 accepted amount, with cumulative variations of 13.6%
Funding sources	Disbursement by financier and category against the financing plan	Bank A and Bank B shares of each certificate on the programme
ESHS adaptive forms (incidents, inspections, grievances, training)	Part D ES metrics, counted from records	5 open incidents, 1 notified to the Bank within the required period
Notices, claims and determination records	Notices given, time-bars, determinations, DAAB matters	Notice of Claim on C2102 awaiting the Engineer's response under Sub-Clause 20.2.2
Meeting Minutes	Steering Committee decisions and actions	Actions assigned to the PIU director and tracked to closure (GPMCM CA42)

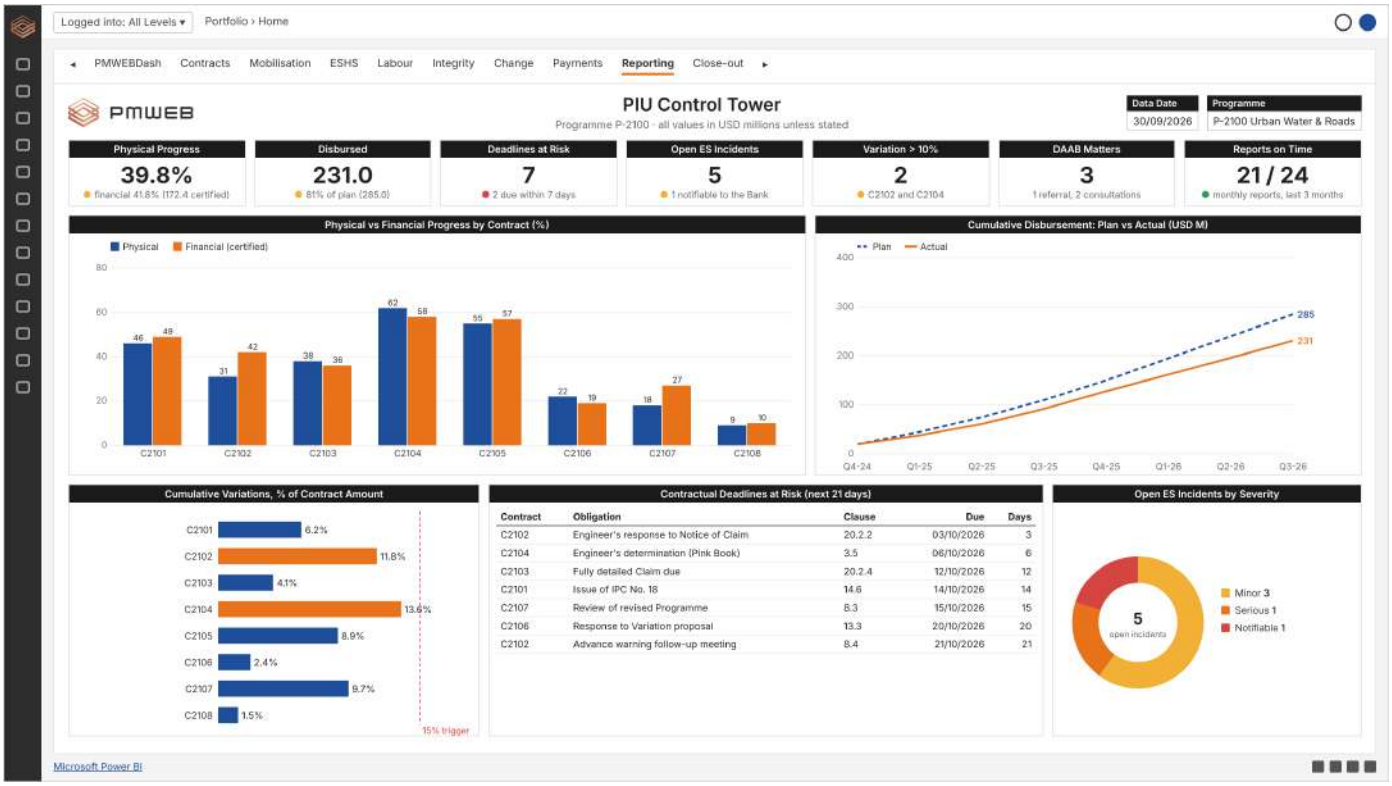
The report template is configured once per contract and branded for the Employer, the programme or the Bank's required layout. It is produced on demand or on a schedule. The narrative is still written by people, because judgement cannot be automated. But it sits on figures that already reconcile, because they all come from the same database.



The PIU Control Tower dashboard

A PIU rarely manages one contract. It manages a programme of works, goods and consulting contracts, often with several Contractors, a supervising Engineer and a financing agreement that allocates funds by financier and category. The control tower is the single view above all of them, with drill-down from programme to contract, certificate and source record.

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2100, with values in USD millions.



PIU Control Tower in PMWEB: Programme P-2100, Urban Water & Roads (sample data, USD millions)

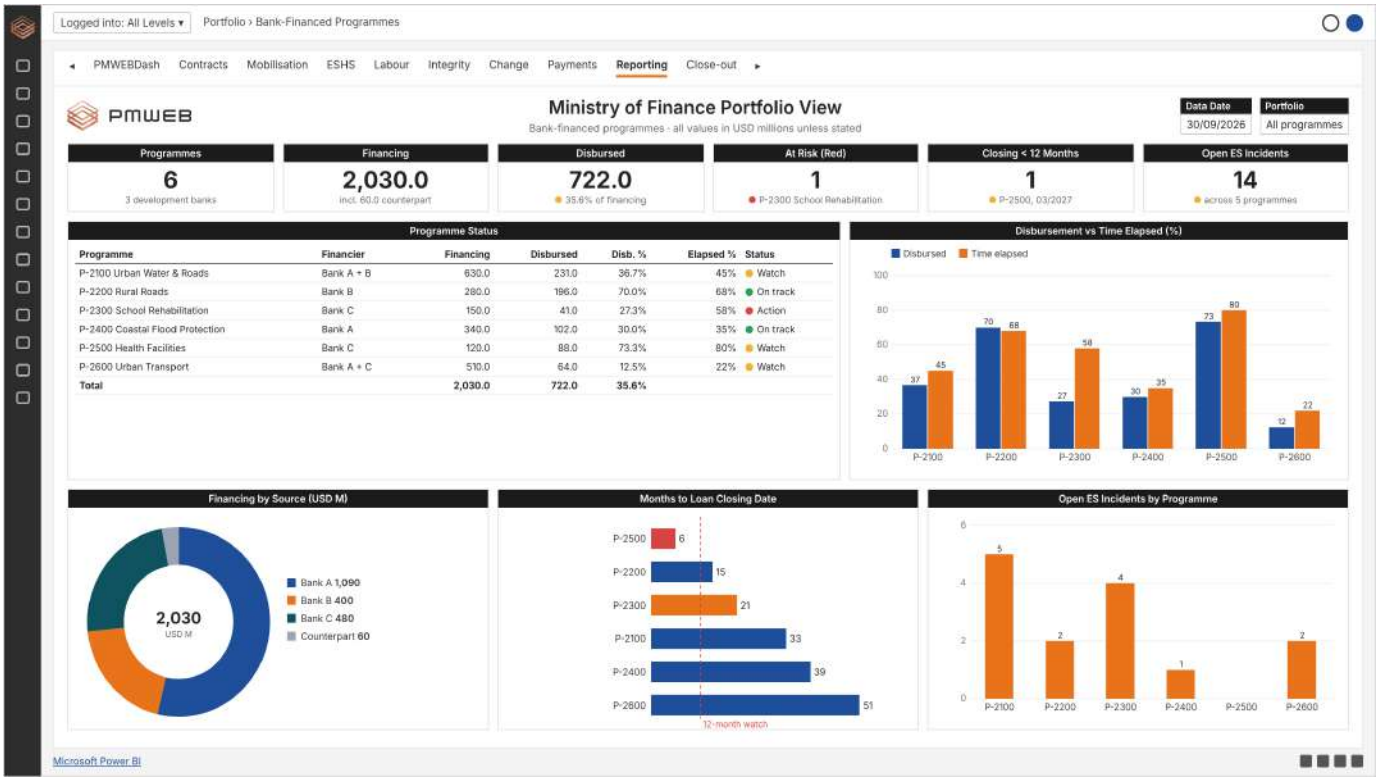
- **Paid ahead of the work on two contracts.** Programme physical progress is 39.8% against financial progress of 41.8% (172.4 certified of 412.6). The gap is concentrated on C2102 (31% physical, 42% certified) and C2107 (18% physical, 27% certified), where certification has moved ahead of the work.
- **Disbursement is behind the financing plan.** Cumulative disbursement is 231.0 against a plan of 285.0, or 81% of plan. With 33 months to the loan closing date of 30/06/2029, the gap is recoverable, but it widens every quarter.
- **Two contracts are approaching the no-objection trigger.** Cumulative variations on C2104 reach 13.6% and on C2102 11.8% of the contract amount. The next Variation on either may cross the 15% aggregate trigger referenced in GPMCM Annex 4 and require the Bank's prior no-objection (Article 7).
- **Seven contractual deadlines fall in the next 21 days.** Two are within a week: the Engineer's response to a Notice of Claim on C2102 under Sub-Clause 20.2.2 (3 days) and the Engineer's determination on C2104 under the Pink Book's Sub-Clause 3.5 (6 days).
- **Five ES incidents are open, one of them notifiable.** Three minor, one serious and one notifiable to the Bank. Each count is a record with its investigation, actions and evidence, not a typed figure.
- **Reporting itself is measured.** 21 of the last 24 monthly reports across the programme were submitted on time, and three DAAB matters (one referral, two consultations) are visible with their exposure.

A GIS map can add the same status to every financed site, so a PIU running water and road works in different districts sees where the risk is, not just how much there is.

The ministry of finance portfolio view

A ministry of finance or planning usually oversees several PIUs, financed by more than one development bank, each with its own reporting expectations, financing plan and closing date. Its question is not how one contract is doing, but where the national portfolio of Bank-financed investment is at risk.

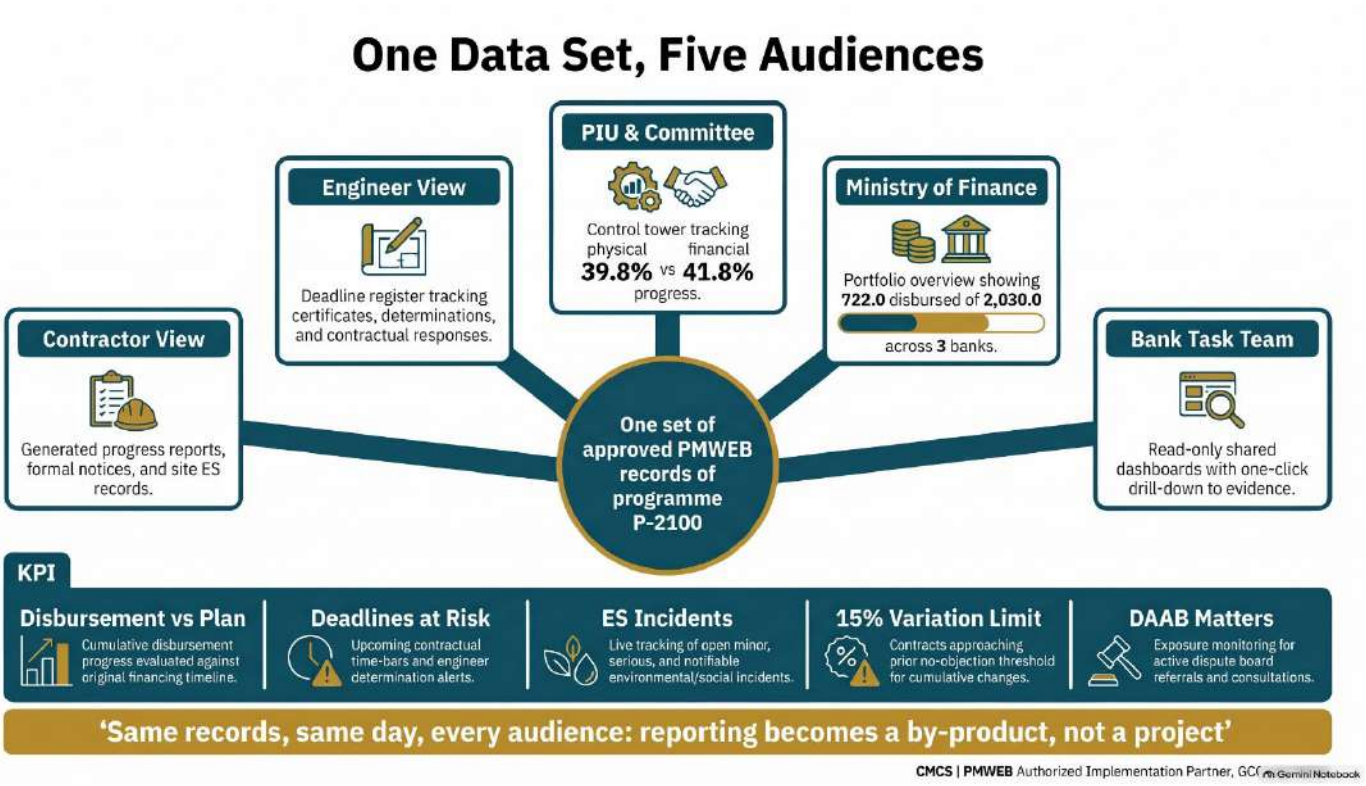
The same PMWEB records roll up into that view. The dashboard below shows six sample programmes across three financiers.



Ministry of Finance Portfolio View in PMWEB: six Bank-financed programmes (sample data, USD millions)

- **The portfolio has disbursed 722.0 of 2,030.0.** That is 35.6% of total financing, including 60.0 of counterpart funds, across Bank A (1,090), Bank B (400) and Bank C (480).
- **P-2300 School Rehabilitation is the red programme.** It has disbursed 27.3% of its 150.0 while 58% of its implementation period has elapsed. It needs a recovery plan before the Bank raises the question.
- **P-2500 Health Facilities closes in 6 months.** At 73.3% disbursed and 80% of time elapsed, the remaining 32.0 must be committed and certified before 03/2027, or reallocated.
- **P-2100 and P-2600 are behind their clocks.** P-2100 has disbursed 36.7% with 45% of time elapsed; P-2600 has disbursed 12.5% with 22% elapsed.
- **ES incidents are concentrated.** Of 14 open incidents across the portfolio, 9 sit in P-2100 (5) and P-2300 (4).

Because every programme uses the same configured processes, the ministry compares like with like. A disbursement ratio, an incident count or a variation percentage means the same thing in every programme.



Infographic 2: One Data Set, Five Audiences

Who receives what

The control tower serves several audiences from the same approved records:

Stakeholder	What they need to know	What PMWEB gives them
Bank task team	Is the programme on track, compliant and disbursing to plan?	Read-only shared dashboards and reports, refreshed from live records, with drill-down to evidence
Ministry of finance	Where is the national Bank-financed portfolio at risk?	Portfolio view across programmes and banks: disbursement, closing dates, red programmes
PIU director and Steering Committee	Which contracts, deadlines and incidents need decisions this month?	Control tower KPIs and Meeting Minutes actions tracked to closure
Engineer	Are certificates, determinations and responses on time?	Deadline register calculated from the Contract Data, with workflow status
Contractor	Is the report complete and are its notices recorded?	Generated progress report with its own Daily Reports, notices and ES records

External sharing. PMWEB can share selected reports and dashboards with authorised external users without giving them access to working records. The Bank sees the figures the PIU manages by, on the same day, instead of a PDF that was out of date when it was sent.

Bilingual outputs. Many Bank-financed programmes in the MENA region report in two languages. As discussed in our book *Digitalization of Construction Contract Administration Under FIDIC Contracts*, contract administration outputs can be Arabized: the same record produces an English report for the Bank and an Arabic report for the ministry, without retyping.

PMWEB 2026 AI on reporting data

PMWEB 2026, rebuilt on Angular with AI embedded, works over the structured records behind each report. It can only do this reliably because the data is structured; a folder of PDF reports gives it nothing to reason over.

AI Assistant mode	Example request from the PIU

AI Assistant mode	Example request from the PIU
Find	“Find all contracts on Programme P-2100 where certified progress is more than 5 points ahead of physical progress”
Open	“Open the September monthly progress report for contract C2102”
Create	“Create a Steering Committee action for the C2104 variation approaching the 15% no-objection trigger”
Help	“How do I share the control tower dashboard with the Bank’s task team?”

Action is taken only with the user’s approval, and PMWEB AI honours security settings, so reporting data is visible only to the roles permitted to see it.

What the PIU must put in place

- **One report template per contract,** configured from Sub-Clause 4.20, the Bank’s Part D ES metrics and GPMCM CA39, and generated from records rather than typed.
- **Every figure traceable to a process:** progress to Schedules, workforce to Daily Reports, cost to Progress Invoices and Change Orders, ES metrics to their adaptive forms.
- **Disbursement tracked by financier and category** against the financing plan and the loan closing date, not only certified amounts.
- **A deadline register calculated from the Contract Data,** so time-bars, determinations and responses at risk appear before they lapse.
- **Steering Committee decisions recorded as actions** with owners and due dates, and reviewed at the next meeting.
- **Read-only external access for the Bank’s task team and the ministry,** so missions start from shared figures instead of requests for data.

> **Key takeaway**
>
> A progress report assembled by hand is a snapshot that starts ageing the day it is sent, and every question about it sends the PIU back into the files. When PMWEB generates the report from the project’s own records, the PIU, the ministry and the Bank read the same figures, and every figure is one click from its evidence.

Over to you: *When a development-bank mission asks for a figure your progress report does not show, how long does it take your PIU to produce it, and from how many files?*

The series: *Article 1, Funding Comes with Conditions; Article 2, From Particular Conditions to Platform; Article 3, The First 90 Days; Article 4, ESHS as Evidence; Article 5, People on Site; Article 6, Integrity by Design; Article 7, Change under Scrutiny; Article 8, Paying through the Loan; Article 9, Reporting to the Bank; Article 10, Closing the Contract, Closing the Loan.*

Talk to us: to see a PIU control tower and a ministry portfolio view built on your own PMWEB data, contact CMCS at info@CMCS-MENA.com.

About the Author

Bassam Samman, PMP, PSP, EVP, GPM is the Chairman and Chief Executive Officer of CMCS FZCO, the PMWEB Authorized Implementation Partner for the Gulf Cooperation Council and the broader Middle East and North Africa region, and PMWEB Global Partner of the Year 2025. CMCS's client portfolio across the UAE, Saudi Arabia, Qatar and Kuwait spans real-estate development, capital construction and government programmes, including ROSHN, DAMAC, Al-Futtaim, Saudi Downtown Company, Riyadh Development Company, Dubai Municipality and Dubai Aviation Engineering Projects, among many others.

Bassam has over four decades of experience providing project management and Project Management Information System (PMIS) services to more than two hundred capital projects with a combined value exceeding one hundred billion US dollars. He is the author of four published books on project management digitalisation, including Digitalization of

Construction Contract Administration Under FIDIC Contracts, has lectured at more than three hundred and fifty international events and conferences, and has published over three hundred articles on project management and PMIS topics in international and regional publications. He is a co-founder of the Project Management Institute Arabian Gulf Chapter (PMI-AGC) and served on its board of directors for more than six years.

He holds a Master's degree in Engineering Administration (Construction Management), with Faculty Commendation, from George Washington University, Washington DC, and a Bachelor's degree in Civil Engineering from Kuwait University. He has completed executive management programmes at Harvard Business School and London Business School.

About PMWEB

PMWEB is an enterprise-class, web-based capital construction project management platform trusted by organisations worldwide including Harvard University, the United Nations and Atlanta Airport. It manages the entire project lifecycle within a single integrated platform — from portfolio planning and cost management through contract administration, document control, procurement, scheduling, asset management and business intelligence. PMWEB 2026 is rebuilt on Angular with AI embedded, and offers 150+ pre-configured reports, drag-and-drop dashboard design, native Power BI integration, multi-currency support and open API integration with ERP systems.

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Disclaimer

This article is for general information on contract administration practice. It is not legal advice. The executed Contract, its Particular Conditions, the applicable financing agreement and the funding agency's current policies govern every project.

Closing the Contract, Closing the Loan: Completion, Close-out and a 180-Day Roadmap

Taking over, defects, the Performance Certificate, the final account, audit readiness and how a PIU gets started

A Bank-financed contract is not finished when the works are taken over. It is finished when the final account is settled, the securities are released, the records survive the audit and the loan closes cleanly. That stage is often reached after the people who ran the contract have moved on. A PIU needs PMWEB so that close-out is the final state of records kept from the first day, not a reconstruction exercise in the last months before the closing date.

This final article of the series covers the closing stage of a FIDIC contract on a Bank-financed programme, from the Taking-Over Certificate to the release of the last security. It then sets out a 180-day roadmap for a Borrower or PIU to put the full compliance model of this series in place on PMWEB.

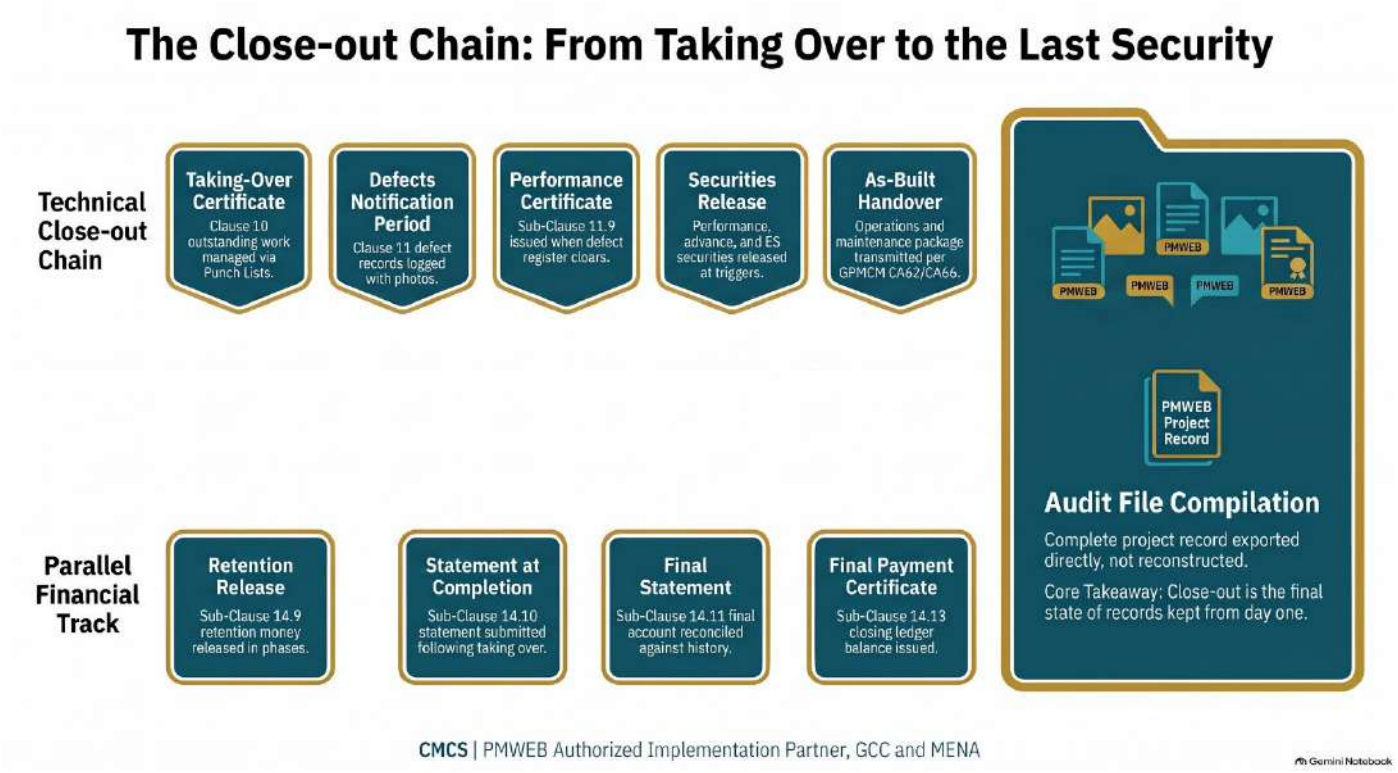
The long tail of completion

Most attention on a FIDIC contract goes to the years of construction. The months after completion get much less, and this is where Bank-financed projects tend to lose control quietly:

- **Taking-Over Certificates** are issued with long lists of outstanding work that live in an appendix nobody tracks.
- **Defects** notified during the Defects Notification Period are followed up by email.
- **Retention and securities** are released without a clear record of what was still outstanding, or are left to lapse unnoticed.
- **The final account** drags on long after the contract team has been demobilised.
- **The audit** arrives, or the loan closing date approaches, and the PIU has to rebuild a contract history from scattered files.

The 2017 Red Book sets out the closing sequence precisely. Under Clause 10, the Contractor applies for and the Engineer issues the Taking-Over Certificate, which may list minor outstanding work and defects. Clause 11 governs defects after taking over, through the Defects Notification Period, ending with the Performance Certificate under Sub-Clause 11.9, which marks completion of the Contractor's obligations. The financial close runs in parallel: release of retention money under Sub-Clause 14.9, the Statement at Completion under 14.10, the Final Statement under 14.11 and the Final Payment Certificate under 14.13. Performance and advance payment securities must be released or expire in line with the contract, and on a World Bank-financed contract any ES Performance Security follows the same discipline.

The GPMCM, the ADB-supported guide for FIDIC Pink Book contracts issued by the Sri Lanka Ministry of Finance, gives this stage its own procedures: CA61 Taking Over, CA62 as-built drawings, CA63 the Defects Notification Period, CA64 the Performance Certificate, CA65 contract close-out and CA66 handover of completed works and information to the operation and maintenance team. Each has checklists. Each depends on records created years earlier.



Infographic 1: The Close-out Chain: From Taking Over to the Last Security

Close-out as a set of linked records

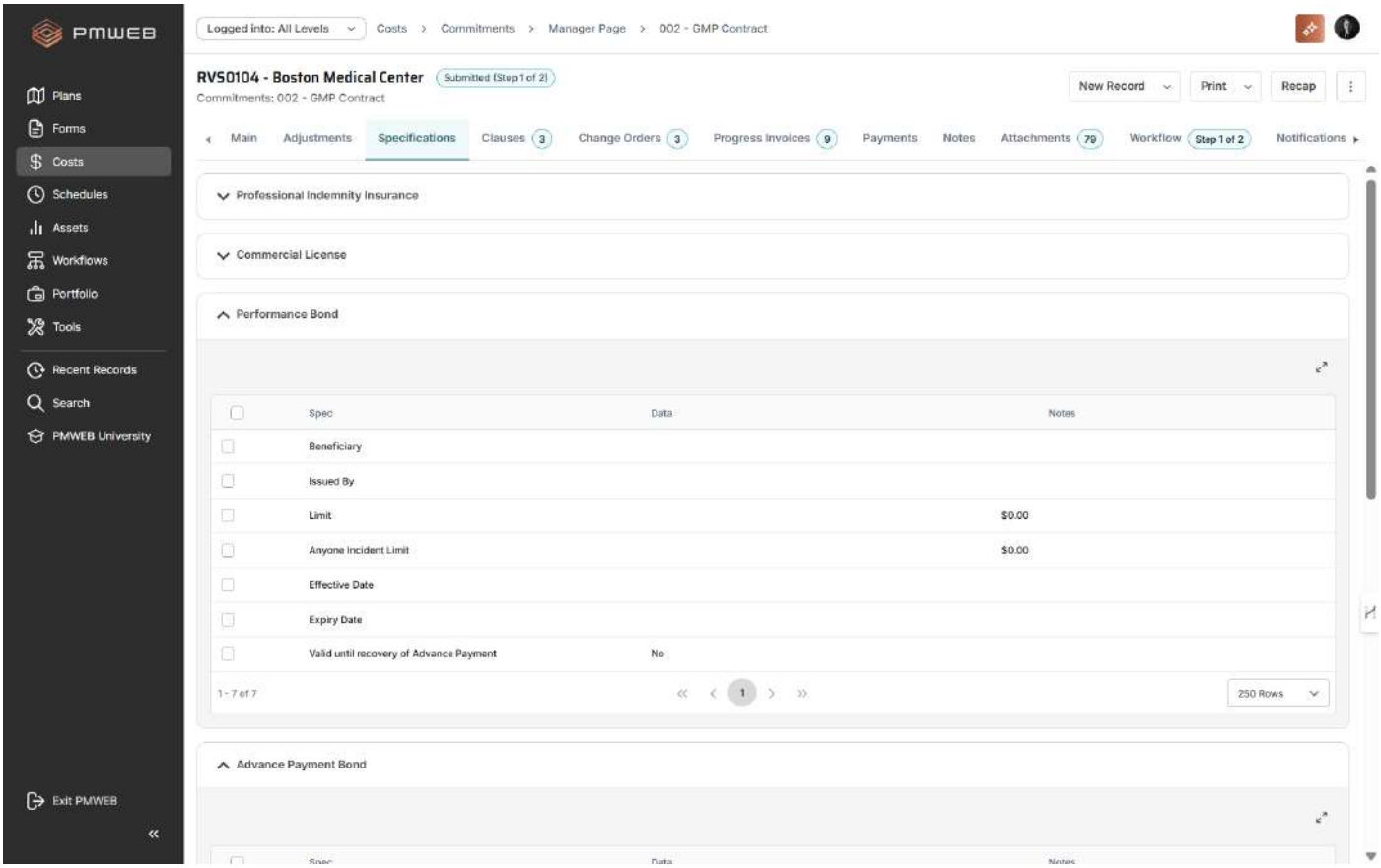
In PMWEB, close-out is not a separate project. It is the final state of records the contract has kept from the start:

PMWEB process	What it captures at close-out	Example on a Bank-financed contract
Taking-Over adaptive form and Punch List	Application, Engineer's inspection, certificate, outstanding work with owners and dates	C2204 Bridges Package taken over on 28/02/2026 with outstanding items as Punch List entries
Defect records (Issues / Punch List with photos)	Each defect notified, responded to, remedied and accepted, with dates	11 open defects on C2204, each with location, photographs and remedy date
Performance Certificate adaptive form	Certificate issued through workflow, gated by the defect register	C2203 certificate due 31/10/2026, blocked while 6 defects remain open
Progress Invoices and Cost Worksheet	Retention held and released, advance recovered, price adjustment, final account reconciliation	5.8 of retention still held across five contracts
Commitments › Bonds and Insurance details	Each security and guarantee, its value, expiry and release trigger	C2202 performance security still held after its Performance Certificate was issued
Document Management and Transmittals	As-built drawings, O&M manuals, warranties and test certificates as controlled documents	O&M handover package for C2201 transmitted and acknowledged by the operator
Close-out checklist adaptive form	GPMCM CA65 checklist items with sign-off	C2201 checklist 100% complete; C2206 at 20%

Taking over. The application for the Taking-Over Certificate is an adaptive form linked to the works or Section, with the Engineer's inspection and the certificate attached. Outstanding items become Punch List entries with owners and target dates, so they do not disappear into an appendix.

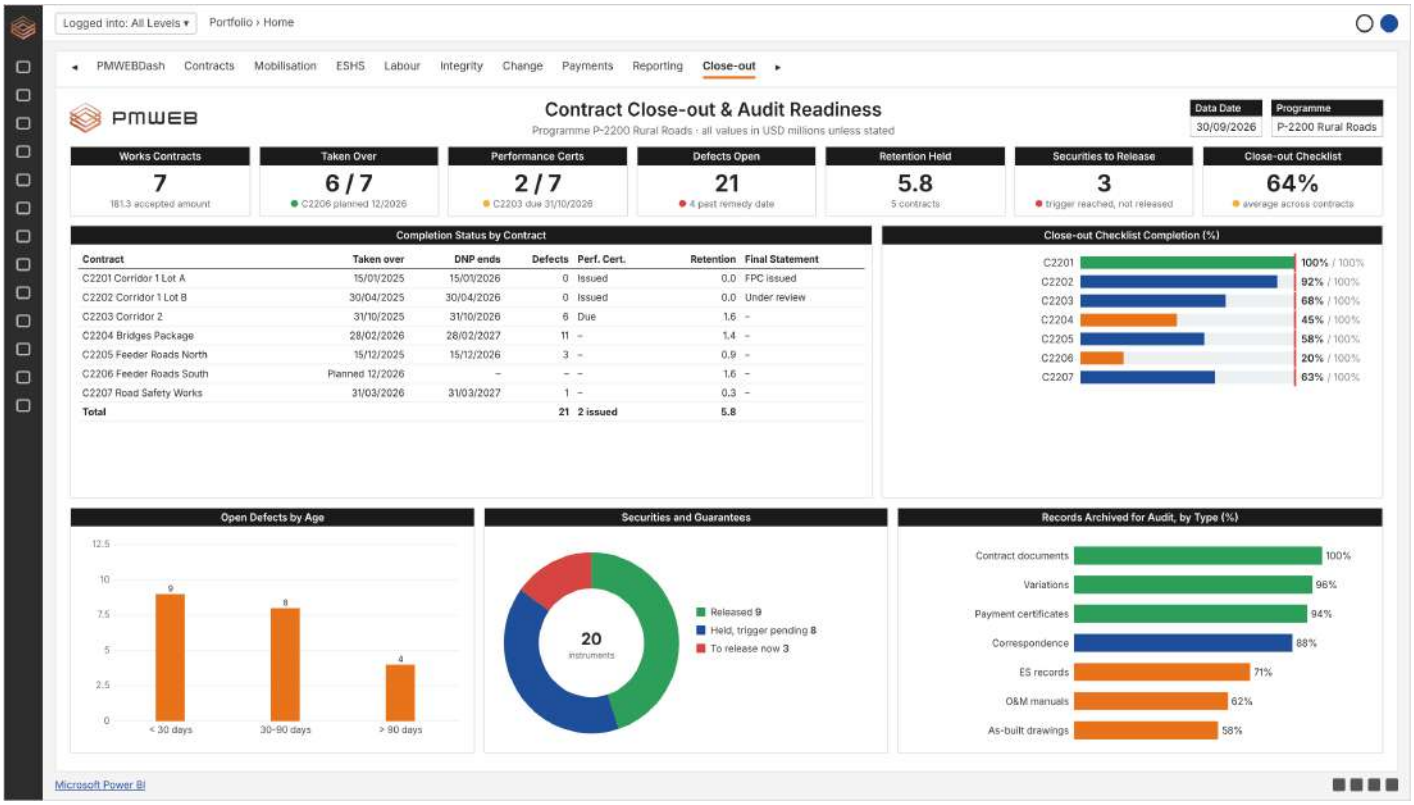
Defects Notification Period. Each defect is a record with its location, photographs, notification date, the Contractor's response and the Engineer's sign-off. The DNP end date is calculated from the taking-over date, so the Employer sees, before the Performance Certificate is due, which defects are still open and which may justify extending the period.

Final account. The Statement at Completion and the Final Statement are reconciled against the contract's whole cost history: the original Commitment, every Change Order, every certified Progress Invoice, retention held and released, advance payment recovered, price adjustment applied and any amounts agreed or determined under Sub-Clause 3.7. The Final Payment Certificate is the closing balance of a ledger that has been up to date all along.



The Contract Close-out and Audit Readiness dashboard

The dashboard below is built in PMWEB's embedded Power BI reporting for the sample programme P-2200 Rural Roads, a second Bank-financed programme in the same ministry portfolio that is now in its closing stage, with values in USD millions.



Contract Close-out and Audit Readiness in PMWEB: Programme P-2200, Rural Roads (sample data, USD millions)

- **Taken over is not closed.** Six of the seven works contracts (181.3 accepted amount) have been taken over, but only two Performance Certificates have been issued, and only C2201 has a Final Payment Certificate.
- **Defects decide the next certificate.** 21 defects are open, 11 of them on C2204 Bridges Package. Four are older than 90 days and past the remedy date set by the Engineer. C2203's Performance Certificate is due on 31/10/2026 but cannot be issued while its 6 defects remain open.
- **Three securities should already have been released.** Their trigger has been reached but the instrument is still held: the C2202 performance security after its Performance Certificate, the C2201 ES Performance Security, and the C2203 advance payment guarantee after full recovery of the advance. Holding securities beyond their trigger is a contractual exposure, not a safe default.
- **Retention is still a liability to plan for.** 5.8 of retention money is held across five contracts, and its release has to be scheduled against the remaining certificates and the financing still available.
- **Close-out is uneven.** The average checklist is 64% complete, from 100% on C2201 to 20% on C2206, which has not yet been taken over.
- **The audit file has gaps where it matters.** Contract documents, variations and payment certificates are 94–100% archived, but ES records (71%), O&M manuals (62%) and as-built drawings (58%) are not. These are exactly the records an ex-post review and the operator will ask for.

Ready for the audit that comes later

Development-bank projects are reviewed after the event. The Bank may carry out post reviews of procurement and contract management, and Bank-financed contracts give the Bank inspection and audit rights over accounts and records, as in Sub-Clause 1.15 of the FIDIC MDB Harmonised Edition and in the World Bank's Specific Provisions. National audit institutions add their own scrutiny. These reviews often take place after the PIU team that ran the contract has been demobilised.

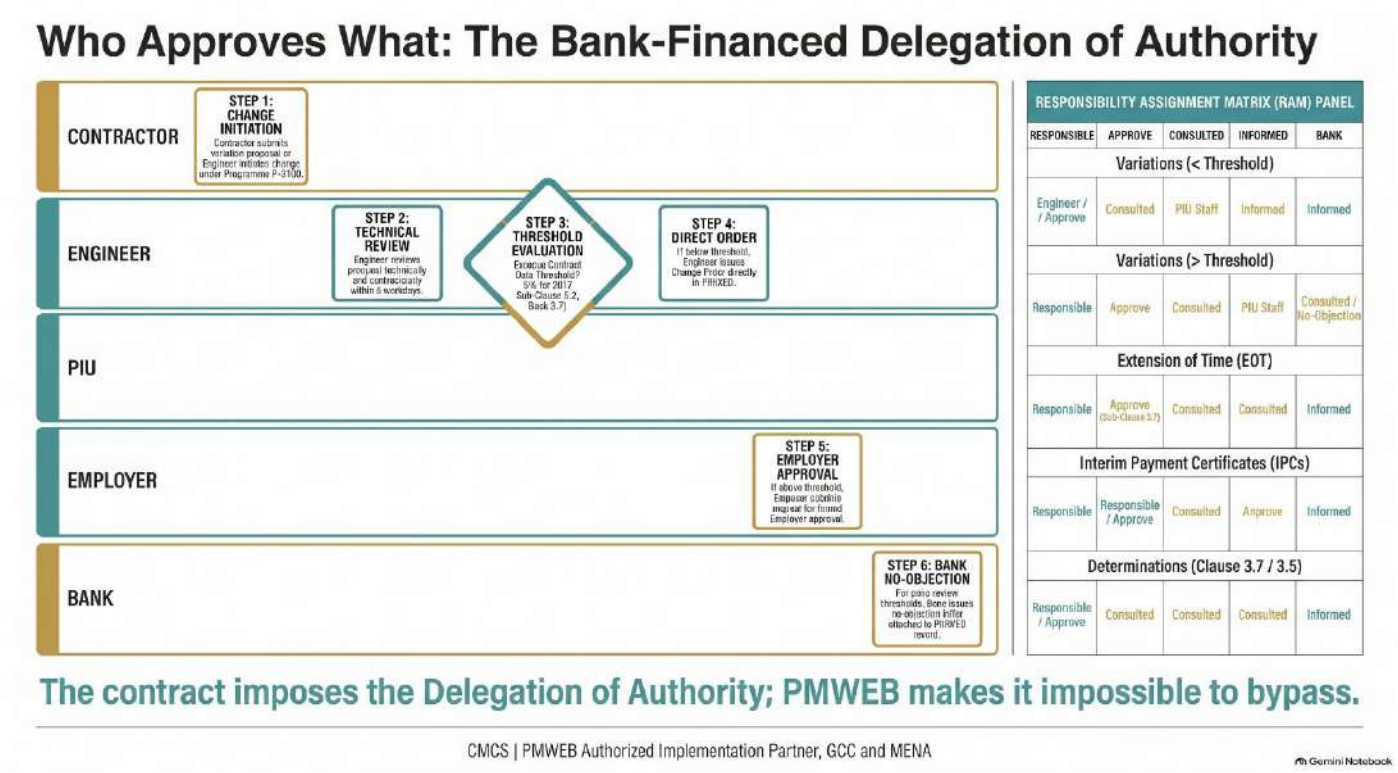
The test is simple: for any payment, variation or determination, can the Borrower show who approved it, on what evidence, and under which contractual and Bank authority? In PMWEB, every record keeps its workflow history, attachments and links. Records are retained for the period the financing agreement or national law requires, with role-based read-only access for auditors. The audit trail is not reconstructed. It is exported.

Close-out is also the moment to capture lessons learned while the evidence is still at hand. Which notices were late, and why? Which variations approached their no-objection threshold? Where did ES incidents cluster? Because the data is structured, lessons are analysis rather than anecdote, and they can be applied to the next contract in the programme, as GPMCM intends when it aims to "prevent recurrence of problems/weaknesses through amending of procedures".

Bank / FIDIC requirement	Evidence the Bank or auditor expects	PMWEB process
Clause 10 Taking Over (GPMCM CA61)	Application, inspection, certificate and listed outstanding work	Taking-Over adaptive form with workflow; Punch List for outstanding items
Clause 11 defects during DNP (GPMCM CA63)	Each defect notified, remedied and accepted, with dates	Defect records with photographs and sign-off; DNP end-date tracking
11.9 Performance Certificate (GPMCM CA64)	Certificate issued when obligations are fulfilled	Performance Certificate form gated by defect-register status
14.9 release of retention money	Release in line with taking over and the Performance Certificate	Retention tracked on Progress Invoices; release linked to certificates
14.10, 14.11, 14.13 final account	Statement at Completion, Final Statement and FPC reconciled to contract history	Cost Worksheet reconciliation of Commitment, Change Orders and Progress Invoices
Release of performance, advance payment and ES securities	Securities released only when the contract allows	Bonds and Insurance details with expiry alerts and release workflow
As-built records and O&M handover (GPMCM CA62, CA66)	Complete, controlled handover package	Document Management folders linked to assets or Sections; Transmittals
Contract close-out (GPMCM CA65)	Completed close-out checklist	Close-out checklist adaptive form with workflow sign-off
Bank inspection and audit rights; post review	Full, retrievable record of approvals and evidence	Workflow audit trail; read-only auditor access; record retention

A 180-day roadmap for Borrowers and PIUs

The articles in this series describe a complete compliance model, but it does not have to be built all at once. PMWEB is programme-scoped: a Borrower or PIU can start it on a new Bank-financed programme, or on the next contracts to be awarded, without first migrating every legacy project. Hosting can be SaaS or on-premise, to suit the Borrower's data-residency and security requirements.



Infographic 2: The 180-Day PMWEB Roadmap for a Bank-Financed Programme

- **Days 0–30: contract baseline and configuration.** Load the financing agreement's financiers, components and categories, the procurement plan and the contract documents. Configure the Contract Data and the Bank's Specific Provisions as structured parameters: periods, thresholds, currencies, securities and approval requirements. Build the Responsibility Assignment Matrix and the Delegation of Authority, including the steps where the Engineer needs the Employer's approval and the Employer needs the Bank's no-objection (Articles 1 and 2).
- **Days 31–90: mobilisation, ESHS and integrity.** Put the mobilisation records in place: securities, advance payment guarantee, insurances, evidence of the Employer's financial arrangements, commencement, programme and DAAB (Article 3). Configure the ESHS and labour processes: incidents, inspections, grievances, Codes of Conduct, training and workforce records (Articles 4 and 5). Configure the integrity controls: subcontractor approval with eligibility checks, conflict-of-interest declarations and an audit-ready trail (Article 6).
- **Days 91–180: payment, change, reporting and the control tower.** Run Progress Invoices with currencies, price adjustment, retention and disbursement traceability (Article 8). Run the change cycle from Change Event to Change Order with no-objection thresholds (Article 7). Turn on the generated progress reports, the ES metrics and the PIU and ministry control towers, with external sharing for the Bank's task team (Article 9).

By day 180, the programme has one source of truth running from the financing agreement to the last certificate, and close-out becomes the natural end of records the PIU has kept all along.

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Stakeholder	What they need	What PMWEB gives them
Ministries of finance and planning	One view of the Bank-financed portfolio, across every development bank	Portfolio dashboards: disbursement, closing dates, red programmes
PIUs and PMUs	FIDIC and Bank obligations run as processes, not checklists in folders	Configured workflows, registers and generated reports for every contract
Engineers and supervision consultants	Every certificate, determination and approval evidenced	Deadline registers, DoA workflows and records linked to their evidence
Contractors	Entitlements protected and Bank ESHS	Notices, claims and ES records captured

Stakeholder	What they need	What PMWEB gives them
	reporting met without duplicated effort	once and reused in every report
Bank task teams	Live visibility of the figures the Borrower manages by	Read-only shared dashboards with drill-down to evidence

PMWEB 2026 AI on close-out data

AI Assistant mode	Example request from the PIU
Find	"Find all securities on Programme P-2200 whose release trigger has been reached but that are still held"
Open	"Open the Taking-Over Certificate for contract C2204 with its outstanding-work list"
Create	"Create a close-out checklist for contract C2205 from the programme template"
Help	"How do I give the auditor read-only access to the C2201 contract records?"

Action is taken only with the user's approval, and PMWEB AI honours security settings, so close-out and audit data is visible only to the roles permitted to see it.

What the PIU must put in place

- **Outstanding work and defects as records,** with owners, photographs and remedy dates, never as appendices to a certificate.
- **The Performance Certificate gated by the defect register,** so it is issued when obligations are fulfilled and not before.
- **Every security tied to its release trigger,** with alerts before expiry and a workflow to release it once the trigger is reached.
- **A final account that is a reconciliation, not a negotiation from memory:** Commitment, Change Orders, Progress Invoices, retention, advance recovery and price adjustment in one ledger.
- **A controlled handover package** of as-built drawings, O&M manuals, warranties and test certificates, transmitted and acknowledged.
- **Record retention and read-only auditor access** for the period the financing agreement and national law require.
- **A lessons-learned review from data,** applied to the next contract in the programme.

> **Key takeaway**
>
> Close-out is not a project at the end of the contract. It is the final state of records kept from the first day. When those records live in PMWEB, the final account reconciles, the securities are released on time, the auditor gets an export instead of a reconstruction, and the loan closes on evidence rather than on effort.

Over to you: *On the last Bank-financed contract you closed, how long did it take to reconcile the Final Payment Certificate with every variation and certificate behind it, and how many people who knew the contract were still on the team?*

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Talk to us: to plan a 180-day PMWEB roadmap for your Bank-financed programme, or to see a close-out and audit-readiness dashboard built on your own data, contact CMCS at info@CMCS-MENA.com.

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