


Economic Commission for Europe
Inland Transport Committee
Working Party on Transport Trends and Economics
Group of Experts on Benchmarking Transport Infrastructure Construction Costs
Tenth session

Geneva, 30 and 31 January 2020

Report of the Group of Experts on Benchmarking Transport Infrastructure Construction Costs on its tenth session
Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Attendance.....	1–3	2
II. Adoption of the agenda (agenda item 1)	4	2
III. Transport Infrastructure Construction costs: Presentations of good practices at national levels for evaluating and calculating them (agenda item 2)	5–9	2
IV. Transport Infrastructure Construction costs: Presentations of terminologies used (agenda item 3).....	10–11	3
V. Collection and analysis of benchmarking data (agenda item 4)	12–20	3
VI. Discussions on the structure of the final report of the Group of Experts (agenda item 5).....	21–24	5
VII. Other business (agenda item 6)	25	6
VIII. Date and place of next meeting (agenda item 7)	26	6
IX. Adoption of main decisions (agenda item 8).....	27	6



I. Attendance

1. The Group of Experts on Benchmarking Transport Infrastructure Construction Costs (hereafter called the Group) held its tenth session on 30 and 31 January 2020. In the absence of the Chair, Mr. A. Maciejewski (Poland/ Trans-European Motorway (TEM) Project), the session was chaired by Mr. J. Kleniewski (Poland).
2. Representatives of the following United Nations Economic Commission for Europe (ECE) member States participated: Croatia, Cyprus, Finland, Poland, Russian Federation and Turkey.
3. Representatives of the International Union of Railways (UIC) and the International Road Federation (IRF) attended the session as well. The President of Reenergia joined the session through video link as an independent expert.

II. Adoption of the agenda (agenda item 1)

Documentation: ECE/TRANS/WP.5/GE.4/19

4. The Group adopted the agenda.

III. Transport Infrastructure Construction costs: Presentations of good practices at national levels for evaluating and calculating them (agenda item 2)

Documentation: Informal document WP.5/GE.4 (2020) No. 1

5. The secretariat informed that since the last session of the Group the following ECE member States had submitted information about their national good practices for evaluating and calculating transport infrastructure construction costs: Croatia, Cyprus, Latvia, Poland, Russian Federation, Sweden and Turkey. Upon receiving these inputs, the secretariat prepared a consolidated overview of responses received from member States regarding the different methodologies used for benchmarking of road, rail and inland waterway infrastructure construction costs which was shared with the Group on 22 January 2020 (Informal document WP.5/GE.4 (2020) No. 1). In this connection, the Group reviewed the document and asked the secretariat to make a few mostly lay-out/ formatting related corrections to it and to re-issue it. The Group also requested to include additional inputs which had been received after the initial Informal document WP.5/GE.4 (2020) No. 1 was issued, i.e. from Czechia, Germany and Turkey. The Group decided that the inputs received so far provide a good basis for the Chapter 2 of the final report of the Group which is to provide an overview of challenges and considerations (including a literature review, a description of international and national experiences and good practices and a set of models / methodologies in use).
6. The secretariat informed the Group about its efforts, since the Group's last session, to gather additional information and data from ECE member States and partner organizations:
 - On 22 October 2019, it issued a final request (by email) to the parent body of the Group, Working Party on Transport Trends and Economics (WP.5) and through designated mailing lists of road and railway infrastructure managers with an appeal for responses to be submitted to the secretariat by 16 December 2019. Short presentations on the Group's work mandate and data collection challenges were delivered to the following ECE working parties in Geneva: the Working Party on Road Transport (SC.1) held on 16–18 October 2019; the Working Party on Rail Transport (SC.2) held on 25–27 November 2019; the Working Party on Inland Water Transport (SC.3) held on 6–8 November 2019; as well as the Working Party on Intermodal Transport and Logistics (WP.24) held on 30 October – 1 November 2019. Following each of these presentations, the relevant questionnaires and four open questions were submitted, through the respective secretaries, to the working party members with a request for inputs/ feedback by end of December 2019.

- In the course of November 2019, it reached out to counterparts in the TEM and Trans-European Railway (TER) projects searching for synergies between the work undertaken by the Group and the work being undertaken in the framework of these initiatives and frameworks. The TER project responded positively and provided a full data set from its Members. Feedback from the TEM project is pending but forthcoming.

7. The Group took note of the comprehensive presentations on national benchmarking approaches and methodologies delivered by the representatives of the FAI “ROSDORNII” Ministry of Transport of the Russian Federation (on road transport) and the Directorate for Inland Navigation from Croatia (on IWW (Inland Waterways)). The Group also benefited from a presentation by Mr. A. Durrani, who is the lead consultant in a regional project being implemented by the ECE secretariat and the Economic Cooperation Organization (ECO) secretariat aimed at developing a web-based GIS platform that would enable benchmarking of transport infrastructure costs in the ECO region. The project which is funded by the Islamic Development Bank (IsDB) is fully compatible with the ongoing work of the Group. Inter alia, the project is using the consolidated glossary and questionnaires prepared by the Group and its findings are expected to feed into the final report of the Group.

8. The full presentations are available on the webpage of the tenth session of the Group: www.unece.org/trans/main/wp5/wp5_ge_benchmarking_transport_infrastructure_construction_costs_0100.html.

9. Following the presentation by the representatives of the Russian Federation and Croatia, the secretariat called upon the Group to deliver similar-style presentations on relevant national practices at its forthcoming eleventh session to be held in May 2020. The secretariat also called upon the Group to submit timely written inputs as well (in addition to PowerPoint presentations).

IV. Transport Infrastructure Construction costs: Presentations of terminologies used (agenda item 3)

Documentation: ECE/TRANS/WP.5/GE.4/2019/1/Rev.1

10. The secretariat recalled that following a decision taken by the Group at its ninth session in October 2019 and following intermediate feedback received it had prepared a revised, consolidated list of terminologies (including road, rail, inland waterways and intermodal terminals construction costs) which was distributed as ECE/TRANS/WP.5/GE.4/2019/1/Rev.1 on 21 November 2019.

11. The Group reviewed ECE/TRANS/WP.5/GE.4/2019/1/Rev.1 and several suggestions for amendments and improvements made by the representatives of Turkey were discussed and endorsed by the Group. The Group then requested the secretariat to create a final, clean version of the list of terminologies (ECE/TRANS/WP.5/GE.4/2019/1/Rev.2) including all agreed upon changes and amendments to be submitted to the Group for inclusion in its final report.

V. Collection and analysis of benchmarking data (agenda item 4)

12. The Group continued to discuss the challenges which it has been facing in delivering on its mandate and attempted to identify ways for addressing those challenges.

13. The Group noted that, following the presentations delivered by the secretariat to the mode-specific working parties (in October-November 2019) and the call for additional transport infrastructure cost data to all ECE member States the response rate had improved. Additional (or improved) data, (partially) filled out questionnaires and/or feedback had been received from the following countries: Austria (comments on IWW questionnaire); Croatia (road, and rail); Czechia (on inter-modal terminals); Latvia (road); Republic of Moldova

(road); Portugal (road); Russian Federation (rail); Sweden (road); Turkey (rail and road) as well as ECE TER data (rail).

14. The representatives of Turkey and Poland (as lead countries for the road and rail questionnaires respectively) presented their preliminary analysis of the data received so far and listed also the key challenges being faced including: decimal problems, recurrent mistakes in currency and cost units, missing or confusing data, misinterpretation of statistical data requirements by respondents etc. The Group took note of this preliminary analysis and requested the representatives of Turkey and Poland to provide written comments and list points for clarification regarding each individual questionnaire already received. The Group also requested both lead countries to prepare a check-list/ guidance note in order to facilitate the process of data collection. The Group requested the secretariat to reach out to the respondents in the countries that have already submitted data, send them the questions for clarification and the check lists and request them to review their data accordingly and/or provide additional data wherever available. Representatives of the respective lead countries will be copied on this email correspondence. The full presentations by Turkey and Poland are available here: www.unece.org/trans/main/wp5/wp5_ge_benchmarking_transport_infrastructure_construction_costs_0100.html.

15. Upon request of the Group, the secretariat made a proposal regarding the normalization of data received and which United Nations statistical tools and methodologies could be best used for this purpose. A two-fold approach was suggested:

- Step 1, using the “Market price exchange rate” tool available at: w3.unece.org/PXWeb2015/pxweb/en/STAT/STAT__20-ME__6-MEER/30_en_MECCExchPPPsNEWY_r.px/
- Step 2, using GDP deflators: unstats.un.org/unsd/amaapi/api/file/15

16. The secretariat also informed that socio-economic data will be made available from ECE statistics sources. The Group endorsed the suggested approach and indicated it would start using it for its analytical processing of the data received.

17. Recognizing that the quality of its final report would benefit significantly from receiving additional filled out questionnaires and/ or improved quality of data, the Group decided to make one more final appeal to the ECE member States during the forthcoming eighty-second Inland Transport Committee (ITC) taking place from 25–28 February 2020. In order to maximise the quantity and quality of inputs to be received it will be allowed for information to be submitted in any of the three ECE working languages. The Group requested the secretariat to pro-actively reach out to some of the larger member States (e.g. France and Germany) and request them to consider filling out the questionnaires and provide data.

18. The Group also recognised the necessity to proceed with finalisation and submission of the remaining mode-specific questionnaires. In this regard, the secretariat informed that it had shared the draft questionnaires on inland waterways and ports as well as the one on inter-modal terminals with the designated working parties SC.3 and WP.24 for feedback on content, structure and feasibility of data collection efforts. The secretariat presented the written feedback received from WP.24 delegates on the inter-modal terminals questionnaire and the Group requested these suggestions to be included in a revised version of the questionnaire ahead of dissemination to WP.24 for actual data collection purposes. The Group decided that any additional or new data should be collected by 30 April 2020.

19. Regarding the questionnaires on IWW and ports, the Group took note of the presentation by the SC.3 secretary providing an overview of feedback received from SC.3 delegates, including relating to the use of specific definitions, the need for additional cost items, and needed clarifications on measuring units etc. The Group endorsed the suggestions made by the SC.3 secretary and requested her to bring the revised questionnaires to the attention of the fifty-sixth session of the Working Party on the Standardization of Technical and Safety Requirements in Inland Navigation (SC.3/WP.3) in February 2020. Following endorsement of the revised questionnaires by SC.3, the latter could be disseminated among member States for data collection purposes. Deadline for replies would be 30 April 2020, enabling the Group to analyse the data at its final session on 26 and 27 May 2020. The full presentation of the SC.3 secretary is available on the webpage of the tenth session of the

Group: https://www.unece.org/trans/main/wp5/wp5_ge_benchmarking_transport_infrastructure_construction_costs_0100.html

20. Given the remaining obstacles and significant workload left to finalise its report by June 2020, the Group agreed that it would be required to intensify its analytical and drafting work in the course of February-May 2020. The Group's earlier request to the secretariat to explore the feasibility to host one additional Expert Group meeting between the tenth session and the concluding eleventh session in May 2020 was deemed no longer relevant, instead, the Group decided to increase informal and formal contacts and exchanges among individual Group members and with the secretariat (i.e. by email, telephone or skype).

VI. Discussions on the structure of the final report of the Group of Experts (agenda item 5)

21. Building further on previous exchanges, the secretariat made a proposal regarding the structure of the final report appointing for each chapter a lead author and a support/co-author:

Chapter 1 – Introduction - setting the scene: Mandate of the Group; Purpose of the report, its strengths and weaknesses, data collection challenges (Lead: Secretariat / Support: GE.4)

Chapter 2 – Benchmarking of transport infrastructure construction costs, why does it matter? (Lead: Turkey, Poland, Russian Federation/ Support: Finland/ GE.4)

(a) Literature review: definitions, concepts and methodologies (Lead Turkey, Russian Federation)

(b) Overview of international and national experience and practices (Lead: Turkey, Russian Federation)

(c) Overview of models and methodologies (Lead: Finland, Turkey, Russian Federation)

Chapter 3 – Glossary on construction costs (Lead: Cyprus/ Support: GE.4)

(a) Introduction, challenges and concerns (Lead: Cyprus)

(b) Road (Lead: Turkey)

(c) Rail (Lead: Poland)

(d) Inland waterways, inter-modal terminals, ports (Lead: Croatia)

Chapter 4 – Benchmarking transport infrastructure costs (Lead: Poland, Turkey / Support: Cyprus, Finland, Russian Federation, UIC, IRF)

(a) Review of methodology, presentation of mode specific questionnaires, explanation of normalization approach (Lead: secretariat)

(b) Benchmarking database, by mode (and combined)

(c) Analysis (heat maps, charts, etc.)

(d) Benefits of benchmarking data in GIS format (Lead: secretariat)

Chapter 5 – Conclusions and recommendations (GE.4)

Annexes, list of acronyms, reference list, list of tables, charts, figures and photos.

22. The secretariat emphasised the need to start compile illustrations, pictures and figures in order to ensure an attractive publication.

23. The Group also agreed on a set of immediate next steps to be undertaken in the weeks following its tenth session including, collective measures, country specific measures and measures to be undertaken with the support of or by the secretariat, including:

(a) Production of questionnaire check-lists (for road and rail), followed by outreach to the survey respondents, seek clarification of data received, if applicable, ask for resubmission of corrected data.

(b) Finalise IWW/ ports and inter-modal terminals questionnaires and submit through SC.3/WP.3 and WP.24 networks for data collection by 30 April 2020.

(c) Raise awareness about GE.4 achievements at the eighty-second ITC taking place 25–28 February 2020 with the purpose to sensitise member States and gather additional data latest by 30 April 2020.

(d) Start the drafting process for the individual chapters.

(e) Finland: to provide road data and provide written inputs on Finnish benchmarking practices and approaches.

(f) Poland: to provide road data and separately TEM aggregated data.

(g) Russian Federation: to provide rail data.

24. The Group noted its dependence on good quality data received and, in this regard, it emphasised that the structure of the final report should be kept flexible in function of the actual data and information received from member States.

VII. Other business (agenda item 6)

25. There were no issues raised under this agenda item.

VIII. Date and place of next meeting (agenda item 7)

26. The Group took note that the eleventh session is scheduled to be held in Geneva on 26 and 27 May 2020.

IX. Adoption of main decisions (agenda item 8)

27. The Group adopted the list of main decisions of its tenth session and requested the secretariat and the Chair to prepare the full report to be circulated to the members of the Group for comments on items other than those contained in the list of main decisions.
