



Confederation of International Constructors' Associations

Performance-based road maintenance contracts (PBMC) How can they help develop the local road industry

Michel DEMARRE, Director General of SEFI (French Association of International Contractors)

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Importance of the topic

- Road maintenance is crucial
- Procurement has a big role to play : in the long run, it can structure the construction industry
 - evidence from various examples
 - article in Routes-Roads 2006 n°332
- Performance-based maintenance contracts (PBMC) should help

Advantages of PBMC

- Long-term contracts : provide visibility to contractors, allowing them to invest in equipment, training, etc.
- « Small » PPPs
 - open to innovation, output-based
 - financial component less important (no SPV needed)
- Effective (WB; PMMR-OPRC)
 - Ben Gericke in PPRS 2015 (www.pprsparis2015.com)

Caveats with PBMC

- Financing may be an issue (guarantees?)
- Need for consultation with stakeholders
 - Get strong support from road authority
 - Find appropriate arrangements (areas; types of roads)
 - Do not put too much on the contractor's plate : the devil is in the details
- Report by Colas « Innovative PPPs in road maintenance and management » PIARC Mexico 2011