



**PROCEEDINGS OF
15TH MEETING OF THE COMCEC TRANSPORT AND COMMUNICATIONS
WORKING GROUP
(July 7th, 2020, Virtual Meeting)**

1. The 15th Meeting of COMCEC Transport and Communications Working Group was held virtually on July 7th, 2020, with the theme of “Pricing of Transport Infrastructure in the OIC Member Countries”.

(The Agenda and Program of the Meeting are attached as Annex-I and Annex II)

2. The meeting was attended by 22 Member States. The meeting was also attended by the representatives of the OECD-ITF, IDB Group, SESRIC, and COMCEC Coordination Office (CCO).

(The List of Participants of the Meeting is attached as Annex-III)

3. The Meeting started with a recitation from the Holy Quran.
4. At the outset, Mr. Emin Sadık AYDIN, Acting Director General of the CCO, delivered his opening remarks. Highlighting the severe impacts of the Covid-19 pandemic on the global transportation industry, Mr. AYDIN expressed that according to the estimations the contribution of the logistics industry to the global GDP would decrease by 6.1% in 2020 and the global freight forwarding market would shrink by 7.5% in 2020 compared to 2019. Besides, he expressed the importance of pricing of transport infrastructure as one of the emerging methods that can be a significant source of finance for governments as well as an effective instrument for managing transport demand.
5. Mr. AYDIN mentioned that unclear or unavailable national legal framework, poor governance systems, limited institutional and human capacity, and lack of necessary guidelines on the pricing of transport infrastructure are among the major challenges faced by the OIC member countries in this field. He also stressed that COMCEC is a pertinent platform for enhancing cooperation and dialogue among the member countries for addressing the common challenges in this area.
6. Mr. Mücahit ARMAN, Deputy Director General, General Directorate of Highways of the Republic of Turkey, chaired the meeting. Welcoming the participants, Mr. Mücahit ARMAN briefly informed the attendees on the agenda and program of the meeting.

I. Global Trends in Pricing of Transport Infrastructure

7. Under this agenda item, Mr. Stephen PERKINS, Head of Research and Policy Analysis, International Transport Forum at the OECD, made a presentation titled “Global Trends in Pricing of Transport Infrastructure.” Starting with some information on the ITF’s activities, Mr. PERKINS highlighted the trends with respect to the pricing of transport infrastructure. He stated that eVkm charges for fixed road network access, charging for external costs (urban congestion, emissions) and reducing reliance on fuel excise duty are the general trends pursued by the countries. He underlined the current pricing policies as followings;
 - Limiting rents from private tolled roads and bridges,
 - Annual access fee to contribute to the state road network,
 - Fuel excise duty to raise general revenues,
 - Tolls to finance accelerated investment,
 - Truck vignettes and Vkm charge to foreign trucks to contribute to road costs.
8. Mr. PERKINS emphasized that the tolled transport infrastructure in the world is generally built through concessions or public-private partnership methods. These two methods specifically accelerate the private investment when tax funding/public resources is limited. In this respect, RAB (Regulatory Asset Base) utility regulation has been also an important model which is used to encourage private sector into public projects by providing a secure revenue on investment for developers. However, despite the fact that customers can expect a more reliable and better quality service from new investments in the transport infrastructures, RAB, in the longer term, may adversely grant a monopoly over a specific service.
9. Furthermore, Mr. PERKINS expressed that charging external congestion and environmental costs is one of the most important items considered by the countries concerning the pricing of transport infrastructure. On this issue, he gave some concrete examples from the different parts of the world as followings;
 - London congestion charge,
 - Stockholm congestion tax,
 - Singapore electronic road pricing,
 - Milan environment charge,
 - Low emission zones.
10. At the end of his presentation, Mr. PERKINS pointed out the importance of cooperation among countries to ensure the transfer of knowledge and experiences for the betterment of implementations regarding the pricing of transport infrastructure.

II. OIC Member Countries’ Practices and Lessons Learnt from the Selected Case Studies

11. Ms. Fadiyah ACHMADI and Mr. Joel VAN DER BEEK, representatives of Fimotions, consulting company, presented the main findings of the research study titled “Pricing of Transport Infrastructure in the OIC Member Countries”. The presentation mainly pointed out the general road pricing practices in the OIC countries and the selected case studies (three within and three outside the OIC Region). Ms. ACHMADI highlighted that for ensuring the representation of each regional group of the OIC, Tunisia for the Arab Group, Indonesia for the Asian Group and Nigeria for the African Group have been

selected as the case countries. These countries are studied in detail based on the findings from the site visits. Whereas, Singapore, the United Kingdom, and South Africa were chosen as non-OIC best practices.

12. Concerning the general road pricing practices in the OIC member countries, Ms. ACHMADI underlined the following conclusions from the results of a questionnaire sent out to the 57 Member States (39% response rate).

Policy level factors:

- Vehicle taxes, in many cases combined with toll roads, are the commonly applied road pricing mechanisms in the OIC countries;
- The OIC countries are neutral or disagree with the idea that the road users should pay for all the costs;
- Road pricing is seen as a way to improve the availability, quality, and safety of transport infrastructure, thus charging for using roads is perceived as a fair mechanism.

Institutional and organizational factors:

- No congestion charging is being applied in the OIC region,
- Most OIC countries have a dedicated unit for managing road pricing and agree that the management unit should be autonomous,
- Within the OIC region, the level of autonomy of road administration varies, but normally the relevant Ministry has oversight and approves the appointment of the Board of Directors. (e.g. Nigeria and its FERMA (Federal Roads Maintenance Authority)).
 - Nigeria has Road Users Association, which is a good example.
 - Indonesia has a toll regulator to ensure independency to regulate the interest of toll companies to maximize income while increasing value to road users.

Legislative factors:

- The private sector participation in road provision has become a critical aspect of transport policy.
- Legislations should allow toll road operators to collect payments and to penalize road users that avoid payment.
- The majority of OIC countries seem unsure whether their legal systems for road pricing and tolling works well.

Capacity building:

- The skills needed to plan, operate and manage road pricing and congestion charging are generally absent in the OIC developing countries.
- Malaysia, Indonesia, and the UAE are some of the countries that are successful in managing toll roads.
- The main challenges to provide and manage toll roads and congestion charging services are mainly not technical.
- The survey accordingly showed the need for capacity building in this field.

Economic and financial factors:

- Road pricing is cost-based (operation and maintenance) determined.
- Road pricing is mostly not based on external costs.
- The highest share of the tax revenues is channeled through the general public budget.

Technical and technological factors:

- Electronic tollgate systems utilizing Automatic Number Plate Recognition (ANPR) and/or Radio-frequency identification (RFID)-technology-based tag are applied (and mostly compulsory) in many Asian, Middle Eastern, and North African OIC countries.
- Benefits of Electronic Toll Collection (ETC): time efficiency, minimizing moral hazard risks related to cash payments, and promoting a safer work environment for employees.
- Satellite-based systems are applied nowhere in the OIC region.

Procedural factors:

- Concession procedures have been applied in many OIC countries, characterized by open and competitive bid processes.
- The OIC Member States agreed that determining road user charges based on distance is the fairest method.
- The majority of OIC countries carry out feasibility studies to compare expected costs and benefits.
- Less than half of the surveyed OIC countries compare different pricing alternatives in the feasibility studies.

Data collection:

- Household Travel Surveys are conducted in many OIC countries, however, sharing and dissemination of data are inadequate due to:
 - the complexity of organizational governmental entities
 - reliability of the data due to diverse methods of collection
 - data remains mostly under the ownership of local authorities
 - access to the raw data is limited for external entities
- Most OIC countries undertake Willingness to Pay surveys before implementing road pricing systems.

13. Furthermore, Ms. ACHMADI touched upon the lessons learned from case studies. She stated that Singapore, being a non-OIC member, was selected as a case study, because it was the first country in the world to introduce congestion charging. In the early 1970s, Singapore adopted two principle measures to control traffic volume and manage traffic flow: (1) to discourage vehicle ownership (through high vehicle taxes and vehicle quota system) and (2) to regulate vehicle usage (through petrol duty and congestion pricing). The main success factors of the effective road pricing mechanisms in Singapore are the availability of viable alternatives for motorists who do not want to pay congestion charges (through alternative travel route/time and good quality public transport), and intense publicity and communications to present the rationale of the scheme to road users and communities.

14. Ms. ACHMADI continued the presentation saying that the United Kingdom, was selected as a case study because of its long experience in congestion charging in London since 2003, known London Congestion Charge (LCC). She expressed that the objectives of LCC have changed since 2019 from reducing traffic congestion to reducing pollution, hence its new name is Ultra Low Emission Zone (ULEZ). She also stated that Transport for London (TfL) is the local government entity that is responsible for transport in the capital city and managing the congestion charge. She underlined that all income from road users goes into the central treasury.

15. Afterwards, Ms. ACHMADI explained that South Africa has been included because it is the only country in the non-OIC African region with a developed toll road system and sufficient

data to report on the experience. The policy objective of the road toll mechanism in South Africa is to raise funding for the development of the road. Congestion charging pricing to reduce demand and traffic congestion in the capital and the policy for allocation of revenue has yet to fully evolve. South Africa has a good record on transport policy and planning. She stated that more emphasis is needed on improving accessibility rather than maximizing mobility, and this might be reflected in the road pricing policy. The introduction of e-Tagging to reduce the waiting time at toll plazas and improve the efficiency of toll collection has been receiving resistance from road users, due to concerns overuse of personal data and other reasons.

16. Lastly, Ms. ACHMADI expressed that Indonesia is chosen as an OIC case study mainly due to its upcoming Electronic Road Pricing (ERP) mechanism. There are 3 road pricing mechanisms in Indonesia: 1) road tolling; 2) vehicle taxes; and 3) the upcoming congestion charging/ERP in the capital Jakarta. Until 2004, the current state-owned toll road company had dual functions: as the regulator and toll road operator. In 2005, Toll Road Authority was assigned as the main regulator body for the pricing of road transport infrastructure. The toll road PPP mechanism is the most successful PPP in Indonesia besides the oil and gas sectors. The success factor is the enabling environment that captivates the private sector, such as a review of toll tariffs every two years and regulations on land acquisition. Furthermore, Ms. ACHMADI stated that the equity principle does not apply to the tolling system in Indonesia. The Motor Vehicle Tax in Indonesia has an earmark, where at least 10% of the revenue must be allocated to road construction and maintenance, and public transport. Besides, she underlined that ERP implementation in Jakarta would be the first in the OIC region.
17. Mr. BEEK continued the presentation with the Republic of Tunisia. He stated that the European Bank for Reconstruction and Development (EBRD) forecasts that Tunisia would need to spend 23.8 percent of GDP on infrastructure to catch up with advanced economies in terms of transport infrastructure. Urban traffic congestion is growing in Tunisia. The rapid increase of car ownership has led to a series of related problems, such as high energy consumption, an increase in the number of accidents, and air pollution. The Government is firmly committed to making greater use of public-private partnerships for key investments.
18. Furthermore, Mr. BEEK presented the case study on the Federal Republic of Nigeria. He stated that Nigeria has longstanding experiences with respect to pricing of transport infrastructure. In 1970's, Lagos – Badau - Ibadan (A1) expressway and the Abuja – Kano (A2) expressway were developed as the tolled roads. In 1999, the Government abolished and dismantled the tolling system. Mr. BEEK also stated that Nigeria's more recent tolling track record consists of two toll roads and one toll bridge, all situated in Lagos Metropolitan Area. Nigeria Federal Government recently decided to reintroduce a 'friendly' tolling system on its trunk roads, throughout the country.
19. At the end of the presentation, Ms. ACHMADI and Mr. VAN DER BEEK highlighted the general policy recommendations for the OIC member countries under each sub-factors for well-functioning pricing of transport infrastructure system.

Policy level factors:

- New transport-planning paradigm, that puts more emphasis on improving accessibility rather than maximizing mobility;
- Road pricing should aim at reducing demand and decoupling transport resource consumption from an economic growth point of view;

- Transport policies need to provide more guidance on infrastructure pricing that is demand-side orientated and based on the willingness to pay than on cost recovery;
- The difference in policy objectives between road pricing and urban congestion charging can be underlined.

Institutional and organizational factors:

- To establish a dedicated unit for the management of road pricing system, to ensure better coordination among government institutions;
- Semi-autonomous road agencies should be set up to develop and maintain the highway network;
- To consider splitting the roles of regulator and operator in toll roads;
- Transport planning, including congestion charging, road pricing, and related activities, might be decentralized,
- Hypothecation policy might be strictly applied by the administrating entity.

Legislative factors:

- To promote PPP, enabling legislation and PPP laws might be introduced;
- Highways legislation should make clear, what the obligations are for both provider and the user of roads, and should focus on customers' needs, rights and protection;
- Legislation that is rigid on the application of fuel levies, and toll income to be spent exclusively on roads, ideally should be relaxed to be spent on all sorts of transport.

Capacity building:

- Transportation research and development agency/center may be established under Ministry of Transport, or possibly at the level of the OIC, in association with (inter)national universities that have majors in transport and do research in the field;
- Government employees and non-government technical staff should be benefited to address the capacity needs in transport planning.

Economic and financial factors:

- Clarity is needed in terms and definitions: Road User Charge vs Road Pricing;
- Pricing must ensure that equity is not compromised by any road payments systems;
- Earmarking to specific road funds including public transport development, regulated by-laws;
- Plans to phase out fuel levies should be made;
- In the longer term, countries should aim to apply a universal road pricing based on willingness to pay, linked to levels of service.

Technical and technological factors:

- For many OIC countries that have been utilizing Electronic Toll Collection (ETC), it is recommended to improve the architecture by integrating payment with data collection;
- As no OIC country has congestion pricing yet, interoperability between ETC and Electronic Road Pricing (ERP) systems can be considered to increase users' convenience, acceptance, and to ensure data compatibility;
- The chosen charge collection technology should be tested thoroughly before implementation and ensure an effective enforcement mechanism.

Procedural factors:

- Stakeholder engagement should be carried out continuously;

- Inform the public on the rationale of road pricing mechanisms and to where the revenues will be channeled;
- When it comes to congestion charging, outreach activities should highlight the benefits of the scheme and promote the impact of complementary measures.

Data collection:

- Develop a robust mechanism of transport data collection, integrated into a smart database system that can be accessed by different institutions to be used for various purposes;
- Develop various survey instruments that systematically collect data: automatic traffic counting, classification systems;
- Data collection and performance monitoring might be done by an independent unit.

III. Member States' Experiences in Pricing of Transport Infrastructure

20. Mr. RESUL BÜYÜKGÜÇLÜ, Branch Manager, General Directorate of Highways, Republic of Turkey, made a presentation on Turkey's experiences concerning the pricing of transport infrastructure. After highlighting the historical background of the current practices of Turkey, Mr. BÜYÜKGÜÇLÜ explained the legal framework with respect to the current implementations.
21. He informed the attendees about the working principles of the toll collection system in Turkey and coordination among the responsible authorities (regulator, operator, banks). He stated that to decrease queuing in stations with traffic density, Free Pass System is used. There are 10 Free Flow System toll collection stations on bridges and motorways. Free Flow System eliminates the need to choose lanes at toll collection points and vehicles are charged at normal traffic flow.
22. Mr. BÜYÜKGÜÇLÜ also briefed on some mechanisms to control any violations of rules concerning the pricing implementations. These mechanisms are listed as followings;
- Collection of Free Flow System violation fines,
 - Fine inquiry on a number plate basis.
 - Preparation of fine notices for number plates,
 - Registry of fines into the system,
 - Electronic submission of notices,
 - Deduction of fine payments,
 - Creating lists for penalties that cannot be communicated to the user,
 - Sending unpaid fines to the tax office,
 - Following the procedures for sending the unpaid fines in an electronic environment,
 - Reporting of these activities.
23. Mr. BÜYÜKGÜÇLÜ lastly touched upon the motorways pricing policy of Turkey and how the price is determined. The tolls are calculated by taking into account the vehicle classes, the distance used, the traffic density of the road, and the engineering structures on the road. The determined motorway tolls are updated at the rate of inflation every year.

IV. Policy Debate Session on Pricing of Transport Infrastructure in the OIC Member Countries

24. Under this agenda item, the participants deliberated on the policy options for improving the pricing of transport infrastructure in the member countries. Mr. Mücahit ARMAN, Deputy Director General, General Directorate of Highways of Turkey, moderated the roundtable session. At the outset, Mr. Nihat AKBALIK, Expert at the COMCEC Coordination Office, briefed the participants on the responses of the member countries to the Policy Questions circulated by the CCO and introduced the room document including the policy recommendations. After fruitful discussions and deliberations, the Working Group has come up with the following policy recommendations to be submitted to the 36th Ministerial Session of the COMCEC for consideration.

- **Policy Recommendation I:** Developing contemporary transport infrastructure pricing policies and making use of implementation instruments such as PPPs, where possible, and public transport operations for a well-functioning transport system.
- **Policy Recommendation II:** Assigning an autonomous operator (entity/institution/body) for the effective collection of charges and allocation of funds arising from transport infrastructure pricing services.
- **Policy Recommendation III:** Utilizing transport infrastructure pricing tools (i.e. tolls, levies, vehicle tax, fuel tax, mileage tax, etc.) to effectively manage transport demand as well as to raise funds for transport infrastructure development.
- **Policy Recommendation IV:** Utilizing contemporary collection (i.e. automated electronic tolls, on-board-units, and Global Navigation Satellite System) and enforcement systems for ensuring an effective transport infrastructure pricing.

(The Policy Recommendations and their rationale are attached as Annex-IV)

V. Utilizing the COMCEC Project Funding

25. Mr. Hasan YENİGÜL, Expert at COMCEC Coordination Office delivered a presentation on utilizing the COMCEC Project Funding (CPF) for the transport-related projects of the member countries as well as the OIC institutions. He informed the participants about the essentials of CPF and the relationship between Ministerial policy recommendations, Strategy's principles and objectives. He gave details about the main characteristics of CPF such as membership to the WGs and partnering with at least two member countries. Lastly, he informed the participants on the relevant pages of the CPF website and mentioned about the timeline for the project submission.

Closing

26. In his concluding remarks, Mr. Emin Sadık AYDIN, Acting Director General of the COMCEC Coordination Office (CCO), expressed his thanks to all the presenters and participants for the fruitful deliberations made during the meeting. He announced that the project call within the framework of COMCEC Project Funding would be made in September 2020 and encouraged delegates to make use of this important facility for furthering the cooperation among the member countries.



**15TH MEETING OF THE COMCEC TRANSPORT AND COMMUNICATIONS
WORKING GROUP**

(July 7th, 2020, Virtual Meeting)

“Pricing of Transport Infrastructure in the OIC Member Countries”

AGENDA

Opening

1. Global Trends in Pricing of Transport Infrastructure
2. OIC Member Countries’ Practices and Lessons Learnt from the Selected Case Studies
3. Member States’ Experiences in Pricing of Transport Infrastructure
4. Policy Debate Session on Pricing of Transport Infrastructure in the OIC Member Countries
5. Utilizing the COMCEC Project Funding

Closing



**15TH MEETING OF THE COMCEC TRANSPORT AND COMMUNICATIONS
WORKING GROUP
(July 7th, 2020, Virtual Meeting)***

“Pricing of Transport Infrastructure in the OIC Member Countries”

Programme

13.30-13.40 Opening

13.40-14.00 Global Trends in Pricing of Transport Infrastructure

- *Presentation: Mr. Stephen PERKINS
Head of Research and Policy Analysis
International Transport Forum-OECD*

14.00-14.10 - Discussion

14.10-14.40 OIC Member Countries’ Practices and Lessons Learnt from the Selected Case Studies

- *Presentation: Ms. Fadiyah ACHMADI
Sustainable Mobility Specialist, Fimotions*

*Mr. Joel van der BEEK
Senior Transport Specialist, Econovision*

14.40-15.00 - Discussion

15.00-15.40 Member States’ Experiences in Pricing of Transport Infrastructure

15.40-16.40 Policy Debate Session on Pricing of Transport Infrastructure in the OIC Member Countries

There will be a policy debate session to come up with a set of policy options for improving the pricing of transport infrastructure in the OIC Member Countries. At the outset, the CCO will make a short introduction to the room document and responses of the Member Countries to the policy questions, which have already been conveyed to the Member Country Focal Points.

16.40-16.50 Utilizing the COMCEC Project Funding

16.50-17.00 Closing

LIST OF PARTICIPANTS
15TH MEETING OF COMCEC TRANSPORT AND COMMUNICATIONS
WORKING GROUP
(7 July 2020, Ankara)

A. MEMBER COUNTRIES OF THE OIC

1. ISLAMIC REPUBLIC OF AFGHANISTAN

- Mr. MOHAMMAD RABI NABIZADA

Acting Head of Legislation and External Relation Department,
Ministry of Transport

- Mr. ABDUL HADI NADIM

Expert, Ministry of Transport

2. REPUBLIC OF AZERBAIJAN

- Mr. RUFAT BAYRAMOV

Head of Division, Ministry of Economy

- Ms. AYTAN TURABOVA

Leading Adviser, Ministry of Transport

3. PEOPLE'S REPUBLIC OF BANGLADESH

- Ms. YASMIN SULTANA

Deputy Secretary, Road Transport and Highways Division,
Ministry of Road Transport & Bridges

- Mr. Md. ABDULLAH AL MAMUN

Additional Chief Engineer, Road and Highways Dept.,
Ministry of Road Transport and Bridges

4. REPUBLIC OF COTE D'IVOIRE

- Mr. ABDOULAYE TOURE

Secretary General of the Traffic Fluency Observatory,
Ministry of Transport

5. REPUBLIC OF GAMBIA

- Mr. SULAYMAN GAYE

Senior Planner, Ministry of Transport, Works & Infrastructure

6. REPUBLIC OF GUINEA

- Ms. MADINA DIAWARA

Head of Division, Ministry of Transport

- Mr. MAMA KARIFA CAMARA

Deputy General Director,
Ministry of Transport

7. ISLAMIC REPUBLIC OF IRAN

- Mr. MEHRAN KHAMISIZADEH
Adviser to Deputy Minister,
Ministry of Roads Urban Development

8. HASHEMITE KINGDOM OF JORDAN

- Mr. NAIM HASSAN
Development and Planning Director,
Ministry of Transport
- Mr. SAWSAN SHABSOUH
Transport and Communication Focal Point,
Ministry of Transport

9. MALAYSIA

- Mr. MOHAMAD NIZAM MUSTAFA
Senior Principal Assistant Secretary,
Ministry of Works of Malaysia
- Mr. NURULHAKEEM HASIM
Principal Assistant Secretary,
Ministry of Transport of Malaysia

10. REPUBLIC OF MALI

- Mr. ALMADANE TOURE
Counsellor, Ministry of Transport
- Mr. MAMADOU SOW
Expert, Ministry of Transport

11. KINGDOM OF MOROCCO

- Mr. MOHAMMED BENKHEDDA
Head of Division, Ministry of Transport
- Mr. RIDA DERROUICH
Head of Financing Arrangements, Ministry of Transport

12. FEDERAL REPUBLIC OF NIGERIA

- Ms. ANTONIA A. EKPA
Director, Federal Ministry of Transport

13. SULTANATE OF OMAN

- Mr. SAIF AL SINANI
DG of Planning and Studies, Ministry of Transport

14. PALESTINE

- MS. SHUROUQ ABO HAMDEH
Director, Ministry of Transport

15. ISLAMIC REPUBLIC OF PAKISTAN

- Mr. MOHAMMAD SHOAIB
Director, Ministry of Communications

16. STATE OF QATAR

- Mr. SALEH ALMARRI
Expert, Ministry of Transport
- Mr. SALEH SAEED AL MARRI
Head of Land Transport Planning Department,
Ministry Transportation and Communication

17. KINGDOM OF SAUDI ARABIA

- Mr. ABDULAZIZ ALJARALLAH
Advisor, Ministry of Transport
- Mr. GAUWAS HAITHAM
Expert, Ministry of Transport

18. REPUBLIC OF SOMALIA

- Mr. ZAKARIE ISMAEL SHEIKH
Communication Focal Person, Ministry of Post and Communication

19. REPUBLIC OF SUDAN

- Mr. MURTADA ELIAS
Planning Supervisor, Ministry of Transport
- Mr. ABDELHALIM SHATIR
Head of External Relations, Ministry of Transport

20. REPUBLIC OF SURINAME

- Mr. CLIFTON AMOIDA
Ministry of Public Works Transport and Communication

21. REPUBLIC OF TURKEY

- Mr. MÜCAHİT ARMAN
Deputy Director General, General Directorate of Highways
- Mr. RESUL BÜYÜKGÜÇLÜ
Branch Manager, General Directorate of Highways
- Mr. GÖKHAN MACİT
Head of Department, General Directorate of Highways
- Mr. HASAN UMUR ALSANCAK
Environmental Engineer, Ministry of Transport and Infrastructure

22. REPUBLIC OF UGANDA

- Mr. WINSTONE KATUSHABE
Commissioner, Ministry of Works and Transport

B. THE OIC SUBSIDIARY ORGANS

STATISTICAL, ECONOMIC, SOCIAL RESEARCH AND TRAINING CENTER FOR

ISLAMIC COUNTRIES (SESRIC)

- Mr. CEM TİNTİN
Senior Researcher, SESRIC
- Ms. FATIMA ZAHRA KAMAL
Technical Cooperation Officer, SESRIC

C. SPECIALIZED ORGANS OF THE OIC

ISLAMIC DEVELOPMENT BANK (IsDB)

- Mr. NAZAR DIAB
Expert, IsDB
- Mr. OMAR MEHYAR
Transport Specialist, IsDB
- Mr. CEM ÖZENEN
Senior Project Management Specialist, IsDB
- Mr. NOSRATOLLAH NAFAR
Expert, IsDB

D. OIC STANDING COMMITTEES

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)- ITF

- Mr. STEPHEN PERKINS
Head of Research and Policy Analysis, International Transport Forum

D. INVITED INSTITUTIONS

FIMOTIONS

- Ms. FADIAH ACHMADI
Sustainable Mobility Specialist, FIMOTIONS
- Mr. JOEL VAN DER BEEK
Senior Transport Specialist, FIMOTIONS

E. COMCEC COORDINATION OFFICE

- Mr. EMİN SADIK AYDIN
Director General
- Mr. FATİH ÜNLÜ
Deputy Director General
- Mr. SELÇUK KOÇ
Head of Department
- Mr. MEHMET ASLAN
Head of Department
- Mr. NİHAT AKBALIK
Expert
- Mr. HASAN YENİGÜL
Expert

**THE POLICY RECOMMENDATIONS OF
15TH MEETING OF THE COMCEC TRANSPORT AND COMMUNICATIONS
WORKING GROUP**

The COMCEC Transport and Communications Working Group (TCWG) successfully held its 15th Meeting on July 7th, 2020, in a virtual-only format, with the theme of “Pricing of Transport Infrastructure in the OIC Member Countries”. During the Meeting, TCWG made deliberations on the policy recommendations related to the pricing of transport infrastructure. The policy recommendations were formulated by taking into consideration the research report titled “Pricing of Transport Infrastructure in the OIC Member Countries” and the responses of the Member States to the policy questions sent by the COMCEC Coordination Office. The policy recommendations are as followings:

Policy Recommendation I: Developing contemporary transport infrastructure pricing policies and making use of implementation instruments such as PPPs, where possible, and public transport operations for a well-functioning transport system.

Rationale:

An enabling legal framework accompanied by an integrated transport policy is of particular importance for the success of transport infrastructure pricing systems. This would also facilitate the effective participation of the private sector in the development of transport infrastructure. The contemporary transport policies envisage an enabling legal framework that explicitly highlights the government’s commitments and the mechanisms for risk transfer between public and private stakeholders by streamlining all the different pricing implementations and convert them into a single transport infrastructure pricing act. In this vein, contemporary transport policies encourage the participation of the private sector in transport infrastructure projects. The success of transport infrastructure pricing schemes depends largely upon the implications, externalities, and people’s perception of transport infrastructure pricing schemes. In this framework, the contemporary transport policies attach particular importance to the social and economic conditions of the users.

Policy Recommendation II: Assigning an autonomous operator (entity/institution/body) for the effective collection of charges and allocation of funds arising from transport infrastructure pricing services.

Rationale:

Transport infrastructure pricing is a multidimensional issue involving public, private, and civil society. Within this respect, several institutions and organizations have varying roles in the formation of transport infrastructure pricing and charging policy, regulation, planning, implementation, monitoring, and evaluation. The coordination among the relevant institutions and stakeholders is of crucial importance. However, considering the complexity of management of the pricing of transport infrastructure, effective coordination among the public and private stakeholders is an important challenge to be addressed. The roles and responsibilities of the relevant stakeholders may not always be explicit. In this respect, for improved governance, the roles of regulators and operators can be separated, and autonomous commercialized institutions may provide the services demanded by stakeholders and users with greater efficiency. Therefore, the assignment of autonomous entities that would provide an effective collection of charges and the allocation of funds arising from transport infrastructure pricing services is of particular importance.

Policy Recommendation III: Utilizing transport infrastructure pricing tools (i.e. tolls, levies, vehicle tax, fuel tax, mileage tax, etc.) to effectively manage transport demand as well as to raise funds for transport infrastructure development.

Rationale:

An efficient and effective transport system is vital for the socio-economic functioning of any society. Transport networks, including road, rail, and air networks, have expanded consistently especially in developing countries in line with the growing demand. As the demand for transport infrastructure has increased considerably over the years, governments have initiated some mechanisms to diversify funding sources and to address this growing demand. The principle of cost recovery from transport users, known as transport infrastructure pricing, is one of the widely used mechanisms to source public finance to increase infrastructure capacity and recovery of costs, to effectively manage the demands for transportation services, to charge transport sector externalities including greenhouse gas emissions. Tolls, levies, vehicle tax, fuel tax, mileage tax, and vignettes are some of the widely used tools in transport infrastructure pricing systems. While developing countries use these tools mainly to provide new infrastructure and improve transport infrastructure performance, developed countries primarily make use of these tools for managing traffic demand.

Policy Recommendation IV: Utilizing contemporary collection (i.e. automated electronic tolls, on-board-units, and Global Navigation Satellite System) and enforcement systems for ensuring an effective transport infrastructure pricing.

Rationale:

The applied method and used technology are extremely vital for the better management of the pricing of transport infrastructure. An effective and efficient toll collection and enforcement system can leverage the abilities of the whole infrastructure pricing system. Collection can be done by employees, automatic machines, or a combination of both. Toll plazas and electronic tolls are two basic toll collection systems. Toll plazas consist of a series of toll gates, where each gate only opens once the driver pays the toll by cash, bank cards, vouchers, or others. On the other hand, electronic tolls allow toll payment without requiring vehicles to stop. Vehicles are required to carry an authorized on-board unit (OBU), electronic tag or transponder. Compared to toll plazas, electronic tolls do not require toll gates, which minimizes construction costs and this system can be implemented in high-density road networks. Some countries have a hybrid system where conventional toll plazas coexist with electronic tolling systems.

Instruments to Realize the Policy Advice:

COMCEC Transport and Communications Working Group: In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

COMCEC Project Funding: Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organizing seminars, training programs, study visits, exchange of experts, workshops and preparing analytical studies, needs assessments, and training materials/documents.