

DEVELOPMENT OF LITHUANIAN STATE NETWORK IN 2000-2015



**LITHUANIAN ROAD
ADMINISTRATION**

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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

EXPERIENCE OF THE LITHUANIAN ROAD SECTOR
IN THE IMPLEMENTATION AND CLOSURE OF ISPA/COHESION FUND PROJECTS



Ineligible costs. Reinforcement bars made in Russia

**EXPERIENCE OF THE LITHUANIAN ROAD SECTOR
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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.

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Ineligible costs. Recreation site and cafe

**EXPERIENCE OF THE LITHUANIAN ROAD SECTOR
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Ineligible costs. Cleaning of water culverts

EXPERIENCE OF THE LITHUANIAN ROAD SECTOR IN THE IMPLEMENTATION AND CLOSURE OF ISPA/COHESION FUND PROJECTS



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.

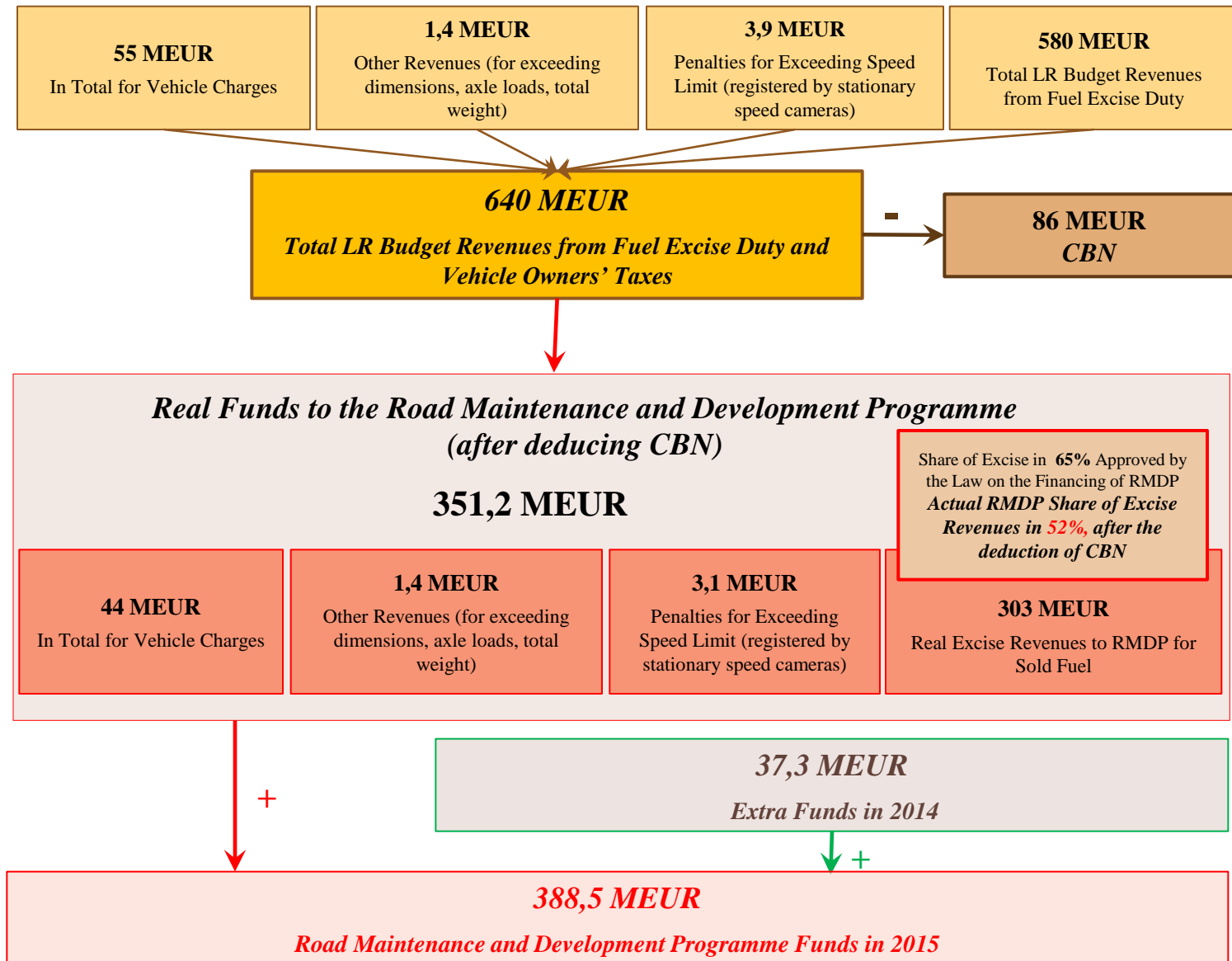
MAJOR INVESTMENT PROJECTS. LOST MONEY IN 2014

- 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.

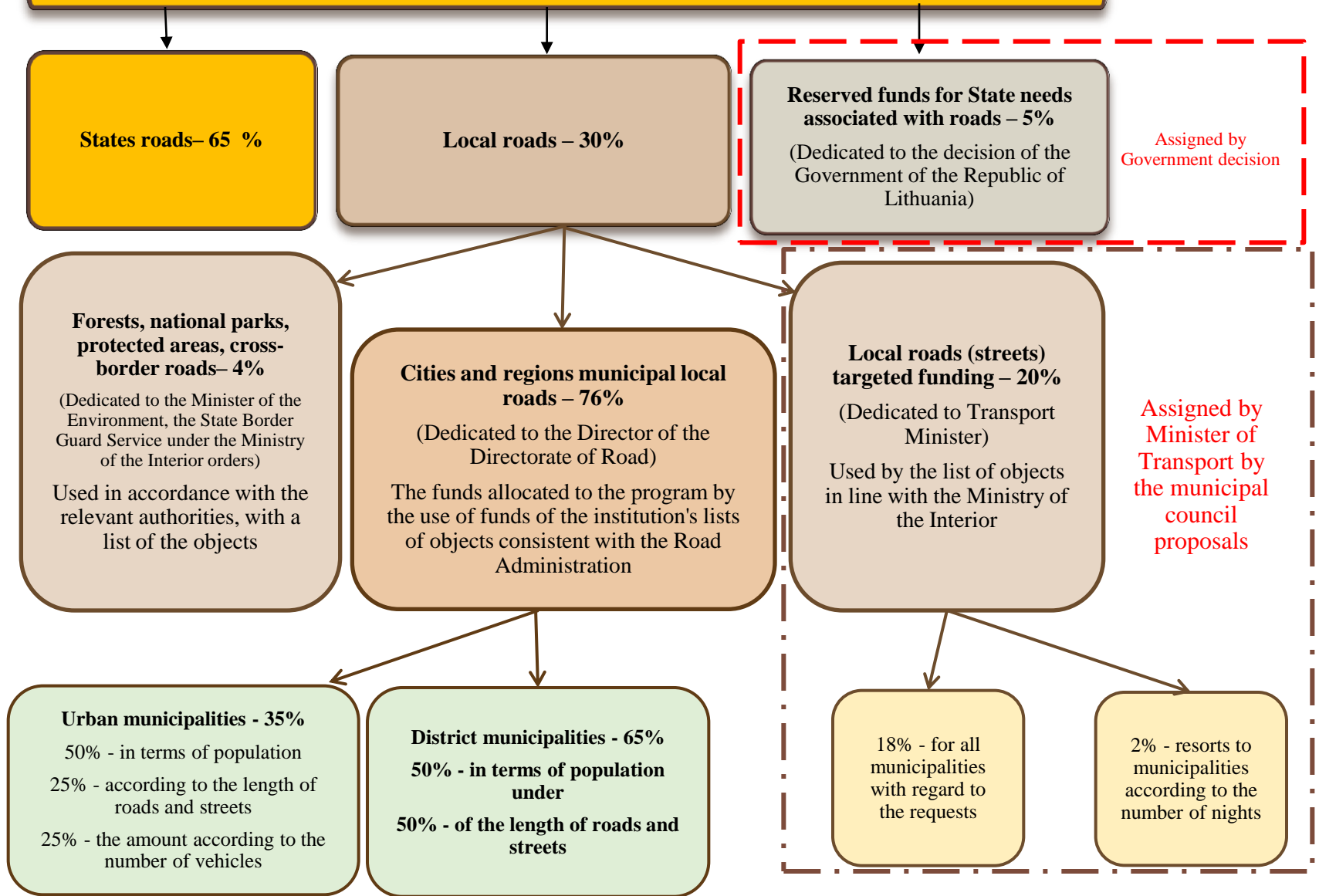
MAJOR INVESTMENT PROJECTS. LOST MONEY IN 2015

- 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 of Transport and Communications.

ROAD MAINTENANCE AND DEVELOPMENT PROGRAMME FINANCING SOURCES IN 2015



ROAD MAINTENANCE AND DEVELOPMENT PROGRAMME IN 2015 – 100%



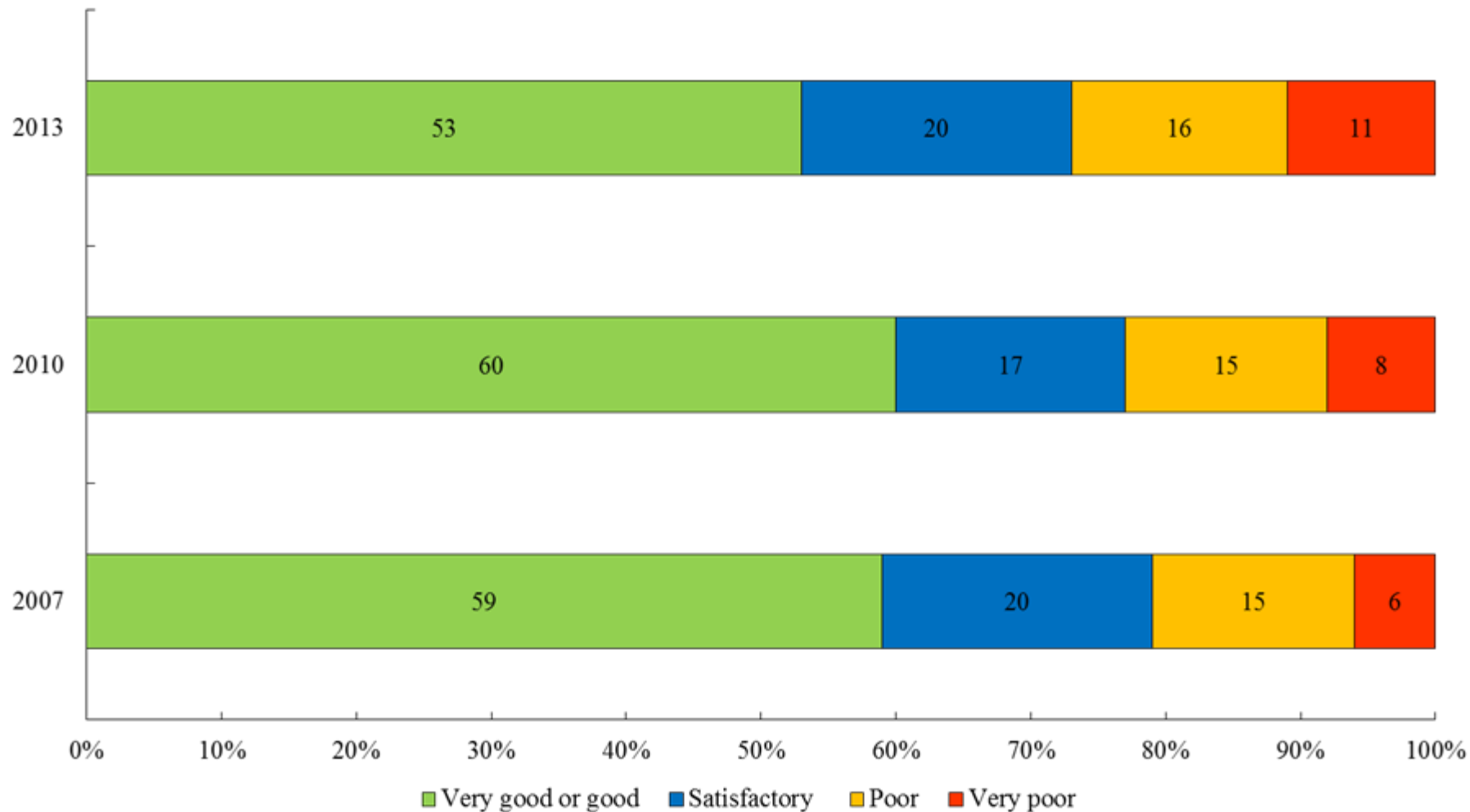
EU STRUCTURAL ASSISTANCE

2007-2013	Total: 706,165 million EUR
Cohesion Fund (CF):	425.25 million EUR
European Regional Development Fund (ERDF):	279.813 million EUR
Special TEN-T program	1.1 million EUR

2014-2020	Total: 461,63 million EUR
Cohesion Fund (CF):	290.551 million EUR
European Regional Development Fund (ERDF):	134.541 million EUR
Connecting Europe Facility (CEF):	36.538 million EUR

CONDITION OF MAIN ROAD SECTIONS

Condition of main road sections, percent of overall length



PALANGA CITY BYPASS - PUBLIC PRIVATE PARTNERSHIP



- 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 Government 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**



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ADMINISTRATION**