Standard Summary Project Fiche for the Transition Facility

1. Basic Information

1.1. CRIS Number

1.1. CRIS Number: 2004/016-925/04-03
Twinning: LT/2004/TR/01

1.2. Title

Alignment of National Legislation with a New EU Railway Transport Acquis, Implementation of the “Second Railway Package” and Strengthening Administrative Capacity of the Railway Institutions of Lithuania

1.3. Sector

Transport

1.4. Location

Ministry of Transport and Communications (MoTC), Gedimino av. 17, Vilnius 2679, Lithuania

2. Objectives

2.1. Overall Objective

The overall objective of this 1.2 Million Euros institution building is to strengthen administrative and technical capacities of the railway institutions regarding to the requirements of the “Second Railway Package” and to implement the new EU Railway Transport Acquis.

2.2. Project Purpose

The purpose of the project is as follows:

- to assist the Ministry of Transport and Communications and related institutions in preparation of the new legislation of rail transport related to the “Second Railway Package” and implementation of the legislation.
- to strengthen administrative and technical capacities of the Ministry of Transport and Communications and related institutions in respective domains (legal, institutional, financial, management, technical fields and other domains concerned).

2.3. Justification

The new EU railway transport Acquis (“Second Railway Package”) is expected to enter into force in 2004 and consists of four legislative proposals and one recommendation:


- Regulation of the European Parliament and of the Council establishing the European Railway Agency

- Recommendation for a Council decision on Community accession to the Convention concerning International Carriage by Rail (COTIF).

The 2003 Comprehensive monitoring report on Lithuania’s preparation for membership, in the chapter 9, focus on the transposition of the rail transport Acquis, which has to be completed with regard to the capacity allocation and rail regulatory functions, as well as the interoperability directives. It underlines also that, in the framework of the ongoing reorganisation process, the capacity of the Ministry of Transport and Communications, the State Railway Inspectorate and the other railway administrations needs to be further strengthened.

3. Description

3.1. Background and Justification

Up to the accession Lithuania is adopting and implementing the EU transport Acquis of the “First Railway Package”, as well as establishing and reinforcing the administrative structures and relevant mechanisms in order to implement legal provisions of the EU. With assistance of Twinning project LT 2001/IB/TR/01 the provisions of the European Council directives 91/440, 95/18 and 95/19, 2001/12, 2001/13 and 2001/14 were transferred into national law acts. The main laws – Law on the Lithuanian Railway Transport Sector Reform and new addition of the Lithuanian Railway Transport Code - have to come into force from the 1 of May 2004 and cover main provisions concerning the creation of the main legal basis for liberalisation of Lithuanian railway transport sector according to the EU requirements.

As the railway transport market is a new phenomenon in Lithuania and, accordingly there is no adequate experience, implementation of the new laws and effective work of the new mechanisms are quite big challenges to Lithuania. Taking into consideration the foregoing and in the view of the forthcoming “Second Railway Package” and the important and huge tasks that should be done in order to implement the new EU transport Acquis the experience of the EU countries in this area could be
of great value in the Lithuanian case. Therefore the assistance from the EU member state in the form of twinning project is requested. The proposed project will provide technical assistance, support and training to the railway institutions the Ministry of Transport and Communications (MoTC), the State Railway Inspectorate (SRI), the Infrastructure Manager/JSC “Lithuanian Railways” (IM/LR) to implement the new EU railway Acquis.

One of the most important elements for the project proposed is the assistance to Lithuanian railway institutions in ensuring traffic safety and interoperability in railway transport. Support is needed to develop traffic safety, traffic control, freight cabotage, interoperability and liability legislation, and the mechanisms for its effective implementation in accordance with the new EU Acquis.

3.2. Linked Activities

- The PHARE project 98-0044 “Transitional Management Support for Lithuanian Railways” (Contractor – CIE Consult (Ireland)) was completed in April 2000. This project advised the MoTC and the railway management on the preparation and implementation of a restructuring programme in Lithuanian railways. The specific objectives were to assist the JSC “Lithuanian Railways” to implement the organisational, technical and financial recommendations for the restructuring, focussing most strongly on Financial/Accounting and Organisational matters.

- The PHARE project 98-0402 “Harmonisation of Transport Legislation” (Contractor – NEA Transport Research and Training (Netherlands)) ended in October 2000. This project continued previous assistance and assisted in 1) preparing a strategy paper outlining objectives and priorities, with assessment of actions needed in regard to the adoption of the Acquis and 2) legal reform which included drafting of legislation, training of staff, translation of EU laws, and formation of a data base.

- The PHARE project LI 9807.03 “Harmonisation of Transport Legislation” (Contractor – Bureau of Economic Management and Legal Studies (France)), aimed to continue the assessment of further actions and impact analysis of key components of the Accession Partnership; preparation of draft laws and regulations; and development of the capacity of the MoTC to implement most effectively integration requirements.

- The PHARE twinning project LT 01.03.01 “Further Alignment with the Transport Acquis and Strengthening Administrative Capacity to Manage the Implementation of Transport Policy ” (ended on 31st of March 2004) aimed at strengthening the capacity of the MoTC and particularly the recently enforced Railway Department and the State Railway Inspectorate (SRI) to meet the requirements of the Acquis designed in the “First Railway Package” (“Infrastructure Package”). The expected results, set up for the project, were to implement the best EU practices in conformity with the Acquis on railway safety matters and regulation of the railway market. The twinning project has also aimed at strengthening of the ongoing reform of Lithuanian railways, creating of conditions for separation of Infrastructure management from operations, setting up of a regulatory service unit responsible for regulation of the railway market and enforcing traffic safety legislation. The objectives and outputs set up have generally
been met. Within this project, the EU directives 2001/12/13/14/EC was implemented.

- The PHARE Twinning Light project 2003/004.341.08.02.06 “Strengthening of administrative capacity of the Ministry of Transport and Communications of the Republic of Lithuania and State Railway Inspectorate in Order to Ensure Efficient Regulation of Railway Transport Market in Lithuania” that is planned to be implemented in June-December 2004 aims at strengthening of the administrative capacity of the MoTC and SRI to ensure efficient regulation of railway transport market in Lithuania after the liberalization of railway transport sector in accordance with EU Acquis. Specific objectives of this project are as follows: preparation of additional secondary legislation helping the MoTC to implement the supervision of railway transport market regulator and SRI to implement the functions of railway transport market regulator in accordance with EU Acquis (the First Railway Package); creation of supervisory system for MoTC acting as supervisory institution of railway transport market regulator and to prepare the MoTC to work in practice according to this system; creation of necessary procedures for SRI acting as railway transport market regulator and preparation of the SRI to work in practice according to these procedures; information of railway undertakings about the railway transport market regulation institutions, functions, responsibilities and procedures.

3.3. Results

The results of this Project will include the following:

- Compliant legal framework (legal acts and secondary legislation) regarding the requirements of the new EU Acquis (“Second Railway Package”) developed.
- Overall administrative conception for the railway sector elaborated and new procedures on regulating links between different actors of the system created.
- Training programmes prepared and 40 people trained (20 specialists from MoTC and SRI concerning legal, institutional, financial and management issues, and 20 specialists from MoTC, SRI and LG concerning safety and interoperability issue).
- Study visits conducted.

3.4. Activities

The project will be implemented trough one Twinning Component

3.4.1. Twinning and Training package

Scope of Twinning

The following activities will be undertaken, via this project:

- Evaluation of existing institutional and legal situation bearing in mind the new EU Acquis that should be implemented;
- Assistance in drafting of new legal acts and / or amending existing acts;
• Assistance in preparation of the needed procedures for implementation of the new legal standards;
• Elaboration of a new overall administrative conception for the railway sector;
• Elaboration of new procedures on regulating necessary links between different actors of the system,
• Preparation of training programmes and training of staff of the railway institutions (MoTC, SRI and IM/LR);
• Organisation of the study visits (seminars and conferences related to the subject) to the EU Member States.

**Required inputs**

One Pre Accession Advisor (PAA) (24 p/m) will provide advice and technical assistance to the MoTC on clarifying, defining and helping to implement the regulatory requirements of the new EU *Acquis* in the rail sector. The PAA will assist in the drafting, review or modification of new rail sector legislation. The PAA will act as a team leader and co-ordinator of the entire programme. He/she will be assisted by a pool of mid-term and short term experts (23 p/m) who will be called upon on an ad-hoc basis when the need arises to provide more focused advice. The PAA will co-ordinate the deployment of these experts.

**General profile of the Pre-Accession Advisor:**

- Minimum of 15 years experience working in a railway sector in one of the EU Member States at executive level.
- Familiarity with the relevant legislation in the EU Member States.
- Substantial knowledge of regulatory issues involved in a competitive rail market, including licensing, access to railway infrastructure, capacity allocation and infrastructure charging.
- Substantial knowledge of safety and interoperability railway matters.
- Substantial knowledge and experience in railway sector reform and liberalization of rail market as well as the corresponding new EU *Acquis* and its implementation.
- Strong personality with excellent interpersonal and communication skills.
- International advisory or consulting experience and experience in international project management.
- Good written and oral command of English.
- Experience in developing, co-ordinating and conducting training programmes.

**Short Term to Medium Term Expert Facility:**
Mid term and short term experts will train and assist on the following areas:

- Rail regulation and competition.
- Infrastructure charging and capacity allocation.
- Licensing requirements and procedures.
- Safety regulation and certification.
- Interoperability issues.

The required profile of the mid and short term experts is as follows:

- Minimum of 10 years professional experience in their respective fields working in a rail regulatory authority or infrastructure manager.
- Advanced university degree in a relevant subject: law, economics, business administration or related discipline.
- Computer literacy.
- Good written and oral command of English.

4. Institutional Framework

The Ministry of Transport and Communications (MoTC) will be the main beneficiary of this project, acting also as co-ordinator of the implementation of the project. Other beneficiaries will be the State Railway Inspectorate (SRI) and the Infrastructure Manager/JSC “Lithuanian Railways” (IM/LR).

Main responsibilities of the MoTC with respect to the railway transport are as follows:

- to form and to implement joint strategy and policy of all transport modes;
- to define main directions of railway transport development;
- to co-ordinate the interaction of transport modes;
- to form the safety traffic policy;
- to form the policy of decreasing of negative influence of railways on environment.

The following structural units of the Ministry of Transport will be involved in this project:

- Railway and Transit Department,
- Legal Department,
- European Integration Department.

The Joint Stock Company „Lithuanian Railways“ (LR) is a State owned Company, i.e. 100% of its shares belong to the state. This Company is totally responsible for Operations and Infrastructure’s maintenance and development and therefore has to make considerable investments into the renovation of railways. This company is currently acting as Infrastructure Manager and will be involved in this project.
The State Railway Inspectorate (SRI) under the Ministry of Communications is authorised by the Government of the Republic of Lithuania to implement functions of the railway transport regulatory institution and is also responsible for the railway traffic safety in Lithuania.

A Steering Committee will be set up to oversee the project implementation. The Steering Committee will meet once a quarter and it will include the representative of the Ministry of Transport and Communications, State Railway Inspectorate, Infrastructure Manager/Lithuanian Railways, EC Representation in Vilnius and the National Aid Co-ordinator (Ministry of Finance).

5. Detailed Budget (in Million Euros)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Transition facility</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total (I + IB)</td>
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<tr>
<td>Twinning and Training Package</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td></td>
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<tr>
<td>TOTAL</td>
<td>1.2</td>
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6. Implementation Arrangements

6.1. Implementing Agency

The implementing agency is the Central Project Management Agency (CPMA). The CPMA will be responsible for tendering and contracting.

Mr Aloyzas VITKAUSKAS
Director
J.Tumo Vaizganto str. 8A / 2
LT 2600 VILNIUS LITHUANIA
Tel: + 370 5 2514400
Fax: + 370 5 2514401

The responsibility for Project preparation, implementation and control will be given to the beneficiaries’ institutions.

Contact person at the Ministry of Transport and Communications:

Mr. Ceslovas SIKSNELIS, Head of Transit and Railway Department
Gedimino av.17, Telephone: (370 5) 239 39 43
01505 Vilnius Fax: (370 5) 239 43 55
Lithuania e-mail c.siksnelis@transp.lt

Contact person at the State Railway Inspectorate:

Mr. Jonas SAVICKAS, Director of State Railway Inspectorate
Visinskio 34, Telephone: + 370 841 39 33 26
6.2. **Twinning**

The twinning team will be located at the Ministry of Transport and Communications, Railway and Transit Department.

The counterpart of the PAA will be:

Mr Simas GARUOLIS, Head of Transport Division, Transit and Railway Department

Ministry of Transport and Communications, Gedimino pr 17,
LT 01505 VILNIUS Lithuania
Tel : + 370 5 239 38 97, Fax : + 370 5 212 43 35, e-mail : .garuolis@transp.lt

The PAA will be located at the Ministry of Transport and Communications and will be working at the Ministry of Transport and Communications, at the State Railway Inspectorate in Siauliai and at the Lithuanian Railways.

6.3. **Non-standard aspects**

No non standard aspects are foreseen. The project will be implemented under the EDIS rules.

6.4. **Contracts**

Value of Twinning Covenant is 1,2 Million Euros;

7. **Implementation Schedule**

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Project Completion</th>
</tr>
</thead>
</table>

8. **Equal Opportunity**

The Constitution of Lithuania, the Law on equal Opportunity between Men and Women, and other legal acts explicitly forbid the discrimination on the basis of sex,
nationality and religion. A controller on equal opportunities between men and women is appointed by the Seimas (Parliament of the Republic of Lithuania).

9. **Sustainability**
Ministry of Transport and Communications and other beneficiaries have adequate staff and financial resources to maintain the administrative function of the project.

12. **Conditionality and sequencing**
The project will be sequenced as shown in the detailed implementation chart of the project.
ANNEXES TO PROJECT FICHÉ

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
## LOGFRAME PLANNING MATRIX FOR

**Programme Name:** Transition Facility Number: Desire

**Contracting Period Expires:** 3Q/2006  
**Disbursement Period Expires:** 3Q/2007  
**Total Budget:** 1.2 MEUR  
**Transition Facility Budget:** 1.2 MEUR

### Overall Objective:
To strengthen administrative and technical capacities of the railway institutions regarding the requirements of the “Second Railway Package” and to implement the new EU Railway Transport Acquis.

### Objectively Verifiable Indicators:
- Regulation of railway transport market in Lithuania corresponds to the EU requirements (Second Railway package)

### Source of Verification:
- Project evaluation reports
- EU reports

### Project Purpose:
- To assist the Ministry of Transport and Communications and related institutions in preparation of the new legislation of rail transport related to the “Second Railway Package” and implementation of the legislation.
- To strengthen administrative and technical capacities of the Ministry of Transport and Communications and related institutions in respective domains (legal, institutional, financial, management, technical fields and other domains concerned).

### Objectively Verifiable Indicators:
- National legislation is in accordance with the new EU Acquis
- Railway institutions operates at a proper level

### Source of Verification:
- Project progress reports
- Project monitoring and evaluation reports
- Annual transport sector report
- EU reports

### Assumptions
- Political commitment to implement the strategy
- Full cooperation between the railway institutions

### Results:
- Compliant legal framework (legal acts and secondary legislation) regarding the requirements of the new EU Acquis (“Second Railway Package”) developed;
- Overall administrative conception for the railway sector elaborated and new procedures on regulating links between different actors of the system created.
- Training programmes prepared and 40 people trained (20 specialists from MoTC and SRI concerning legal, institutional,

### Objectively Verifiable Indicators:
- Draft legal acts prepared and submitted as planned
- Chart of the new railway administration organisation and new procedures prepared and submitted as planned
- Training programmes prepared and Staff trained (40 people)
- Study visits implemented as planned

### Source of Verification:
- Project progress reports
- Project monitoring and evaluation reports
- Annual transport sector report
- Manuals of training

### Assumptions
- Commitment of Lithuanian Government to make and implement the necessary decisions
- Availability of Lithuanian staff
financial and management issues, and 20 specialists from MoTC, SRI and LG concerning safety and interoperability issue).

- Study visits conducted.

<table>
<thead>
<tr>
<th>Activities:</th>
<th>Means:</th>
<th>Assumptions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of existing institutional and legal situation bearing in mind the new EU Acquis that should be implemented;</td>
<td>Twinning and training package:</td>
<td>Successful start and smooth implementation of the project</td>
</tr>
<tr>
<td>Assistance in drafting of new legal acts and / or amending existing acts;</td>
<td>1 PAA for railway transport (24 p/m)</td>
<td>Sufficient absorption capacity in the beneficiaries institutions of effective utilisation of the project resources</td>
</tr>
<tr>
<td>Assistance in preparation of the needed procedures for implementation of the new legal standards;</td>
<td>STEs-MTEs (23 p/m)</td>
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<tr>
<td>Elaboration of a new overall administrative conception for the railway sector;</td>
<td>Other services: interpretation and translation, study visits</td>
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<tr>
<td>Elaboration of new procedures on regulating necessary links between different actors of the system,</td>
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<tr>
<td>Preparation of training programmes and training of staff of the railway institutions (MoTC, SRI and IM/LR);</td>
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<tr>
<td>Organisation of the study visits (seminars and conferences related to the subject) to the EU Member States.</td>
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<table>
<thead>
<tr>
<th>Preconditions:</th>
<th>Suitable twinning partner can be found</th>
</tr>
</thead>
</table>

Twinning and training package:
1 PAA for railway transport (24 p/m)
STEs-MTEs (23 p/m)
Other services: interpretation and translation, study visits
## Detailed Implementation Chart for the Project

<table>
<thead>
<tr>
<th>Year</th>
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<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>Detailed Project Implementation</td>
<td></td>
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<tr>
<td>Twinning</td>
<td></td>
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</table>
# CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (Transition Facility Contribution only - € Million)

<table>
<thead>
<tr>
<th>Date</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
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<tr>
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<tr>
<td>Twinning</td>
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<td>Total contracting (cumulative)</td>
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<tr>
<td><strong>Disbursement</strong></td>
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<tr>
<td>Twinning</td>
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<tr>
<td>Total disbursement (cumulative)</td>
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<td>0.63</td>
<td>0.72</td>
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