DEVELOPMENT OF LITHUANIAN STATE NETWORK IN 2000-2015

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Lithuanian Road Administration
CASE STUDIES (1)

Ineligible costs – ISPA projects

In case of ISPA projects, there was the requirement concerning participation in tendering to all natural and legal persons of the MS of the EU and the beneficiary countries of the ISPA programme. All works, supplies and services must be originated in one or more of these countries.

It was identified during the final audit of ISPA projects, that some material used in the construction works did not meet the requirement of origin, such as reinforcement, epoxy made in Russia and geotextile made in USA.

Final value of ineligible costs is 0,1% of total value of ISPA projects.
Ineligible costs. Reinforcement bars made in Russia
Ineligible costs. Geotextile made in USA
CASE STUDIES (2)

Ineligible costs – Cohesion fund projects (1)
Reconstruction of recreation site near cafe – the cost of reconstruction was identified as ineligible – the existing cafe is profit generating subject;
Cleaning of existing water culverts – road operating enterprise is responsible for proper condition of culverts;
Ineligible costs – Cohesion fund projects (2)

- Small items not included in the EC Decisions (e.g., insulation of windows in the additional houses, implementation of additional slip-roads);
- Temporary structures in recreation site (bioWC);
- In case of the last LRA project, which is still under closure procedure – ineligible costs related to changes of technical design at the construction stage and to variation orders.
Ineligible costs. Recreation site and cafe.
Ineligible costs. Cleaning of water culverts
Ineligible costs. Implementation of additional slip-roads.
Ineligible costs – Cohesion fund projects in 2007–2013 (3)

- costs related to changes and amendments of technical design at the construction stage;
- costs related to variation orders;
- costs related to the reconstruction of engineering networks;
- other expenses which increase the project value but not contribute to attaining the project aims.
MAJOR INVESTMENT PROJECTS. LOST MONEY IN 2014

- Panevėžys Municipality raised question because of technical solutions, that’s why tender was postponed for almost 1 year. Lost money - 15 million. EUR;
- Municipality failed to issue permission to carry out works. Tender completed 2 months later. Lost money – 1 million. Euro of advance payment;
- Tender procedures were stopped because of Tender participants claims, court decisions. Lost money - 8 million. EUR;
- Two main Ministries failed to prepare documents for applying EU support. Tenders were postponed. Lost money - 9 million. EUR;
- Total sum of lost money in 2014 because of above mentioned reasons – 33 million. EUR.
MAJOR INVESTMENT PROJECTS. LOST MONEY IN 2015

• Two major tenders were stopped because of Tender participants claims, court and Public Procurement Office decisions. Risk to fail implement projects on time (2015). Total sum of projects - 55 million. EUR;
• Ministries failing to prepare documents for applying EU support. Tenders were postponed.
• State Territorial Planning and Construction Inspectorate under the Ministry of Environment often fails to issue construction completion Act. Without this Act LRA can’t get last Project money-final payment (EU support) from Ministry or Transport and Communications.
ROAD MAINTENANCE AND DEVELOPMENT PROGRAMME FINANCING SOURCES IN 2015

55 MEUR
In Total for Vehicle Charges

1,4 MEUR
Other Revenues (for exceeding dimensions, axle loads, total weight)

3,9 MEUR
Penalties for Exceeding Speed Limit (registered by stationary speed cameras)

580 MEUR
Total LR Budget Revenues from Fuel Excise Duty

Total LR Budget Revenues from Fuel Excise Duty and Vehicle Owners' Taxes

640 MEUR

- 86 MEUR
CBN

Real Funds to the Road Maintenance and Development Programme (after deducting CBN)

351,2 MEUR

44 MEUR
In Total for Vehicle Charges

1,4 MEUR
Other Revenues (for exceeding dimensions, axle loads, total weight)

3,1 MEUR
Penalties for Exceeding Speed Limit (registered by stationary speed cameras)

303 MEUR
Real Excise Revenues to RMDP for Sold Fuel

Share of Excise in 65% Approved by the Law on the Financing of RMDP
Actual RMDP Share of Excise Revenues in 52%, after the deduction of CBN

37,3 MEUR
Extra Funds in 2014

388,5 MEUR
Road Maintenance and Development Programme Funds in 2015
ROAD MAINTENANCE AND DEVELOPMENT PROGRAMME IN 2015 – 100%

States roads – 65%

Local roads – 30%

Reserved funds for State needs associated with roads – 5%
(Dedicated to the decision of the Government of the Republic of Lithuania)

Forests, national parks, protected areas, cross-border roads – 4%
(Dedicated to the Minister of the Environment, the State Border Guard Service under the Ministry of the Interior orders)
Used in accordance with the relevant authorities, with a list of the objects

Cities and regions municipal local roads – 76%
(Dedicated to the Director of the Directorate of Road)
The funds allocated to the program by the use of funds of the institution's lists of objects consistent with the Road Administration

Local roads (streets) targeted funding – 20%
(Dedicated to Transport Minister)
Used by the list of objects in line with the Ministry of the Interior

Urban municipalities - 35%
50% - in terms of population
25% - according to the length of roads and streets
25% - the amount according to the number of vehicles

District municipalities - 65%
50% - in terms of population under
50% - of the length of roads and streets

18% - for all municipalities with regard to the requests

2% - resorts to municipalities according to the number of nights

Assigned by Government decision
Assigned by Minister of Transport by the municipal council proposals
## EU STRUCTURAL ASSISTANCE

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<th>Period</th>
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<th>EUR</th>
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<tbody>
<tr>
<td><strong>2007-2013</strong></td>
<td>706,165</td>
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<td>Cohesion Fund (CF):</td>
<td>425.25</td>
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<td>European Regional Development Fund (ERDF):</td>
<td>279.813</td>
<td>million</td>
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<td>Special TEN-T program</td>
<td>1.1</td>
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<tr>
<th>Period</th>
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<th>EUR</th>
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<tr>
<td><strong>2014-2020</strong></td>
<td>461,63</td>
<td>million</td>
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<tr>
<td>Cohesion Fund (CF):</td>
<td>290.551</td>
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<td>European Regional Development Fund (ERDF):</td>
<td>134.541</td>
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<td>Connecting Europe Facility (CEF):</td>
<td>36.538</td>
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CONDITION OF MAIN ROAD SECTIONS

Condition of main road sections, percent of overall length

2013

- Very good or good: 53%
- Satisfactory: 20%
- Poor: 16%
- Very poor: 11%

2010

- Very good or good: 60%
- Satisfactory: 17%
- Poor: 15%
- Very poor: 8%

2007

- Very good or good: 59%
- Satisfactory: 20%
- Poor: 15%
- Very poor: 6%

Legend:
- Very good or good
- Satisfactory
- Poor
- Very poor
• Bypass Palanga implemented - Public Private Partnership funds;
• Bypass Palanga 8.25 km long;
• Project cost - 35.79 million. EUR;
• 2 years + 23 years building maintenance;
• Traffic is open from May in 2015.
• Lithuanian First project implemented by Central Goverment body. Only after Contract finalisation – Finance Ministry approved Accounting Standart for PPP projects.
SECOND PPP PROJECT VILNIUS-UTENA

- Road Reconstruction - 58 km long;
- Road Maintenance 72 km long;
- Project cost – 170 million. EUR;
- 3 years + 10 years building maintenance;
- **Lack of political will** – Lithuanian Parliament from August of 2014 can‘t make Final decision concerning confirmation of Project.
THANK YOU FOR YOUR ATTENTION