

**Technical Committee A.2: Financing, Managing and Contracting of
Road System Investment**
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Executive Summary:

The initial Technical Committee A.2 meeting was held in Paris on 8th and 9th April 2008.

This meeting confirmed the appointments of the Chairperson and three Secretaries (English, French and Spanish).

In addition to the introduction session on the role and functions of the PIARC Committees, considerable action was taken on a review of and development of suggested modifications to the wording of the issues and proposed outcomes of the Committee. These suggested alterations are intended to focus the attention of the Committee's work towards the operations and maintenance of road systems as opposed to the perception that the original wording is more focused towards construction.

Working sub groups, with specific areas of interest, have been identified and these sub groups will work on developing the content of the final reports.

A draft schedule of meetings for the life of the Committee was developed. This schedule includes the involvement of the Technical Committee with a seminar to be run in Ouagadougou by the Burkina Fasa Roads Authority. It is proposed that the timing for this seminar and the next committee meeting will be adjacent to each other and will be held in December 2008 in Ouagadougou, Burkina Fasa.

Background:

The PIARC Technical Committee A.2 "Financing Managing and Contracting of Road System Investment" is one of the four technical committees in the Strategic Theme A – "Sustainability of the Road Transport System".

It has three Australian/New Zealand representatives i.e. Martin Fletcher, New Zealand Transit Authority (English Secretary), Brian Noble, Main Roads Western Australia (Full Member) and Vincent Scarcella, Queensland Transport (Corresponding member).

The four committees of this strategic theme held their initial meetings on 8th and 9th April 2008. Unfortunately, Mr Fletcher was unable to attend and hence Australia and New Zealand had only one member present.

The morning of 8th April was taken up with an introduction session on the role and operational methods of PIARC. Each committee then met separately over the following one and a half days.

The theme of this committee is "Financing, Managing and Contracting of Road System Investments", and the four issues that this committee was charged with considering, as outlined in the Draft PIARC Strategic Plan, are:

- A.2.1 Review of partnership solutions for road system management and financing,
- A.2.2 Exploration of financial strategies for countries at different stages of development,
- A.2.3 Investigation of new forms of contracting, and
- A.2.4 New approaches of financing and managing of the road system in developing countries.

Prior to the meeting, nominations for the roles of Committee Chairman and the three Secretaries (English, French and Spanish) had been considered and the following nominations had been received for these positions:

Chairperson	Henri Chua (United Kingdom)
English speaking Secretary	Martin Fletcher (New Zealand)
French speaking Secretary	Samira Irsane-Semaan (France)
Spanish speaking Secretary	Gerardo Gavilanes Gineres (Spain)

Technical Committee A.2 has a membership of 66. This membership comprises 47 Full Members, 15 Corresponding Members and 4 Associate Members representing 40 countries. Of the 47 Full Members, 9 are from African countries, 5 are from American Countries, 5 are from Asia or Australasian countries with the remainder from European countries.

Thirty three of 66 members were able to attend the Paris meeting.

Work Program:

During the meeting there was considerable discussion relating to the proposed works program and the majority of the members felt that the issues identified for this committee contained a number of overlaps plus the works appeared to be focused towards the construction of the road systems and not towards the operations and maintenance of these systems. As it was felt that a lot of work has previously been undertaken on construction methods and approaches, it was suggested that approval would be sought from the PIARC Secretariat to modify these areas of issue into three (from four) areas with greater emphases towards the operations and maintenance of road systems.

The suggested modified Terms of Reference are:

Technical Committee A.2 – Financing, Managing and Contracting of Sustainable Road Systems

Issue A2.1 Review public and private sector roles in sustainable road systems	
Strategies	Outputs
Review the evolving roles of the public and private sectors in the provision of sustainable road systems and the levels of private sector participations. The review will, but not excluding, examine management, maintenance, operations, funding and financing.	Report identifying the different combinations of public and private sector involvements in the provision of sustainable road systems, and the perceived advantages and disadvantages,
Issue A2.2 Explore funding and financing strategies for sustainable road maintenance and operations in developed and developing countries.	
Strategies	Outputs
Examine the different approaches employed for funding and financing of sustainable road maintenance and operations.	Report with case studies, where appropriate, highlighting the adopted approaches by economic development stage, and their success and failures.
Issue A2.3 Investigation of new forms of procurement of private sector participants in sustainable road maintenance and operations.	

Strategies	Outputs
Explore the different approaches to procurement of private sector inputs for sustainable road systems. Considerations should be given to the procurement of services relating to maintenance and operations as well as design and construction projects to provide levels of service consistent with user expectations and road hierarchies.	Report with case studies illustrating the various forms of procuring private sector involvements and comparing the benefits and dis-benefits of novel against more traditional forms of maintenance and operations.

Following the meeting, the Chairperson has had discussions with senior members of the PIARC Secretariat on this suggestion and I understand this suggestion has received support.

It was agreed that the committee would operate via a number of sub groups, each with the task of primarily addressing one of the above issues.

I have agreed to lead one of these sub groups.

A draft schedule of future meetings and seminars was developed. This draft meeting schedule is:

December 2008	Ouagadougou, Burkina Fasa (West Africa). The meeting will be held in conjunction with a seminar to be held by the Burkina Fasa Road Authority. Members of the A.2 committee will be assisting with the Seminar. More details on this seminar will be provided.
April/May 2009	Morocco
November 2009	Mexico
May 2010	Spain
November 2010	Canada
April/May 2011	Rumania
Late 2011	Next PIARC Congress in Mexico.

Meeting outputs:

The meeting confirmed the nominations for the Technical Committee Chairperson and the three Secretaries.

The personnel who will undertake other management roles and positions during the upcoming 4 year term of the committee were also identified.

There was a consensus view that more value would be obtained from this committee with the suggested modifications to the issues and proposed outcomes.

The draft program of future meetings and seminars was agreed and general agreement reached on the manner in which the committee would undertake its work.

Emerging issues:

There were not any emerging issues of concern identified at this meeting.

Learnings for Australia and/or New Zealand:

With the suggested revision to the issues to be addressed by this committee, it is considered that considerable value will be obtained from the wide knowledge base of the committee on the approaches being undertaken on road system operations and on the involvement of private industry in the delivery of these services.

This view is based upon the fact that while Australia and New Zealand may be in the forefront of new and innovative contracting methods for construction and maintenance, there is a lot to be learnt from the experiences and approaches to network operations in other countries.

Dissemination:

In addition to the uploading of information on the PIARC web site (yet to commence) future information obtained from this committee will be forwarded for distribution through the AustRoad's systems.

Conclusions and recommendations:

Although this report relates to the initial meeting of this Technical Committee which was spent establishing itself, I believe the committee contains a number people with a considerable amount of experience in the subject areas and I am confident that the work to be undertaken will be of considerable value to all Austroads members.