



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

Geneva, 10 and 11 April 2017

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

1. The Group of Experts (hereafter called the Group) on Benchmarking Transport Infrastructure Construction Costs held its second session on 10 and 11 April 2017. The session was chaired by Mr. A. Maciejewski (Poland).
2. Representatives of the following United Nations Economic Commission for Europe (UNECE) member States participated: Austria, Cyprus, Czech Republic, Finland, Ireland, Lithuania, Slovakia, Sweden and Turkey.
3. Representatives of the following United Nations specialized agency attended the meeting: UNECE Trans-European Motorway (TEM) Project, Trans-European Railway (TER) Project. Experts from the following non-intergovernmental organization participated: Centre for Transportation Studies for the Western Mediterranean (CETMO).

II. Adoption of the agenda (agenda item 1)

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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)

5. The Group of Experts recalled that based on the Terms of Reference of the Group the Experts should focus their work on identifying models, methodologies, tools and good practices for evaluating, calculating and analysing inland transport infrastructure construction costs.
6. The representative of the Czech Republic, Mr. I. Vykydal presented the estimation and calculation of transport infrastructure construction costs in the Czech Republic. The State Transport Infrastructure Fund (STIF) is the most important stakeholder in financing construction and reconstruction of railways, motorways and inland waterways (including transshipment terminals) in the Czech Republic. Some measures, among others, considered for financing transport infrastructure in the Czech Republic for the period 2014-2020 are:
 - (a) Stabilize income for the financing of the transport infrastructure in relation to STIF (proportion of national funds without European contribution) at least at the level of CZK 43 billion, of which about CZK 3.8 billion should be earmarked for construction preparation, with the view to:
 - (i) limiting fluctuations, year-on-year, of the expenditure framework for maintenance, repairs and development of the transport infrastructure;
 - (ii) ensuring national co-financing for projects financed from European funds.
 - (b) Extend distance-based charging on roads of Class I. The definition of the extent of charging on roads of Class I and possibly the charging on selected roads of Class II and III and local roads in large cities is contingent on the introduction of such tolling technology where the total system overhead would not exceed 30 per cent of the amount collected. In case of charging of lower class roads, coordination with national charging system would have to be ensured.

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

7. The Group recalled that at its previous session agreed that the secretariat and the members of the Group should collect and upload on Group's electronic space existing terminologies prepared at National and International level. The Group reviewed the sources that have been uploaded so far.

8. The representative of road sub-group Mrs. L. Unal (Turkey) presented a list of terminologies prepared by the sub-Group. This list includes terminologies used by different National road construction organizations as well as by other International ones. It was agreed that a more comprehensive list of terminologies for road construction costs will be prepared and submitted as formal document for Group's review at its next session.

9. The Deputy Manager of TER project, Mr. A. Zimmer (Austria) presented the Platform of Railway Infrastructure Managers in Europe (PRIME) and the key performance indicators for performance benchmarking prepared. PRIME is a forum which enables benchmarking and exchange of best practice between railway infrastructure managers. It serves as an "early warning mechanism" for infrastructure managers to alert the European Commission on the main challenges and advise the Commission on both operational and regulatory activities. The catalogue of PRIME contains a clear and concise documentation of key performance indicators (KPIs) and their definitions, set out in a structured and prioritized way following the concept of the balanced scorecard.

10. TER representative pointed out that TER project member States will contribute to Group's work and at the next session he will be able to present more concrete input regarding Group's objectives.

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

11. The secretariat informed the Group on the challenges that the secretariat faces regarding the organization of Group's future sessions and the participation of specialized experts. The biggest challenge is that Group's objectives are referring to different transport modes (road, rail, inland waterways) including different nodes (ports, intermodal terminals). Therefore, different experts should be identified and invited from the member States. The secretariat invited the Group to contribute in this effort and suggest specialized experts for the different transport modes and nodes in their respective countries. CETMO representative committed himself to provide contact details of some European organizations involved in logistics and intermodal terminals.

12. The secretariat mentioned that for the railways sub-Group a leading country has to be identified. The TER project could be the backbone of this sub-Group. Furthermore, the Association of European Rail Infrastructure Managers (EIM) should be contacted in order to ensure close cooperation. As it concerns the Inland Waterways, the experts agreed that the Rivers Commissions should be contacted and informed regarding Group's work and objectives seeking their cooperation. Concerning the ports the secretariat mentioned that a major European port should be contacted i.e. the Port of Rotterdam and take the lead of ports sub-group. Similar to the ports and concerning the intermodal terminals a major intermodal terminal or an organization that represents the intermodal terminals should be contacted. The Group agreed with this approach and requested the secretariat to proceed accordingly.

13. The secretariat kindly invited experts from Governments to prepare presentations for Group's next sessions in order to collect National good practices on calculating transport infrastructure construction costs and include them in the final report of the Group.

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

14. The Group recalled that at its first session agreed on the outline of Group's final report. This outline included five chapters and fully addressed the main objectives described in Group's terms of reference.

15. The representative of road sub-group Mr. M. Arman (Turkey) presented the main concerns and considerations while calculating the road construction costs and parameters that should be used. The Group agreed the following:

(a) Both, realized and estimated projects' construction costs, should be considered;

(b) Both, construction and maintenance costs, will be calculated. However, routine maintenance will be excluded;

(c) All terrain types will be analysed provided that agreed terminologies will be included;

(d) Projects size will be considered using the scaling: small, medium and large but not mega;

(e) The construction costs will be calculated in USD;

(f) The road construction costs would be preferably given excluding superstructures (tunnels, viaducts, bridges);

(g) The construction costs of earthworks, superstructures, pavement, tunnels, bridges, viaducts etc. should be provided if possible separately;

(h) Generic economic and construction information such as gross domestic product (GDP), population, density, length of roads, annual constructed bridges in length, etc. should be provided.

16. The group decided that a formal document should be prepared for Group's next session that would accommodate a draft questionnaire in order to collect road construction costs. The road sub group and its Leader State (Turkey) should provide the content of this questionnaire.

VII. Other business (agenda item 6)

17. There were no other items.

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

18. The Group of Experts third session is tentatively scheduled to take place in Geneva on 10 and 11 July 2017.

IX. Adoption of main decisions (agenda item 8)

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