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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**
**Eleventh session**

Geneva, 8 and 9 April 2021

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

1. The Group of Experts on Benchmarking Transport Infrastructure Construction Costs (hereafter called the Group) held its eleventh session on 8 and 9 April 2021. The session was Chaired by Mr. A. Maciejewski (Poland/ Trans-European Motorway (TEM) Project).
2. Representatives of the following United Nations Economic Commission for Europe (ECE) member States participated: Croatia, Finland, Poland, Russian Federation and Turkey.

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

*Documentation:* ECE/TRANS/WP.5/GE.4/22

3. The Group adopted the agenda. At the outset of the meeting, the Chair informed the Group about the decision of the Inland Transport Committee at its eighty-third session in February 2021 to extend the Group's mandate for one more year until 2022. This extension which was requested by the Working Party on Transport Trends and Economics (WP.5) (ECE/TRANS/WP.5/68, para. 34) mandates GE.4 to hold at least two sessions annually in 2021 and 2022 with interpretation in the three United Nations Economic Commission for Europe (ECE) official languages. The purpose of the extension is to continue and revamp its data collection efforts across all modes resulting in a more data rich final report. It was also noted that this one-year extension would enable the Group to prepare an additional benchmarking analysis of transport infrastructure maintenance and operation costs.

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

*Documentation:* ECE/TRANS/WP.5/2020/7

4. The secretariat explained that in view of the extension of its mandate by the Inland Transport Committee until 2022, GE.4 is expected to continue its discussion on the part of the final report which is to provide an overview of models, methodologies, tools and good practices for evaluating, calculating and analysing inland transport infrastructure construction costs as well as decide how it can be further improved and enriched. In this regard, it invited the Group to review the inputs received from ECE member States so far, as compiled in working document ECE/TRANS/WP.5/2020/7.
5. The Group considered the information collected so far and requested the secretariat to reach out to the individual countries which had contributed to the document and ask them to check their data for accuracy and/ or to provide corrections and more up to date information if available. This additional verification round should be completed by the end of May 2021 allowing the timely submission of a revised document for consideration by the thirty-fourth session of the Working Party on Transport Trends and Economics.

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

*Documentation:* ECE/TRANS/WP.5/GE.4/2019/1/Rev.2

6. The secretariat reminded the Group that at its ninth session (Geneva, 30 September – 1 October 2019) it had adopted the consolidated list of terminologies for road, rail, and inland waterways (: ECE/TRANS/WP.5/GE.4/2019/1/Rev.2) and approved it to be an integral part of the final report. In view of the current extension of its mandate, the secretariat suggested that the Group may wish to consider whether specific parts of the current terminology list such as the parts on inter-modal terminals and inland waterway transport could be reviewed and/ or further expanded.

7. The Group reviewed : ECE/TRANS/WP.5/GE.4/2019/1/Rev.2 and decided that some revisions would be required in view of its decision to perform an additional benchmarking analysis of transport infrastructure maintenance and operation costs whereby different terminologies are in use.

8. The Group decided that the following lead countries will work on revising and expanding these terminology lists and adding new terms related to maintenance and operation costs: Croatia (for inland waterways); Turkey (for road) and Poland (for rail). The Group requested the secretariat to reach out to the Working Parties on Intermodal Transport and Logistics (WP.24) and Inland Water Transport (SC.3) to improve the terminology list on inter-modal terminals and inland waterways and ports. It decided that the task of revision of the terminology lists should be performed as much as possible by the end of May 2021 after which the revised lists will be shared with the Group for final comments and endorsement. A revised and expanded consolidated list of terminologies should then be submitted to WP.5 in September for consideration and possible endorsement.

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

*Documentation:* ECE/TRANS/WP.5/2020/8; Informal document WP.5 (2020) No. 3; Informal document WP.5/GE.4 (2021) No. 1; Informal document WP.5/GE.4 (2021) No. 2

9. The secretariat informed the Group that in light of its extended mandate, the Group is expected to continue its discussion on the part of its final report, which should illustrate and describe the benchmarking analysis of the construction costs for the different inland transport networks and nodes. It reminded the Group that a tentative benchmarking analysis had been submitted to WP.5 for consideration at its thirty-third session in September 2020 as ECE/TRANS/WP.5/2020/8.

10. In terms of the already available benchmarking analysis, the Group decided that, despite the fact that its final report will only be available at the end of 2022, there is no need to normalize/ convert the already available data to 2021 exchange rates and prices as this would be too complex and has no impact on the quality of the actual analysis. The Group also decided that the already received data will not be shared again for verification by the Governments which initially submitted it and that the existing analysis should only be refined instead of reworked.

11. In terms of the quality and size of the available analysis, the Group agreed that there was still room for improvement. Inter alia, it was decided that lead countries Croatia, Turkey and Poland would go through the current document again and, if necessary, reduce the number of diagrams charts and figures as well as strengthen and expand the narrative/ explanatory parts. Ahead of the forthcoming twelfth session of the Group, by early September 2021, a revised document should then be issued for further discussion.

12. The secretariat informed the Group that following its tenth session which was held on 30 and 31 January 2020 and the informal virtual consultations the Group had conducted on 14 May and 18 June 2020, additional completed questionnaires had been received from the following Governments: Andorra (rail and road); Azerbaijan (rail); Belgium (rail); Austria (inland waterways and ports); Croatia (inland waterways and ports); Poland (inland waterways); Czechia (inter-modal); Slovakia (road, inland waterways and ports); Luxembourg (inland waterways) and Slovenia (road). The Group agreed that lead countries Croatia (on inland waterways), Poland (on rail) and Turkey (on road) will assess these additional questionnaires in terms of accuracy and adequacy and evaluate the extent to which this data could be integrated in/ and normalized with the already existing benchmarking analysis. The findings of the lead countries will be included in the document which will be prepared ahead of the GE.4 session in November 2021.

13. The Group did however agree that in line with the recent mandate extension it had been granted by the Inland Transport Committee at its eighty-third session, efforts need to be made to increase the number of countries which contribute data to the transport infrastructure cost benchmarking analysis. For inland waterways and ports it was decided to reach out, in

close coordination with the WP.3/SC.3 secretariat, to the relevant authorities in Belgium, France, Germany and the Netherlands as well as Serbia, Romania and Ukraine and to the respective River Commissions for the Rhine, Danube and Sava. The lead country for inland waterways Croatia agreed to coordinate this effort in close cooperation with WP.3/SC.3 and WP.5/GE.4 secretariat.

14. Regarding the road and rail sector, the Group agreed to launch a final attempt, in close cooperation with the secretariats of SC.1 and SC.2, to get more and/ or better-quality data in particular from the following additional countries: Belarus, Belgium (for roads), China, Estonia, France, Hungary, Iran (Islamic Republic of), Kazakhstan, Lithuania, Latvia, Netherlands, Slovenia, Ukraine and Uzbekistan. The secretariat offered to coordinate these efforts with the support of road and rail lead countries Turkey and Poland. Additional data received across the three inland transport modes, between April – September 2021, would then be analysed by the Group at its forthcoming twelfth session in November 2021.

15. Regarding the proposal of the Group to also use the current one-year extension to prepare an additional benchmarking analysis of transport infrastructure maintenance and operation costs the Group took note of the new road and rail questionnaires prepared by the Governments of Turkey and Poland respectively and submitted as Informal document WP.5/GE.4 (2021) No. 1 and Informal document WP.5/GE.4 (2021) No. 2. The Group approved these new questionnaires pending a number of minor refinements to be made by the lead Governments and requested the secretariat to disseminate these new questionnaires within the responsible ECE Working Parties SC.1 and SC.2 with a deadline for submission by September 2021. Responses received would then be analysed by the Group at its forthcoming twelfth session in November 2021. In this regard, the Group noted that one year may not be enough to complete this new analysis and agreed to consider requesting at the end of its current mandate the establishment of a new Group of Experts that could continue the work on benchmarking of transport infrastructure maintenance and operation costs. In this regard the secretariat pointed out that given the budgetary impact the creation of a new group of Experts requires a strong justification and approval and support of the parent Working Party before it can be submitted as an official request to the Inland Transport Committee.

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

16. As regards the structure of its final report, the Group agreed to follow the structure as discussed at its tenth session which was held on 30 and 31 January 2020 (ECE/TRANS/WP.5/GE.4/20, section VI, para. 21).

17. The Group noted its dependence on good quality data received (both on construction as well as on maintenance and operation costs) and, in this regard, it emphasised that the structure of its final report should be, at this stage, kept flexible in function of the actual data and information received from member States.

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

18. The secretariat informed the Group that significant progress has been made regarding the establishment of a Geographic Information System (GIS) based International Transport Infrastructure Observatory. Once operational, interested Governments will be able to upload their planned transport infrastructure projects in need of funding onto the Observatory where they will be accessible for any Multilateral Development Bank or International Financial Institution to see, evaluate and eventually fund. The Observatory will also be expected to host data on infrastructure construction costs at the country level. The Group requested the secretariat to provide a demonstration of the Observatory functionalities either at an informal session to be held in summer 2021 or at its next session in November 2021.

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

19. The Group took note that the twelfth session is scheduled to be held in Geneva on 22 and 23 November 2021.

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

20. The Group adopted the list of main decisions of its eleventh 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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