


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

Geneva, 15 and 16 July 2019

**Report of the Group of Experts on Benchmarking Transport Infrastructure Construction Costs on its eighth session**
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## **I. Attendance**

1. The Group of Experts (hereafter called the Group) on Benchmarking Transport Infrastructure Construction Costs held its eight session on 15 and 16 July 2019. 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: Cyprus, Finland, Poland and Turkey.
3. Representatives of the following non-governmental organizations attended: International Road Federation (IRF) and International Union of Railways (UIC).

## **II. Adoption of the agenda (agenda item 1)**

*Documentation:* ECE/TRANS/WP.5/GE.4/15

4. The Group adopted the agenda.
5. The Group recalled that the Inland Transport Committee at its eighty-first session (Geneva, 19–22 February 2019) extended the mandate of the Group for one more year. It agreed that the additional one year should be used to strengthen and intensify data collection efforts.
6. The Group also recalled that it should prepare its final report for consideration of its parent body, the Working Party on Transport Trends and Economics (WP.5) at its thirty-third session in September 2020. As per the mandate of the Group, its final report should:
  - (a) Identify models, methodologies, tools and good practices for evaluating, calculating and analysing inland transport infrastructure construction costs.
  - (b) Identify and list terminologies used for costing inland transport infrastructure.
  - (c) Collect and analyse data for benchmarking inland transport construction costs.

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

7. The Group continued its discussion on the chapter of the final report which is to present an overview of models, methodologies, tools and good practices for evaluating, calculating and analysing inland transport infrastructure construction costs.
8. The Group took note of the fact that, to date, only a very limited number of ECE member States had submitted in writing information about their national good practices for evaluating and calculating transport infrastructure construction costs. The Group decided to issue (through WP.5 delegates) an additional request to all ECE member States with an appeal for additional inputs to be submitted in writing ahead of its next session at the end of September.
9. To gather inputs in a structured manner, the Group agreed on a set of four questions to be submitted:
  - (a) How do you go about calculating, forecasting and evaluating transport infrastructure construction costs?
  - (b) How do you compare transport infrastructure construction costs over time and normalize these costs by region/ time?
  - (c) How do you make sure that the mechanism you use to calculate and assess transport infrastructure costs also serve as a tool for costs control?
  - (d) Do you use different cost calculation and evaluation methodologies for construction in different modes?

10. The Group accepted the proposal by the UIC to disseminate these questions also among its members (railway infrastructure managers) and decided to maximize the overall response rate and the quality of inputs by also reaching out to road transport infrastructure managers and operators from across the ECE region.

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

*Documentation:* ECE/TRANS/SC.3/WP.3/2019/8

11. The Group continued its discussion on the ports and inland waterway transport infrastructure terminology in the context of benchmarking transport infrastructure costs.

12. In this regard, the Group took note of the presentation delivered by Mrs. Victoria Ivanova (ECE secretariat) who informed the Group that the proposal on terminology to be used for benchmarking of construction costs of inland waterways infrastructure had now been approved by the Working Party on Standardization of Technical and Safety Requirements in Inland Navigation (WP.3) at its fifty-fifth session (Geneva, 19–21 June 2019).

13. The Group requested the secretariat to prepare for its next session a working document providing a consolidated list of terminologies prepared previously (in the framework of the Group) on all inland modes including road, rail, inland waterways and intermodal terminals. Based on this document the Group could then agree on how it would want to include the terminology chapter in its final report.

#### **V. Transport Infrastructure Construction Costs: Overview of main concerns and considerations (agenda item 4)**

14. 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.

15. The Group noted that, to date, only the questionnaire on benchmarking of road transport infrastructure costs had been submitted to ECE member States and that the actual response rate had been low. Noting the low number of replies received so far, the Group decided to resubmit a streamlined version of the road transport infrastructure questionnaire with various clarifications added.

16. In this regard, the Group agreed that the following clarifications should be made:

(a) The data provided in the questionnaire should exclude costs for tunnels and bridges;

(b) The provided data should present an average of costs over a period of 10 years (2007–2016);

(c) The costs data provided should be excluding VAT and actual costs included should be recalculated based on the 2016 United States Dollar rate; and

(d) A column should be added to the data collection excel sheet listing the number of projects that are considered.

17. The Group agreed that the questionnaire for collection of data on railway transport costs should also be provided in excel format and should contain the clarifications as for the road infrastructure questionnaire listed in paragraph 16 (b) and (c).

18. The Group requested the secretariat to send out the road and rail questionnaires as soon as possible with the purpose to receive as many replies as possible ahead of (and for proper analysis) at its next session. To maximize the number of replies to the questionnaires received, the Group also decided to give respondents the opportunity to provide raw data sets which could then be further processed by the secretariat.

19. The Group appreciated the UIC proposal to disseminate the railway questionnaire among its members (railway infrastructure managers). The Group also decided to share the

streamlined road transport questionnaire with road transport infrastructure managers and operators from across the ECE region.

20. The Group requested the secretariat to continue working on the questionnaires on inland waterways and intermodal terminal infrastructure costs with the aim to present draft questionnaires for discussion at its next session.

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

21. The Group continued its discussion on the chapter of the final report which is expected to illustrate and describe the benchmarking of the construction costs for the different inland transport networks and nodes. The Group took note of the replies already received to the questionnaire on road construction costs as well as the list of terminologies.

22. In this regard, the Group took note of the presentation on “Benchmarking of Road Transport Infrastructure Construction Costs in Turkey” delivered by Mr. Gökhan Macit and Ms. Leyla Ünal (Turkey).

23. The Group also appreciated the presentation delivered by Mr. Teodor Gradinariu of the International Union of Railways (UIC) on “Infrastructure cost benchmarking for maintenance and renewal”. The UIC has been undertaking for over 15 years a Lasting Infrastructure Cost Benchmarking (LICB) endeavour and stands ready to integrate the findings of its efforts into the final report of the Group

24. The Group continued to discuss the structure of its final report and was briefed by the secretariat on the tentatively agreed structure, as follows:

Chapter 1: Introduction

Chapter 2: Overview of challenges and considerations – Purpose of the Project:

- (a) Literature review;
- (b) International and national experience and best/ good practices;
- (c) Models/ methodologies.

Chapter 3: Glossary on construction costs

- (a) Introduction, challenges and concerns;
- (b) Road (sub-divided by construction, maintenance and operations);
- (c) Rail (sub-divided by construction, maintenance and operations costs);
- (d) Inland waterways, intermodal terminals, ports (sub-divided by construction, maintenance and operations costs).

Chapter 4: Benchmarking transport infrastructure costs

- (a) Review of methodology – questionnaires;
- (b) Benchmarking database (sub-divided by construction, maintenance and operations costs for all modes);
- (c) Analysis.

Chapter 5: Conclusions and Recommendations

25. The Group emphasised that the structure of the final report should be kept flexible in function of the actual data and information received.

## **VII. Other business (agenda item 6)**

26. There were no issues raised under this item.

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

27. The Group took note that the ninth session is scheduled to be held in Geneva on 30 September and 1 October 2019.

### **IX. Adoption of main decisions (agenda item 8)**

28. The Group adopted the list of main decisions of its eight 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.

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