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BRAZIL'S WORLD CUP WOES

By Michael Regan

The gauntlet has been set down for the Brazil World Cup construction after the ratings agency Moody's warned that a 'failure to have needed infrastructure in place could sully the country's image'.

Much emphasis is being placed on the infrastructure opportunities that the World Cup will grant Brazil but as we have already seen from the construction of the stadia itself, there is scope for project delays and serious safety issues.

For the companies involved, the stakes are high. Large sporting stadia built in the UK have resulted in litigation and affected some well-known names – the issues surrounding the construction of Wembley stadium the Millennium Stadium in Cardiff, Wales stand as salutary warnings.

With the delays comes litigation around which party is to blame and as the World Cup deadline looms, disputes will be hotting up.

Such disputes are resolved in Brazil through a state court – there are no specific courts set up to deal with construction disputes. As elsewhere in the world, alternative methods of dispute resolution such as arbitration or

mediation can help resolve disputes without incurring the costs or publicity associated with a long-running court case. Parties to a dispute can adopt the arbitration rules of any national or international institution – with many picking the major international institutions that have more experience of complex infrastructure disputes.

Construction projects already have enough issues around delays to contend with, so the resolution of a dispute should not hold up completion of a project. Dispute adjudication boards (DABs), dispute review boards (DRBs) and combined disputes boards (CDB) are therefore an increasingly popular option before going down a more formal dispute resolution route – helping to both preserve relationships and minimise delays.

With the World Cup action kicking off very shortly, there is a real onus on those involved in these infrastructure projects to work together to resolve any disputes and reach completion soon.

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