

# **TRANSPORT**

## *Summary Project Fiche*

**Project n°:** LI9807.01, LI9807.02, LI9807.03

**Title:** INTEGRATION OF LITHUANIA INTO TRANS EUROPEAN NETWORKS

**Location:** Lithuania

### **Objectives:**

1. Completion of Via Baltica, elimination of railway level crossings and settlement crossings. After the implementation of this project, by the year 2000, the whole Via Baltica route will be fully reconstructed and will comply with the requirements for this transport corridor. Physical integration and connection to the TEN is given high priority in the AP.
2. Improvement of safety and security facilities of the main Lithuanian airports, aiming at reaching international standards. Safety and security issues in the air transport have been stressed in the Commission's Opinion on Lithuania's application to EU membership. The process of Accession to the European Union requires not only approximation of laws but also alignment of regulatory systems, standards and certification methods to those of the Community. The major issues of legislative approximation have been addressed in the project
3. Harmonisation of Lithuanian Transport Legislation with that of the Community and assistance and training for programming and monitoring of projects.

A key objective of further phases is to continue the development of the legislative system and to extend this to the regulatory systems, standards and certification methods, in line with the intentions of the National Programme for the Adoption of the Acquis. Moreover, considering the transformation of EC assistance from a demand driven one towards structural funds, it is important to develop the capacity of the Ministry of Transport to deal with Integration issues in the programming and monitoring areas.

### **Description:**

*Project 1* - Completion of Via Baltica, elimination of railway level crossings and settlement crossings. Via Baltica constitutes the main part of Crete Corridor I. After opening of Via Baltica to the international traffic in 1988, it became clear that urgent modernisation is necessary in order to make the route attractive. Via Baltica High Level Working Group has been created, which drafted a five-year Via Baltica investment programme. Implementation of the programme would include establishment of Category II (European standards) road, bypassing all the settlements and equipped with modern measures of traffic assurance.

Due to shortage of funds, the above five-year investment programme did not provide for reconstruction of the section Marijampole-Lithuanian/Polish border. Within this section the route crosses Marijampole town and Kalvarija settlement; beside that, there are two level-crossings with the railway lines. Longest part of this section complies with the requirements for Category III roads, exception being only 3.8 km of the route, complying with the requirements for Category II roads. Moreover, the road pavement does not satisfy the increased loads due to heavy transit traffic. The studies show that in recent years traffic intensity was especially sharply increasing in this section of the route: e.g., it increased by 55-73% in 1996.

Due to this, road maintenance costs substantially above normal level and are still increasing. This situation necessitates urgent reconstruction of this section. The reconstruction of the section would

provide for elimination of three level crossings with regional roads as well as two level crossings with the railway lines, bypass of Marijampole town and Kalvarija settlement, improvement in traffic conditions, decrease in maintenance costs and improvement in environmental situation.

*Project 2* - Improvement of safety and security facilities of the main Lithuanian airports, aiming at reaching international standards. The project includes the implementation of safety measures at main Lithuanian airports (Vilnius, Kaunas and Palanga). It includes access to the airport, extension of runways, lighting system, guidance system. The PHARE contribution is required for the Vilnius component (mainly the access road system). Vilnius international airport is one of the main hubs in the aviation network of the Baltic Sea region. Reconstruction of the main airport building has been continuing since 1994 (approx. 16 MECU have already been disbursed, including 12 MECU loan from the EIB). The priority attention was devoted to the improvements of flight safety and passenger service. However, this does not ensure infrastructure safety of the airport, and notably the access to it, since the width of Vaitkus street leading to the airport is only 7 m, and the existing bridge over the railway is only 5.5 m wide. This street is the only access to the airport and represents a significant bottleneck.

The design for the "Reconstruction of airport parking area and access roads" has been completed in 1997, and the project includes the construction of a 7 m wide and 293 m long second road in the Vaitkus street in order to separate the traffic of different directions. For the safety and convenience of the pedestrians, sidewalks 1.6 m wide will be constructed on both sides of the street. Beside that, engineering services will be installed, including storm water sewage, power network and communication network. The design provides for the reconstruction of the northern part (3450 m<sup>2</sup>) of the central area of the airport and the construction of the car parking area for 98 places (2100 m<sup>2</sup>). Total value of the project is 1.7 MECU. At present the design of the new bridge (30 m) over the railway across the Vaitkus street is under preparation and will be ready in the second quarter of 1998. The above works would ensure the traffic safety and eliminate the bottleneck obstructing the traffic to/from Vilnius airport.

Kaunas airport lighting system of the runway, crucial for safe landing of aircraft, does not comply with minimum requirements. The project provides for the installation of a Category II lighting system in the main landing direction (East-West) and Category I system in the West-East direction. The project value is 3.5 mil. ECU.

Palanga airport does not comply with international ICAO requirements and is suitable for use by small aircraft only.

Following the provisions of the General Aviation Masterplan study, carried out under the PHARE programme, the design for the extension of the existing runway is being prepared (length 2500 m, width 45 m). The cost would amount to 2.2 MECU. It is also planned to replace the existing runway lighting system and ILS with one complying to at least ICAO Category I landing requirements. This part would cost approx. 5.9 MECU.

*Project 3* - Harmonisation of Lithuanian Transport Legislation with that of the Community and assistance and training for programming and monitoring of projects.

The project will review progress with the implementation of the harmonisation programme. It will continue a strategy guided by a critical path analysis addressing structural issues and constraints within and agreed time-frame. The strategy includes:-

- Evaluation of progress made in the process of approximation of Lithuanian transport legal acts to those of the Community
- Assessment of actions needed in regard to the Acquis and the White paper to conform to EC accession requirements

The project will also provide the Ministry of Transport with assistance as needed in the preparation of draft laws, regulations etc. The assistance will be provided through appropriate structures involving local experts on Lithuanian law; it may include, where appropriate, a clear assessment of the impact of the changes under consideration.

Finally, a key objective will be to develop the capacity of the Ministry of Transport to implement most effectively integration requirements arising in relation to Legal and Regulatory approximation, and to monitor the implementation of investment projects. This implementation capacity will be built upon an Integration network within the Ministry.

#### **Institutional framework:**

In the past, the Ministry of Transport has been the Implementing Authority for all PHARE transport programmes. On a case by case basis, the Ministry appointed specific institutions as Executing Authorities (eg. Klaipeda State Seaport Authority, Road Administration, Customs Administration). Starting from 1997, with the first section of the Via Baltica, the implementing responsibility has been given to the involved institutions, with an overall supervision by the MoT.

The responsibility for the implementation will lie with:

Project 1                      Lithuanian Road Administration

Project 2                      Vilnius Airport

Project 3                      Ministry of Transport

The overall responsibility as well as the general supervision of the implementation of all projects will remain with the Ministry of Transport.

#### **Budget:**

	Investment	Institution building	Total PHARE (=I+IB)	Recipient	IFI	TOTAL (MECU)
Project 1	2,50	-	2,50	28,24	>44 MECU (Via Baltica Project and Airports)	30,74
Project 2	1,00	-	1,00			1,00
Project 3		0,50	0,50	-	-	0,50
<b>TOTAL</b>	<b>3,50</b>	<b>0,50</b>	<b>4,00</b>	<b>28.24</b>	<b>&gt;44 MECU</b>	<b>32,24</b>

#### **Implementation arrangements:**

The Implementing Authority as defined in the section above, will operate under the general supervision and co-ordination of the Ministry of Transport. For construction of projects, supervision of the works will be carried out according to FIDIC rules. For the TA project, a Steering Committee which will be established for co-ordination and supervision of the project. There will be regular and effective co-ordination with the Head of the European Integration Department in the Ministry of Foreign Affairs and the Legal Compliance Unit. There will also be liaison with the Resident Co-ordinator of the ongoing cross-sectoral legal approximation project to avoid duplication of effort and resources.

#### **Implementation schedule:**

Projects 1 & 2 (investments projects)

Start of tendering  
March 1999

Start of project activity  
July 1999

Completion  
October 2001

### **Project 3 (technical assistance)**

Start of tendering  
June 1999

Start of project activity  
October 1999

Completion  
December 2000

### **Equal opportunities:**

Tenders will be open to all companies. No requirements that could impair equal opportunities will be included and appropriate actions will be undertaken to verify that participants to the training sessions and/or working groups are not discriminated. The gender of trainees and consultants will be recorded for analysis. The Integration Group at the MoT is comprised of 6 females and two males, three of the females are Division Heads.

### **Environment:**

Projects 1 & 2 (investment projects)

Initial screening completed in 1994. The Environmental Report for the Via Baltica component was produced in Lithuanian language and is obtainable from Transport and Road Research Institute. The major environmental effect is that after the remove of traffic from the settlements the negative impact of transport on human health and quality of life will decrease substantially. Air and water pollution as well as the impact of noise will be mitigated. Regarding the airport component, a discussion on environmental aspects is included in the Vilnius Airport study reports, prepared by Tebodin and obtainable from Ministry of Transport. The specific project is only an improvement of the existing road linking the airport to the highway. Traffic on the road will not change and no traffic environmental effects are expected. Project 3 (technical assistance) - Not applicable

### **Rates of return:**

Projects 1 & 2 (investment projects)

The IRR for Via Baltica, evaluated according to the 1993 economic feasibility study, is 12%. Since the traffic since then has increased much more rapidly than expected, the IRR is now expected to be substantially higher than 12%. The access to Vilnius airport is required in order to ensure a reasonable level of safety in airport operations (ground side). The IRR for the access road varies between 11 and 14%. An economic/financial analysis for the improvements of Vilnius airport as a whole has been carried out and included in the above mentioned study from Tebodin.

### **Investment criteria:**

Projects 1 & 2 (investment projects)

Phare financed three sections of Via Baltica from 1996-97 budget and the catalytic effect has already been demonstrated. Phare funds will complement (and not substitute) local/foreign funds. The projects are co-financed by EIB, EBRD, the World Bank, and discussions are on going with Czech bank Ceskoslovenska Obchodni Banka. The projects are mature: other sections of Via Baltica are already being constructed and the implementation programme for Vilnius airport is well advanced. Sustainability and absorption are guaranteed by the appropriate implementation programme, covering the period 1995-2001, and competition is ensured by the application of standard Phare procedures for tendering and contracting. Moreover previous existing commitments in the same sector have been fully contracted or are entirely on track (absorption capacity). Implementation/monitoring structures are already in place.

### **Conditionality and sequencing:**

Projects 1 & 2 (investment projects)

All plans regarding Via Baltica and the improvements to main Lithuanian airports have been approved by the Government and relevant institutions. Land acquisition will be completed during 1998 and first half of 1999. Should there be a delay in completing land acquisition around the airport, the envisaged funding will be re-allocated to the Via Baltica.

### **Project 3 (technical assistance)**

The directives of stage I of the White Paper are, in principle, implemented. The directives of stage II are partially implemented. All the main legal acts regulating activities of transport in principle meet the requirements of EC legislation, especially those recommended by the White Paper. Because of the wide scope of regulatory etc. provisions in the transport sector, further phases are necessary to support the detail of accession negotiations. Furthermore, it is fundamental to ensure that the Ministry of Transport is adequately prepared to access the structural funds after 2000, including the development of adequate project monitoring capabilities.