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

Geneva, 31 October – 1 November 2016

Item 1 of the provisional agenda

Adoption of the agenda**Annotated provisional agenda for the first session^{1, 2}**

to be held at the Palais des Nations, Geneva starting at 10 a.m. on Monday, 31 October 2016

I. Provisional agenda

1. Adoption of the agenda
2. Election of officers
3. Mandate: Terms of Reference of the Group of Experts on Benchmarking Transport Infrastructure Construction Costs
4. Programme of work

¹ For reasons of economy, delegates are requested to bring copies of all relevant documents to the session. There will be no documentation available in the conference room. Before the session, documents may be downloaded from the UNECE Transport Division's website (www.unece.org/trans/main/wp5/wp5.html). On an exceptional basis, documents may also be obtained by e-mail (maria.mostovets@unece.org) or by fax (41 22-917 0039).

² Delegates are requested to register online at: www2.unece.org/uncdb/app/ext/meeting-registration?id=ttq5SH or to complete the registration form available for download at the UNECE Transport Division's website: www.unece.org/trans/main/wp5/wp5_ge_benchmarking_transport_infrastructure_construction_costs_01.html. It should be transmitted to the UNECE secretariat two weeks prior to the session by e-mail (maria.mostovets@unece.org) or by fax (+41-22-917 0039). Delegates should obtain an identification badge at the UNOG Security and Safety Section, located at the Pregny Gate, 14, Avenue de la Paix (see the map on our website www.unece.org/meetings/practical.htm).

5. Transport Infrastructure Construction Costs: Overview of main concerns and considerations
6. Preliminary discussion on the structure of the final report of the Group of Experts
7. Other business.
8. Date and place of next meeting.
9. Adoption of main decisions.

II. Annotations

Note by the UNECE secretariat

The lifespan of a transport asset is the approximate number of years in which it is expected to perform under normal operating conditions while receiving regular maintenance (average lifespan). Because of the various construction materials, the techniques used and operating conditions, the lifespan is an approximate figure since higher engineering requirements may extend the lifespan further (optimum lifespan). For complex transport infrastructure, such as a seaport or an airport, lifespan considerations are nuanced by the respective lifespans of components such as piers, runways, crane equipment and individual buildings (e.g. terminals, warehouses). Rail lines can last for decades, if not a century and a half (depending on the construction materials used), but require a constant and capital intensive maintenance. Transport investments must thus look closely at the expected lifespan of an infrastructure to insure a proper amortization and match the investment time range with the expected lifespan of the transport asset.

The transport infrastructure costs therefore are driven by the life-time expectancy, the historical costs versus replacement costs, the linear versus non-linear depreciation, the time span between maintenance costs and the interest rates; noted that different transport modes have different components for their infrastructure costs.

The main parameters that affect the transport infrastructure costs are the economic development of the country, the availability of natural resources for energy (fuel costs lower), the quality of construction, the type of terrain/soil and the topography, the environmental related parameters crossing urban conurbations, etc. and the expropriation costs.

The benchmarking of transport infrastructure construction costs is significant for having realistic construction costs and a stable investment program with no cost explosions. The use of benchmarking of construction costs could be useful for cost estimates as well as for control of projects' cost developments;

1. Adoption of the agenda

In accordance with the Commission's Rules of Procedure, the Group of Experts is invited to adopt its agenda.

Documentation

ECE/TRANS/WP.5/GE.4/1

2. Election of Officers

The Group of Experts will appoint its officers: a Chair, and if deemed necessary, one or two Vice-Chairs.

3. Mandate: Terms of Reference of the Group of Experts on Benchmarking Transport Infrastructure Construction Costs

The Group of Experts may wish to recall that during the twenty-seventh session of Working Party on Transport Trends and Economics (Geneva, 8–10 September 2014) a workshop was organized on “Good practices and new tools for Financing Transport Infrastructure”. During the Workshop it was agreed by the participants that the benchmarking of transport infrastructure construction costs is significant for having realistic construction costs and a stable investment program with no cost explosions. The Working Party requested the secretariat to draft a formal document based on inputs received by the experts on benchmarking of transport infrastructure construction costs where proposals for possible further actions to be taken by the Working Party on this issue should be included. (ECE/TRANS/WP.5/56, paras 10, 12).

During its twenty-eighth session (Geneva, 7–9 September 2015) the Working Party considered and adopted the Terms of Reference (ToR) of the Group (ECE/TRANS/WP.5/58, para 40). These Terms of Reference (ECE/TRANS/2016/4) were adopted by the Inland Transport Committee (Seventy-eighth session, Geneva, 23–26 February 2016, ECE/TRANS/254, para. 21) and by the Executive Committee during its May 2016 session.

The Group of Experts will focus its work on the following issues:(a) Identify models, methodologies, tools and good practices for evaluating, calculating and analyzing inland transport infrastructure construction costs;(b) Identify and list terminologies used in the United Nations Economic Commission for Europe (UNECE) region for construction costs of inland transport infrastructure; if possible, create a glossary of agreed terminologies and related explanations;(c) Collect and analyze data in order to prepare a benchmarking of transport infrastructure construction costs along the ECE region for each inland transport mode – road, rail, inland waterways – including intermodal terminals, freight/logistics centers and ports; Analyze and describe the conditions / parameters under which these costs have been calculated on.

Documentation

ECE/TRANS/2016/4

4. Programme of work

In line with the ToR, the Group of Experts, at its first meeting, will have to adopt a program of work, clearly defining its objectives and activities, including a time schedule for their implementation.

The UNECE secretariat has prepared document ECE/TRANS/WP.5/GE.4/2016/1 for consideration and adoption by the Group of Experts.

Documentation

ECE/TRANS/WP.5/GE.4/2016/1

5. Transport Infrastructure Construction Costs: Overview of main concerns and considerations

The Group of Experts may wish to discuss issues and concerns on the Transport Infrastructure Construction Costs and their benchmarking requirements for different modes of inland transport (road, rail, inland water transport, intermodal transport, ports and their hinterland connections as well as intermodal hubs and logistics centers).

Documentation

Informal Document No. 1

6. Preliminary discussion on the structure of the final report of the Expert Group

The Group of Experts may wish to exchange views on the possible structure of its final report, including recommendations and proposals to the UNECE members on benchmarking transport infrastructure constructions costs. The Group's ToR stipulate the submission of a full report of its accomplishments, including policy-oriented recommendations.

7. Other business

The Group of Experts may wish to discuss other issues of interest.

8. Date and place of next meeting

The Group of Experts may wish to note that its second meeting is tentatively scheduled to be held in Geneva on 10–11 April 2017.

9. Adoption of main decisions

In accordance with established practice, the Chair will briefly summarize the decisions taken. Following the session, the Secretary, in cooperation with the Chair and Vice-Chair(s), will draft the final report.
