

Support to the Road Sector in Lithuania

1993–1996

Anders Markstedt

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**Sida Evaluation 96/33
Department for Central
and Eastern Europe**

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FOREWORD

This evaluation report was written under a contract between Sida and KM International by Mr Anders Markstedt. It is based on a two week fact finding mission, visiting in turn Estonia, Latvia and Lithuania. The author is indebted to the staff in the Road Administrations of these countries who provided much of the information and would like to particularly thank Mr Juri Riima of the Estonian Road Administration, Mr Andris Veiss of the Latvian Road Administration and Mr Vytautas Timukas of the Lithuanian Road Administration for organizing my visits on short notice.

For practical reasons and according to the Terms of Reference the results are presented in three separate reports. I have however taken the liberty to copy sections between the reports in order to economize on writing time and to make it possible to read each report separate from each other. My apologies to the readers who may read all three reports where my advise would be to concentrate on the findings section which is the most country specific.

I would also like to thank the Road Administration staff for their valuable comments when discussing of this report and the consultants at SweRoad for providing insight in many of the problems associated with the implementation of the technical assistance described in the report.

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0. EXECUTIVE SUMMARY

Background

Following new priorities set by the Swedish Parliament a large part of the foreign assistance is now directed towards the neighbouring countries across the Baltic Sea.

Part of this support is allocated to the transport sector and it has been concluded in earlier evaluations (Bruzelius 1993) that this support has been very constructive and has given value for money. This evaluation concerns the BITS support to the road sector from 1993 up to date.

The BITS/Sida support to the road sector in the Baltic states has been ongoing from 1991 onwards. During this period the recipient countries have experienced a rapid transformation from a socialist economy towards a democratic society based on a market system. To support this process the governments are becoming increasingly involved with international financing institutions. Also on the Swedish side there have been changes as BITS now is part of the new Sida organization. There is also considerable experience gained from the completed and ongoing projects which have been approved for the Road Sector in the Baltic states. In view of the ongoing changes Sida decided to undertake a review and evaluation of the achievements to date of the road sector support and to that end signed a contract with KM International to carry out the evaluation.

In broad terms the BITS/Sida support has aimed at improving the capacity of the Lithuanian Road Administration (LRA) by supporting LRA's effort to transform the management system and by assisting in building up a training capacity. It has also aimed at technology transfer within road and bridge maintenance. The Swedish inputs have consisted in providing consultants to assist in carrying out the programmes and also paying for study tours and some equipment. The most significant equipment component is computer hardware and furniture for SEK 320 000.

Specifically the Project LTU0321 "Adaptation of the Lithuanian norms for road and bridge building, prestudy" allocated SEK 181 000 towards assisting LRA in substituting standards from the Former Soviet Union (FSU) for road and bridge standards based on western technology.

The Project LTU0351 "Training programme in the Road Sector" provided training activities for top and middle management and would also finance a workshop for educators in the road sector. SEK 342 000 was budgeted for these activities.

The Project LTU0352 "Institutional Support to the Lithuanian Road Administration" (SEK 1 730 000) was a continuation of the first project as it was also directed toward top and middle management and towards improving the training capacity of the LRA. In addition a fourth component consisted of study tours to Sweden which focused on road and bridge maintenance.

Project LTU0353 "Continued institutional support to the Lithuanian Road Administration" (SEK 2 550 000) emanated from ideas picked up by LRA staff visiting Sweden. In the pipe-line were at the time some major investments in IT-technology by the LRA. It was felt that before entering into agreements on procuring hardware, the LRA had to develop a strategy for the use of IT-technology and develop the skills to manage IT projects including procurement.

Findings

The evaluation of the four projects reveals the general impression that the projects have been well received. This is particularly relevant for the training activities which have been timely and focused on important management issues. However, it is also noted that the implementation has deviated from the original plans mainly because the projects responded to urgent problems and in cases this urgency required action before the BITS resources were mobilized. Similar to Latvia, the support to institutionalize training activities was not fully successful due to lack of funds and human resources.

The most recent and complex project, the so called IT project has been formulated to require substantial inputs by the LRA staff, in effect at least one full time staff. In retrospect it is concluded that there are only a limited number of candidates for such a position who actually command the necessary management and computer skills and language capacity. The Project Director selected is also involved with other foreign funded projects, in particular the EBRD project where cumbersome procurement procedures have demanded almost the full attention of the Project Director.

A consequence of staff overload is that the project schedules are subject to frequent changes. This is cumbersome, in particular when the consultants are using external experts who are booked long in advance. It is therefore not surprising that there have been delays in project implementation. However, the LRA Project Director is aware of this problem and with the EBRD procurement finalized more time can be devoted to the IT-project.

The evaluation concludes that the LRA has a positive view of the BITS training activities. Indications are also that the training courses have been effective such as staff after training in Sweden being promoted. It was however commented that training activities now must be less general and more directed towards assisting in developing skills which are of immediate use.

The challenges ahead for the LRA are many. First, the new organization based on ten regional road administrations and one motorway administration need to be launched. Secondly, three major road rehabilitation projects are being developed which will put increasing pressure on the staff to successfully implement these. Thirdly, the investment in information technology will require that resources are allocated to develop the new data bases. Fourth, traffic safety is identified as an area where strong measures need to be taken.

The Lithuanian government has formulated transport policy in the "National Transport Development Programme up to the year 2000" which identifies four main aspects of transport policy; European integration, European harmonization, Strategic investments and Privatization of the transport sector. Project identification should relate to these policy documents.

As mentioned above BITS project components have been omitted because the activities could be more quickly implemented using other sources of external funding. Therefore once a project is identified it is important that it is swiftly moved into the implementation phase as the rapid development otherwise quickly renders new efforts obsolete.

A major constraint is that each new foreign assisted project is taxing the limited human resources in the road administration. In future projects various solutions to increase capacity must therefore be discussed with the Government, e.g. substituting LRA staff for local consultants. It must also be recognized that the planned investment projects will put a heavy burden on the administration and it was discussed with LRA top management to find funds to recruit consultants for assisting in project implementation.

Future technical assistance in the form of training should be of the character "training of trainers". The Agreement should be specific on what is expected to be delivered at the end of the training, e.g. teachers' aids, overhead slides, calculation examples etc. in the Lithuanian language. Local consultants and institutions should increasingly be involved.

There is one lesson of a general nature to be learnt. To ensure timely project performance in an environment with understaffed local input and competing foreign assisted projects, more time must be devoted to project preparation and monitoring. It must also be recognized that the foreign funded projects often are interrelated so that delays in one project will effect the progress of others.

An observation is also made that projects which grow out from a mutual understanding between the two parties are more likely to be successfully implemented. On the other hand, projects which in the end may have the greatest impact are those which rose from a lengthy and difficult process of discussions and hard work by all parties involved in the project.

1. PROGRAMME CONTEXT

1.1 Introduction

The collapse of the former Soviet Union and the resulting independence of the Baltic states created a new situation for Swedish bilateral aid. Following new priorities set by Parliament a large part of the foreign assistance is now directed towards the neighbouring countries across the Baltic Sea. For the period 1995/96 to 1998 the Parliament has budgeted SEK four billions to be directed towards assisting the transforming economies in Eastern and Central Europe. Highest priority are given the three Baltic States, Estonia, Latvia and Lithuania and the north-western part of Russia. The Swedish parliament specifies four goals for this assistance. The co-operation should

- promote a mutual security platform
- strengthen a culture of democracy
- support a socially sustainable economic transformation
- support an environmentally sustainable development

A little less than half of the total support is under the responsibility of Sida. For the 18 month budget year 1995/96 Sida distributes SEK 725 million of which SEK 313 million is for technical assistance and institutional development.

1.2 Project History

The support to the road sector in the Baltic states originated as a general support to all the three countries. This was executed through a contract with SweRoad which carried out a training programme containing courses and study tours. Participants were mostly from the road administrations in the respective countries. The evaluation of this early support is outside the scope of this report but it was generally concluded in a 1993 review of BITS-financed transport and communication projects in the Baltic states by Mr Nils Bruzelius that:

"...the assistance, generally, has been very constructive and has given value for money. The assistance appears to be greatly appreciated by all the parties concerned.....The Swedish assistance appears to have been particularly meaningful when focusing on institutional development issues, including general organizational and staff development aspects."

The last statement was particularly applicable to the BITS support to the road sector in Lithuania which was ongoing at the time of the Bruzelius report. The institutional support consisted of two projects. The first one had started earlier in the year and provided advice on technical standards. The second project was in the start up phase and included a training programme for the top level management focusing on organizational and management issues and efforts to build up the Lithuanian Road Administration's (LRA) capacity to manage staff training. In addition, training of middle managers from the central level and from the districts focused on specific technical questions. SweRoad proposed a continuation of these training activities but the proposed programme came to be somewhat modified in order to include the recommendations put forward in the Bruzelius report. In the new version which was the basis for BITS Decision 94-05-06 more emphasis was put on developing a strategy document for the road sector and also to focus on building up a training institution.

During the implementation of this project the consultants learnt that the Lithuanian Government was preparing some major investments in the road sector. Part of these investments, funded by international financing institutions, were to be used to purchase computer equipment. In discussions with the LRA staff it was decided that before entering in agreements for procurement, the LRA should develop a strategy for how to implement IT-projects. The LRA started a dialogue with BITS about receiving funds for hiring consultants to train the LRA and related institution staff in management of IT projects. The request was granted in BITS Decision 1995-06-28 and the project is planned to be completed this year. The cost of the four projects is in total about SEK 4.8. A list of the projects evaluated is included in the Terms of Reference in Appendix 6.3.

1.3 Description of the Projects

A more thorough description will be found in the chapter describing findings. In broad terms the projects have aimed at improving the capacity of the LRA by supporting LRA's effort to improve road work quality, to transform the management system and by assisting in building up a training institution and to develop a capacity to handle complex IT-projects. It has also aimed at technology transfer within road and bridge maintenance. The Swedish inputs have consisted in providing consultants to assist in carrying out the programmes and also paying for study tours. There is no significant equipment component besides SEK 320 000 allocated for purchasing computer and other office equipment.

The expected output of the programme, was a strategy document for the road sector, an improved ability by LRA staff to handle foreign assistance, training in quality control and international standards for road markings and organization of maintenance groups and developing a training capacity in the LRA. On a more general level the anticipated effect was a transformation of the LRA organization and development of procedures to better adapt to a market system and western technology.

In assessing the impact of these inputs it must be pointed out that the Swedish support is only part of an overall effort by the Lithuanian government, with the assistance of the donor community, to increase the efficiency of the LRA and the quality of highway maintenance and construction activities. What Lithuania has accomplished in a few years is impressive and in this process of change the Swedish programme has without doubt been supportive. In some cases the effect can be directly attributed to the BITS financed programme, for example in cases where individuals have been able to apply new ideas from the training directly to their work. However, in most cases it is not possible to establish clear linkages between activities carried out by the BITS programme and the institutional changes which have indeed been implemented. In summary, we have difficulties measuring what the situation would have been if the Swedish support had not taken place.

2. EVALUATION

2.1 Reasons for the Evaluation

A rapid build up of foreign assistance in a country which has previously been isolated from the world economy is always connected with risks. It will normally take time to adjust, from the donor side to understand the particular conditions in the country and from the recipient side to learn all the intricacies of each one of the international financing institutions. For this reason it is important that both parties monitor the foreign financed projects so that early mistakes can be quickly corrected and so that the recipient country achieves maximum benefit from the substantial resources allocated to these projects.

Each international financing institution (IFI) has its own set of rules for project follow up and evaluation. Usually, the evaluation report is a joint effort between the institution and the recipient government agency. In this context, it must be noted that the Swedish foreign assistance has been re-organized whereby SIDA, BITS, Sarec and SwedCorps have been forged into one institution, Sida. Previously each one of these organizations had its own system for project monitoring and for involving the recipient country in the project. The technical assistance to the Baltic States was formerly handled by BITS. The BITS procedures for project monitoring did not necessarily coincide with those of former SIDA. There was a rationale behind these differences as the BITS support was targeted to countries further ahead in the development process and therefore can be expected to have capacity to do much of the monitoring on their own. Again, with the merger of the foreign assistance into the new Sida the different approaches to project monitoring are expected to be synchronized.

BITS/Sida has been providing support to the development of the road sector in Estonia, Latvia and Lithuania since 1991. The first projects were however not country specific. By the end of 1995 the country support implemented through SweRoad as sole consultant comprised nine completed or ongoing projects at a total cost of about SEK 13 million. In the context of the total Sida support to the Baltic states this may not be very significant. It also reflects the relatively low priority the new Governments in the Baltic states initially attached to the road sector. At the time they were faced with more pressing problems relating to transforming the newly formed states from centrally planned one party states to democratic market economies. However, there is a growing awareness in the Baltic states that a functioning infrastructure is an important element in developing the economy. Concern has also been raised by financing institutions, such as the World Bank that sufficient resources are not allocated to maintain the existing infrastructure which constitutes a significant investment which the countries inherited from the former Soviet Federal Government.

Against this background the Swedish technical assistance was in a position to make a significant contribution to the Lithuanian Government by assisting in making the most efficient use of the limited funds. This is particularly the case as Swedish support was mobilized quickly after independence and because the projects were directed towards building up the capacity of the National Road Administrations in the respective countries. Efforts were directed towards helping the management to prepare for the new situation and to enable staff to draw from experiences in the Swedish Road Administration. As has been pointed out elsewhere the Baltic states have made impressive headway in transforming their economies. At the same time, the Governments now have several years of experience in the management of foreign assistance. As a consequence, the context in which new Sida projects may be formulated has changed and most certainly the involvement of the recipient Governments is expected to increase.

It is in view of this changing scenery that Sida needs to take a fresh look at their current programmes in the Baltic states. There is also a considerable experience gained from the completed and ongoing projects and this knowledge is expected to influence the country strategies now being formulated by Sida.

With the purpose to summarize this information, Sida decided to undertake a review and evaluation of the achievements to date of the road sector support and to that end signed a contract with KM International to carry out the evaluation.

As formulated in the Terms of Reference for the consulting services the purpose of the study is to evaluate the relevance, impacts, cost-effectiveness, sustainability and effects of the Swedish support so far provided to the road sector in the Baltic States. The ToR are attached as Appendix 6.3.

2.2 Methods

Following the ToR the evaluation is based on interviews with persons who have been directly involved with the project or who else can provide background information. The other sources of information are written reports, statistics and project documents. A list of persons interviewed is found in Appendix 6.1 and a list of documentation in Appendix 6.2.

Before the visit to Vilnius, the Consultant investigated all the Sida project files and talked briefly with the Sida staff. After studying the relevant documents a meeting was arranged with the SweRoad Project Director to get his views on the programme. He also supplied a SweRoad project report.

In Lithuania the Consultant visited the Lithuanian Road Administration, LRA, the Ministry of Transport and the Swedish Embassy. Information was gathered in scheduled interviews and the printed material which was available, some in English and some in Lithuanian was collected.

On the return to Sweden the Consultant received some additional information from the SweRoad Project Director. The Consultant also took part in a meeting at Sida with representatives for the World Bank regarding the planned Highway Project.

The draft report was submitted to the LRA and the Consultant for comments. No comments required changes in the draft version.

The Terms of Reference were made available in advance to all persons interviewed. During the interviews the Consultant used a pre-determined set of questions but also tried to be responsive to what had been prepared by the interviewee. It could be argued that a more formalized approach could have been used with questions and forms submitted in advance. However, that would most probably have placed a greater burden on the staff in Lithuania, would have delayed the visit to Lithuania and would not have invited to a dialogue as now became the case. The draw back is that the data and the picture may not be as complete as would have resulted from a stricter evaluation procedure as for example stipulated by the World Bank (Project Completion Reports). Also in contrast to World Bank procedure, the Sida evaluation does not include the recipient agency's evaluation of the Sida performance.

2.3 Limitations of the Evaluation Report

This report is written with the overall ambition to provide a tool with which future support to the Road Sector in Lithuania can be made more efficient in all phases from project identification, through project formulation, in the execution and implementation of the project and in the project monitoring. Efficiency is thus described as doing the right things in the right way and in a way that allows the parties involved to measure the results. In a much more limited sense it can be read as a review and critique of the completed and ongoing technical assistance. However, such critique must be interpreted with care. First, as has been previously mentioned it is not easy to establish cause – effect relationships. Secondly, as is argued in the conclusions of this report, the more significant parts of a project may be the most difficult ones and therefore have the poorest performance. In short, there is no added score for the difficulty of the project. Thirdly, if a poor performance can be measured it is often hard to establish which institution is the culprit. Among the parties involved, Sida, SweRoad and the Government Agencies, each may be equally to blame. The same applies when a performance is excellent, it is difficult to distribute the praise in a fair way.

3. FINDINGS

3.1 Background Description of the Road Sector in Lithuania

3.1.1 Introduction

Before independence responsibility for the road network was shared between the central State Plan (State Planning Organization) in Moscow and the republican road administrations. The republican road administration was basically a maintenance organization and all investment decisions were made in Moscow. The road network consisted of federal roads, republic roads and local roads. About a third of the funds for construction and maintenance of the republican roads came from federal funds made up by a mix of budget appropriations and road user charges. The federal roads were fully financed over the federal budget.

It is apparent that the loss of the former federal level of government demanded significant changes in the new independent Baltic states. First entirely new Ministries had to be created. Secondly federal assets had to be transferred to the new independent states. Thirdly, the countries had to make up for the loss of revenue from the federal funds. Fourth, new legislation had to be enacted. Fifth, institutions had to be adopted to a market economy.

Although there are differences among the Baltic states in the way these changes have been implemented it is also clear that the process has gone fast and that the transformation has been by and large successful. In this respect Lithuania is no exception.

Road Administration Structure

The Lithuanian Road Administration (LRA) is managing all public roads in Lithuania and is a government organization under the Ministry of Transport of the Republic of Lithuania (MOT). The statutes for the LRA were approved by MOT on 12 March 1993 and comprises the Directorate, 10 regional maintenance organizations and one maintenance organization for the motorways (Automagistrale). Under the LRA are also the materials laboratory Problematika and the Transport and Road Research Institute (TRRI). The TRRI belonged formerly to the state road design institute, which privatized the design office part (Kelprojektas). The present organization is shown in Appendix 6.4. The road maintenance units in each region are "state enterprises fulfilling special mission". The new organization, implemented two years ago resulted in a reduction from formerly 42 districts. Before each district made their own decision, now they are subject to approval at the regional level. Each regional maintenance organization has a small administration of 15-20 people responsible for about 1 500–3 000 km of state roads.

The LRA is responsible for the state roads which comprise 21 121 km according to LRA statistics. All non-state roads have been handed over to the municipalities where they are registered. These roads comprise about 30 000 km.

The state roads are classified into three categories, trunk roads, national roads and regional roads. The present road classification is building on the FSU system. The most significant change from the FSU is that the trunk roads (formerly federal roads) and national (formerly republican roads) have been reduced while regional roads have increased. The trunk roads include the roads which are part of the European road network, the east-west link from Klaipeda port towards Minsk, the Via Baltica from north to south and the connection to Kaliningrad. It is notable that Lithuania has a higher standard on the road network compared to the other Baltic states. There are for example 450 km of four lane motorways forming part of the trunk roads.

Traffic volumes received their peak in 1989. The drop in traffic at the time of independence is slowly recovering and in 1995 traffic was back to about 85% of pre-independence levels. In general long distance traffic has not grown as fast as local traffic and on suburban trunk roads annual increases can be as much as 15%. The number of cars is increasing and whereas before independence trucks made up about 60% of the traffic on the state roads that figure is now reduced to about 25%. Average Daily Traffic (ADT) figures on the main trunk roads are typically about 2 000–4 000. Closer to Vilnius and Kaunas these figures are up to 10 000.

The former state construction enterprises have all been privatized although some shares are still owned by the state. They now receive all their contracts through tendering procedures. In contrast to Estonia, where all efforts are concentrated towards maintenance Lithuania has more ambitious investment plans. Through an ongoing EBRD/NIB financed project sections on the Via Baltica are improved. There are also presently three foreign financed projects in the pipeline where loan agreements are expected to be signed in the spring 1997. However, with the heritage from the FSU the organization is still focused on maintenance rather than new construction. The LRA is expressing some concern that it does not have sufficient management capacity to manage the new investment projects, particularly as the foreign financing require new procedures to be adopted.

Considering the sizeable funding which went into road investment in the FSU it is expected that there is sufficient capacity of the domestic contracting industry to bid on the new construction projects coming on line. All construction work is awarded based on tendering procedures. Contractors need to adapt to the market system and new standards and training attending to this need has been provided by the PHARE programme.

Maintenance of the road network is carried out solely by the 11 state enterprises. These are protected from privatization until year 2000. The enterprises are allocated maintenance work which they are obliged to do. They are, however, also allowed to do contract work. Due to the fierce competition, their share of contract work is not large. However, the present arrangement could jeopardize maintenance work if the construction market develops offering larger profit than the maintenance contracts.

Maintenance policies and practice is expressed in "Road Maintenance Rules" from the FSU but revised in 1993. Danish technical assistance has been used in the update.

Maintenance of bridges is under the responsibility of the Bridge Division under the Technical Director rather than the Director for Road Maintenance. It is believed by the LRA staff that the 1 500 bridges on the state roads are in worse condition than the state roads.

In order to maintain and improve the road network the LRA was granted a budget of about LTL 220 million for the 1996 budget year. About LTL 170 million will be used for maintenance and the balance will be used for supporting the foreign funded projects, state funded construction projects, traffic safety, road research and studies.

In contrast to the other Baltic states, Lithuania did not experience an immediate drop in funds after independence. This can be credited the Road Fund which was in existence at the time and which secured a flow of funds. However, following the abolishing of the road fund in 1993 the sudden downturn resulted in 1994 marking the lowest level of funding for the LRA at a level about 15% of funding in 1989. Since, the budget has been gradually increasing and with the re-introduction of the road fund LRA is projecting that the road fund will generate more than LTL 500 million in year 2000. Including foreign loans and grants it is expected that the budget will be more than LTL 600 million including LTL 100 million for the Municipal roads. Although this may seem ambitious it still represents less than pre-independence. However, the ambition is to be able to achieve higher output and better quality compared to the FSU system in spite of the reduced funds.

The road fund was re-introduced on 1 January 1996 and is similar to the Latvian road fund as it receives its income from a variety of sources. There are however differences as more of the fuel excise taxes in Lithuania is going to the general budget and only 15% to the road fund. Of this amount however, the LRA receives 80% with the balance supporting the municipalities. The excise tax is presently LTL 400 per tonne to be increased in steps up to LTL 560 per tonne in 1998.

3.1.2 Legal Framework

Since independence Lithuania is transforming its legal system to make it suitable for a democratic market economy. The Road Law came into effect as late as 1995 after four years in drafting where also Swedish experts were utilized. This law specifies among others the responsibility of the LRA. LRA has the power to issue regulations. Laws need to be passed by the Parliament and adopted laws are published in the "State News".

It is planned that rules on land acquisition will be part of the Road Law. A draft Traffic Law exists which governs traffic safety. At the Ministry level one department is concerned with European integration and it is expected that international transport conventions will be gradually adopted as part of the PHARE supported programme for harmonization.

Legislation concerning traffic safety is prepared in the Ministry in the Division for Traffic Safety and Environmental Protection. There is an ongoing political question whether traffic safety should be within the LRA or at the Ministry level. With new elections coming up this autumn, the future organization is uncertain.

3.1.3 Donor Support

There has been considerable donor support to the Road Sector in Lithuania. PHARE is financing projects at the Ministry level as well as giving technical assistance to the LRA. At the Ministry, two PHARE financed consultants assist in project management. The annual total programme for technical assistance is about USD 4.6 million but it will be gradually phased out. Important projects for the Road Sector are also one on transport statistics and one on the Implementation of the Centre for Research Consulting and Training and a Master Plan of Urban Transport for main Lithuanian cities. The PHARE support to the LRA was supplemented by Denmark and resulted in a report which identified 13 projects and 12 related training courses. The first three projects will be addressed by a new study which is now in the start up phase. It includes data preparation for a road data bank, support to the regional maintenance organisations, training of contractors in tendering procedures, analysis of transport investments using HDM IV model and a Traffic Safety Action Plan.

Institutional support has also been given by the Danish Road Directorate which is assisting in projects related to quality assurance, in particular pavement quality. The LRA has also decided to use the Danish pavement management system (PMS) BELMAN.

German KfW has given some advice and training related to tendering procedures for contractors.

The European Bank for Reconstruction and Development (EBRD) is co-financing investments on the Via Baltica project (Panevezys bypass). This project has several components including also procurement of salt spreaders and computers for a road data bank. The co-financing is coming from the Japanese Export Import Bank and there were delays in obtaining the formal approval of the Japanese funds with the result that the project has been delayed. The LRA has also experienced cumbersome EBRD procurement procedures with the result that the computer equipment has only recently been obtained.

The World Bank Highway project will have several components and also several sources of financing. The project will address some urgent repair on the trunk roads including 26 bridges, Via Baltica bypasses, street repair in Vilnius and Kaunas. Traffic safety measures will be used for black spot remedial measures and city improvements.

The Via Baltica Project is expected to be financed by the EIB, EBRD/J--EXIM (Japan) and NIB with a total cost of USD 70 million.

The Lithuanian Transport Project is a multimodal project where foreign financing is expected from EBRD. The road component is about USD 14 million or about a third of the project

In contrast to Latvia and even more pronounced Estonia, Lithuania allows more funds to be used for investments. Still, according to the long term plans, investments will remain being significantly less than expenditures for maintenance.

Much of the bilateral assistance for institution building has been in the form of training activities. Both the Danish, German and Swedish support is noticeable. There has also been a number of studies prepared, among others project preparation studies making way for the investment proposals.

3.1.4 The Role of BITS/Sida support in the Road Sector in Lithuania

In addition to what has already been mentioned in the Programme Context above BITS support is characterized by continuity. It is well focused on providing training and as such it has had a central role. The direct links with the Swedish National Road Administration has also been appreciated. The Swedish support has sometimes been used to fill in where other projects may require additional input. Sida is presently being approached by the World Bank in order to take responsibility for some components in its proposed project. The ongoing IT-project also fills a need identified by the LRA in connection with the procurement of computers funded by the loan projects. As a result, the BITS/Sida role has moved more from an active role in the initial stages of independence to a more reactive role in the new environment with larger projects dominating the scene.

3.2 Project Review and Evaluation

3.2.1 LTU0321 Adaptation of the Lithuanian Norms for Road and Bridge Building

Review

After independence in 1991 the Road Administration started to look towards the western countries for ideas with which to improve the efficiency and increase the quality of road construction and maintenance. It was soon discovered that the FSU standards for road and bridge construction in use had several shortcomings, i.e.

- The standards were not optimized in terms of real market costs and resulted in an inefficient use of material.
- The standards were also overly on the safe side to compensate for poor workmanship.
- The standards did not allow for the latest technology found in the Western countries.
- The standards put insufficient value on traffic safety.
- The standards were dictated by military demands rather than based on cost-benefit analysis and political goals.

In addition the FSU standards required FSU laboratory equipment and testing methods. These methods can not be directly compared with other internationally accepted standards. In view of the forthcoming investment projects, e.g. Via Baltica, the LRA decided to change the standards and this project was therefore extremely well timed and in line with the current issues at that time.

The Agreement is not clear in terms of the objective. The main objective as stated in the main text was to give advice to the LRA to develop their road and bridge standards to harmonize with modern and international standards. However, the Appendix A to the agreement, on which BITS based its decision, states that the objective is to give advice to the Lithuanian Road Department (corrected to LRA by BITS) to produce a first draft of Design, Road and Bridge and Traffic Counting Standards within one year.

The activities in the first phase, covered by this project included collecting Swedish and other standards and to detail a programme for the second phase. There were no performance indicators specified for the first phase in the agreement and a brief report was required by the Lithuanian expert at the end of each phase.

These activities were planned to be completed after six months ending September 30, 1993. The total BITS support was budgeted to SEK 181 000.

The activities carried out in the first phase did not include the programming as it became known that BITS would not finance the second phase. However, a collection of standards were collected and handed over to the Institute of Road Transport Research and the Laboratory "Problematika". In lieu on working on the programme, the experts spent time, commenting on the various standards. It was also decided in 1993 to base the new standards on the German standards. Technical assistance was obtained from Germany to support the activity.

Project Identification

The success of the project is very much attributed to the fact that it responded to a genuine need foreseen by the LRA. At the time, Lithuania did not receive much foreign assistance and LRA gives much credit to BITS for responding quickly to their request for technical assistance.

Project Formulation

It appears that the urgency of the project and the fact that it concerned only a limited amount of money resulted in an expedient formulation of the project. In retrospect it can be concluded that the urgency was exaggerated. It was expected that the investment projects were to come on line shortly after the completion of this project. In fact, the credit agreements have yet not been signed with the World Bank, more than three years after BITS approved the project. The most recent estimate is that the loans can be made effective in September/October. As explained above, also the EBRD project was delayed.

The project was divided into two phases where the first one was preparatory. The argument was that it was not clear at the time of formulation what input the LRA would be able to provide themselves. However, as is argued below, phasing becomes risky if there are uncertainties about the funding of the subsequent phases.

The project was formulated to produce draft standards after one year. Adopting new standards is a process which takes several years to complete. In Lithuania, the final result also has to be approved by the State Standardization Committee with a secretariat in the Ministry of Finance. The project should therefore focus more on building up the process. Apparently this was recognized when the agreement was signed but the ambiguity remained with the appendix.

Project Implementation

During the implementation, it became clear to the Consultants that BITS would not fund the second phase. As a consequence there was no programme prepared for the second phase. This activity was therefore substituted for short seminars by the three experts. This was the first insight for the participants in other standards than the Russian and it has been emphasised by the LRA that this was an eye-opener which boosted the efforts in establishing new standards.

At the same time, it is regrettable that no programme was formulated. With the Swedish support withdrawn it was decided to base new standards on the German standards. Work is still underway to adapt these to the physical and economic conditions of Lithuania. Technical assistance will be provided this summer by the Danish Road Directorate. This activity should hopefully build on the work done by SweRoad although the Terms of Reference do not specify so. A more consistent source of funding would have benefited the process.

Project Monitoring

Within LRA, it is not clear how the project was monitored. Records could not be found.

It was recommended by Mr Nils Bruzelius that BITS should make sure that the agreements signed between the recipient institution and the Consultant follow the BITS guidelines. If these guidelines are followed it would benefit monitoring. The one page letter from BITS to LRA mentions that the two parties will be requested to provide an account of the results obtained in the project. If BITS does not require otherwise, SweRoad issues a one page letter stating that the project has been completed and submits an account of the money spent up to completion.

Project Evaluation

The recollection of the project is that it had impact as it provided experience from the western side. At the time, the staff were not very discriminating, after having been isolated, any contact with western technology and management was positive.

The LRA staff with the state research institutes have gradually been building up a new system of standards. In doing so they have benefited from being able to discuss with the consultants. Hopefully, the fact that consultants from many countries have been involved has not created too much confusion but contributed to a more thorough understanding by the LRA staff about the standards.

3.2.2 LTU0351 Training Programme in the Road Sector

Review

As part of the early support to the three Baltic countries, SweRoad had carried out a number of training activities in Lithuania. It was felt that these courses should continue in order to assist the LRA to change their system of working.

Seminars were to be given to the top management to assist them in developing a management system in tune with the demands of the new market economy. The training activities geared to the middle management aimed at showing how better quality could be obtained for construction and maintenance activities. Also a workshop was to be held for educators in the road sector. The budget for the project was SEK 342 000.

Evaluation

Project Identification

The project responded to needs identified during the implementation of the general BITS/Sida support to the Road Sector in the Baltic states which consisted of courses and seminars in 1992.

Project Formulation

The project was formulated as a second phase of the activities which had been carried out in 1992. However, following recommendations by a BITS funded consultant who evaluated the 1992 programme, the 1993 second phase was split into two parts where only the first part received funding. The reduction was substantial as only SEK 342 000 of SEK 2.8 million were allocated to the first part which was a direct continuation of the 1992 programme. In mid 1993 another consultant evaluated the programme and subsequently the implementation of the second phase was postponed.

The original project document was quite ambitious and probably required more time input from the LRA staff than could have been realistic. There is no reporting requirement in the agreements.

Project Implementation

The Project Director has since left the LRA and there is no project file in Lithuania. However, as remembered training was carried out in Lithuania and one or two times in Sweden.

Project Monitoring

There are no records of project monitoring in the LRA. The lack of reporting requirements does not facilitate project monitoring.

Project Evaluation

The training courses have generally been well received.

3.2.3 LTU0352 Institutional Support to the Lithuanian Road Administration

Review

Following the evaluation report presented by Mr Bruzelius in 1993 the LRA and the SweRoad consultants reformulated their proposal for continued technical assistance. The new proposal was submitted to BITS on May 1994. The revised version was a more thorough reformulation than the earlier version, which was based on a similar one made for Latvia. It has however the same four elements, support to top management in project preparation, producing tender documents and in preparing a strategy document. The second component, training of middle management is modified for Lithuanian conditions and provides quality control, road maintenance base and road markings. The third component was to develop the training capacity of the LRA. The fourth component included study tours in Sweden focusing on maintenance.

Evaluation

Project Identification

The project was in essence formulated in 1993. The re-formulation resulted in a much more focused project proposal at a reduced budget. It also required less input from the LRA staff which is important given the lean organization.

Project Formulation

The project was formulated based on the four components. Objectives, activities and outputs are sufficiently described. However, an additional output to be considered is course packages to be used by Lithuanian trainers, i.e. a focus more on training the trainers. The output could also have been described as what the participants are expected to know after the courses rather than what courses will be given. There are no reporting requirements besides the strategy document nor requirements for course evaluations as recommended in Sida guidelines.

Project Implementation

The first component was started with a visit to Vilnius in July 1994 where the project was discussed with the top management. The strategy document was completed later the same year. However, the other parts of that component dealing with project documentation and tendering were cancelled as German assistance was mobilized in order to receive this part earlier. These activities were instead substituted for a course in Bridge Inspection. For the second component, targeted for middle management, the quality assurance training took place in November with one week of theory at the LRA and one week practical work with the state laboratory Problematika. A course evaluation was carried out and the conclusion is that it is difficult to find the right level of difficulty in a group which is not homogenous. The part of the second component which concerned Road Maintenance Bases was carried out in Kaunas, also in November. Finally, the seminar on road signs was deleted because the enterprise for road signs had been privatized. The third component was never implemented. The reasons are similar to those given in Latvia. It takes time to prepare the training activities and there are no funds to establish training centres. Another difficulty is to find the right people to employ. It is also recognized that manufacturers often include training as part of purchases.

Project Monitoring

Within LRA, this project was monitored by the Foreign Relations and Information Division of the LRA. The records are kept in good order. Where there was a change in the use of the budget, i.e. the inclusion of the bridge inspection training the request was made and a decision from BITS was received within one week.

Project Evaluation

The general impression is that the consultants have done what was intended in the Agreement. The delay in the launching of the project made some parts obsolete but the flexibility in the approach made it possible to correct this. The Strategy Document produced is no longer valid in all parts, which more reflects the speed of change than a lack of quality. For example, the list of projects suitable for funding has not so much relevance as the activities are picked up by other projects. However, it is surprising that the document does not comment on the IT-project. The training activities are well received but it is also commented that future training must be more focused and not so general. It should more be directed towards assisting in developing skills which are of immediate use.

3.2.4 LTU0353 Continued Institutional Support to the Lithuanian Road Administration

Review

Following the preceding BITS supported project a number of areas were identified as suitable for technical assistance. As part of earlier training activities, discussions were held about information management and how new information technology (IT) could be used to support analysis. The project emanated from ideas picked up by LRA staff visiting Sweden. In the pipe-line were at the time some major investments in IT-technology and it was felt that before entering into agreements on procuring hardware, the LRA had to develop a strategy for the use of IT-technology and develop the skills to manage IT projects including procurement. SweRoad was seen as a suitable partner as the Swedish National Road Administration had recently made major investments in IT technology. A project was formulated in 1993 but did not receive approval by the committee in the Ministry of Foreign affairs until 1994. A request was submitted to BITS in October 1994. Before BITS decision in June 1995 BITS engaged short term consultants who influenced the final formulation of the project. The Agreement was signed in August 1995 and at present a little less than half the project has been implemented.

Evaluation

Project Identification

Given the limited resources in LRA it is important that the management has efficient tools. It has also been identified that the LRA staff need training in procurement procedures and project management. The project was also necessitated by the use of foreign credits to buy computer equipment.

Project Formulation

The project was formulated by the LRA with assistance from SweRoad. It was first presented in 1993 but only the final version is being evaluated. The project is divided into four steps ending with the implementation of project support and development of IT strategy. There is a goal formulated for each of the steps. The training courses will be held by the Team Leader and one assistant with experience from lecturing.

The objectives and expected results do not correspond between the agreement and the BITS decision. There seems to be an ambiguity whether the project should be general, i.e. to develop project management skills or specifically focused on IT-technology. A result is that project description is vague.

The Agreement does not specify how the training will be carried out. However, this is indicated in the BITS decision.

Project Implementation

The project has followed the plan but is delayed. Four training sessions have been completed. The standard of the lectures is high. The major problem related to the project is that the Project Director is not able to give enough attention to the project. According to the Agreement one LRA staff was supposed to devote almost full time to the implementation. This has not been possible and a major reason is that the EBRD project has required input from the LRA. Specifically the EBRD procurement procedures have been cumbersome and the procurement of computers has taken six months. As specifications for computers are quickly obsolete, these needed to be rewritten several times. Subsequently, the schedule for the BITS project has been revised. However, this is not easily done as the lecturers are booked far in advance. Each change in the schedule therefore leads to delays.

At a practical level, there is not enough room at LRA to arrange group works.

Project Monitoring

The Project Director is doing the project monitoring and all project documents are properly filed. It would have been preferred if the project document had required progress reports, which would have allowed macro monitoring by BITS. The present situation with subsequent delays may jeopardize the project as the consultants can not be expected to reschedule too often. There is no final report requirement. The lack of documentation also makes the evaluation more difficult.

3.3 Major Issues

The BITS support has been well received.

The overall impression is that the BITS financed projects and the services rendered by the consultants have been valuable to the Lithuanian Road Administration, LRA and has supported the Government's overall effort to adapt its civil service to the demands of a market economy. There are a number of factors which have contributed to the LRA's positive assessment.

Firstly, the BITS support came at a crucial time shortly after independence when the Road Administration was looking to the western countries for new ways of organizing road maintenance and construction. BITS has also provided continuity where the new projects have built on the preceding ones. Often the support has been delivered in the sensitive initial phases of a transformation. For example when it was decided to transform the existing Soviet system of technical standards to harmonize with the European countries', the BITS support was timely mobilized to advise the management of the road administration on the existence and pros and cons of various standards. Similarly, the ongoing so called IT Project was initiated when the road administration was faced with having to decide on loan financed computer hardware procurement. The LRA quickly saw the need to develop an overall strategy for the use of information technology and appreciated that BITS could support this activity.

Secondly, as exemplified above, the projects have in general responded to needs expressed by the road administration. Project components which were included on other merits, e.g. to correspond to overall BITS policy fared less well and for example the creation of a training centre was never implemented.

Thirdly, a good rapport has been established between the staff in the road administration and the consultants. It has been appreciated by the LRA management that the consultants' long term presence has resulted in a good understanding of the Lithuanian situation and thus reduced the staff's often heavy burden of responding to the needs of new consultants with no former experience from Lithuania.

Project monitoring will become more important

However, as pointed out in the Bruzelius study, the stage is now being set for the next phase of foreign assistance to the road sector in Lithuania. Flexibility and responsiveness which were viewed as valuable assets in the somewhat chaotic time immediately after independence may in the current environment stand the risk of becoming a liability. Today, we find a larger and more diverse field of actors including international financing institutions, consultants, local enterprises and political groupings each one pursuing their particular development agenda.

A key step is the introduction of credit financed road rehabilitation projects, of which there are at present three in the pipeline. Because of their sheer size, in the order of one hundred times the normal BITS project in the sector these projects do deserve the prime attention of the LRA staff. At the same time these projects have a quite rigid structure in terms of time schedule, interactions and funding which require the staff to be most accommodating. In this environment a more flexible programme will tend to be used to pick up bits and pieces which were not included in the formulation of the investment project. One such example is the EBRD/JEXIM project which generated a demand for technical assistance to provide contractors licensing procedures. This request was acted on by BITS but when the additional funds were approved the work was already done using German consultants. Another effect seen in other countries is that procurement becomes a main activity for management staff and subsequently they are unable to give sufficient attention to the technical assistance projects.

Bearing the above scenario in mind it becomes evident that project monitoring becomes more important. As understood from this evaluation mission, project monitoring is mainly the responsibility of the LRA. Given the difficulties described above it could be argued that Sida should take a more active role in project monitoring in order that their project is not put on the back burner. It may also be desirable to reduce the overall work load for the LRA Project Director.

Review contract arrangements

Focusing on improving project monitoring a first step would be to improve the quality of the contract agreements between Sida and the Lithuanian Government on one hand and between the LRA and the consultants on the other hand. Sida's guidelines to consultants provide a good basis for drafting these agreements and the Bruzelius report also provide valuable pointers.

It has generally been felt by the BITS/Sida monitoring staff that the reporting from the projects has been insufficient. This can be argued and to some extent this evaluation report is in lieu of such reports. However, it must be pointed out that the contract agreements have few reporting requirements and lack clear deadlines for reports. This is partly a consequence of the contracting arrangements. BITS has the strongest interest of reporting but is not a contracting party. BITS has a contract with the LRA which commits funds on certain conditions. Such a condition can be to provide for example progress reports and final report. Another possibility is to take a more active part in the project preparation rather than relying on the implementing consultants to provide the Terms of Reference.

The procedures for changing the content in the projects are also not clearly set out in the agreements with the Lithuanian government. This particularly becomes a factor when a project has several components of which some may be included on the suggestion of the financing institution. In Lithuania (and Lithuania) the training component has thus never been implemented.

Much responsibility is given to the project director implementing the project. As there appear to be no guidelines on project implementation it is important that the right person is appointed. In Lithuania this is presently the responsibility of Mr Timukas who is keeping records of all project related matters. However, for the earlier projects it could not be established what procedures had been followed as the former project director had left the LRA for private employment. The project director is advised by the consultants on BITS/Sida procedures. While this in general works well it may not always be satisfactory from the point of view of Sida.

The LRA makes good progress in the transition process

The Lithuanian Road Administration is well on its way to become a modern road administration gradually adapting to the emerging market system. It has successfully carried out a reorganization, the legislative framework is established, financing has been improved through the reintroduction of the road fund, it is developing national standards for quality assurance and is increasingly relying on private contractors for road work. These are major achievements with a focus on the most important institutional issues. However, the transition is straining the resources of the LRA as the management has to not only carry through the transition but also perform the day to day activities which are the normal workings of a road administration. In this respect the LRA has been successful in delegating tasks to outside consultancies. For example the former state research laboratory, Problematika, has carried out much of the work related to creating new standards and specifications. Tasks are also given to the University. The LRA has also been efficient in adopting recommendations from outside consultancies such as the PHARE supported consultancy on organization.

Increasing pressure on human resources

However, the demands from International Financing Institutions will increase as more projects, including investment projects, are launched. The pressure will also increase from the political level as the LRA will be accountable for the sizeable credits now in the pipeline. There is a danger that these mounting demands on limited management resources will slow down the transition process as management will respond to these strong pressures and less time will be available for implementing institutional changes. Such tendencies are already experienced.

Another direct effect will be that it will be difficult to carry out training programmes involving management. Such programmes must take into account that managers will be required to carry out day to day work and can not be away for other than short periods. Alternatively, the training is carried out in a captive environment, e.g. in Sweden to force the participants to concentrate on the long term problems.

Indications are that BITS financed training has been effective

It is not simple to measure the cost-effectiveness of training courses. There are however indicators that the BITS supported training has been effective. Firstly, the training has been put into practical use. For example the top management has benefited from the Swedish experience in reorganizing the Swedish Road Administration when they decided on and carried through their own reorganization. However, they have been forced to do it with much less resources and at considerably shorter time than in Sweden. Secondly, staff participating in the BITS training programme have often advanced in the organization. Thirdly, evaluations by participants, when carried out, have been positive. Fourthly, it is believed by top management to have been effective.

One issue raised in the Bruzelius report is whether it would be cost-effective to co-ordinate technical assistance between the Baltic states. This issue has been discussed with the senior staff of the Road administrations in all the three states and it is generally concluded that in practice this is hardly achievable. There is also no reason to expect more co-ordination between the Baltic States than we have between for example the Nordic countries. This should not imply that there is no co-operation. In fact, there is a flow of ideas between the countries with elements of competition.

Project delays cause disruptions

Another area of concern for the donor community is the co-ordination between the financing institutions. In this respect, PHARE has assumed a leading role and in Lithuania the PHARE programme provides for two expatriate consultants with the Ministry of Transport. In formulating the investment projects which require co-financing there is also a healthy dialogue between the potential participating institutions. Co-ordination is also provided during implementation when the LRA and the consultants modify their projects to avoid overlap. This co-ordination takes considerable effort and a major problem is that the interdependence between projects may cause problems when one project is delayed. Thus, because the Japanese co-financing for the EBRD/JEXIM project was held up it effected the World Bank project. Both these projects are in turn related to the BITS IT project.

Following the Bruzelius report, the BITS project was reformulated to take into account some of the consultants recommendations. In the meantime, one of the components became critical as it related to the EBRD project. It was solved with the assistance of German consultants. The component was subsequently deleted from the BITS project during the implementation. It is not difficult to imagine that it required considerable time and effort from the Lithuanian side to resolve this issue between all parties involved.

Transport policy must form the basis for project identification

An important issue is the process for initiating and screening projects. While it is understandable that much of the initiatives for project identification in the past have been from external forces it is now expected that Lithuania puts itself more in the driver's seat. A good basis is provided by the National Transport Development Programme up to the year 2000 which identifies four main aspects of transport policy:

- European integration
- European harmonization
- Strategic investments
- Privatization of the transport sector

Planning activities within the road administration have been supported by an action plan prepared by consultants using PHARE/Danish funds. This plan has no official status but LRA has initiated activities following the priorities in the plan.

Suggestions for future Sida support have been proposed from SweRoad and from the World Bank after consultations with the LRA. The World Bank has used the Swedish trust fund to finance project preparation for a traffic safety component and for a bridge rehabilitation component.

In discussions with the Road Safety and Environmental Protection Department of Ministry of Transport it was pointed out that the projects formulated for traffic safety were biased towards investment and underfunded for the technical assistance part. The LRA expressed concern that the project management of the investment projects did not have any technical assistance support. It is not within the scope of this evaluation to make recommendations for future Sida technical assistance but it should be pointed out that the Lithuanian Ministry of Transport and the LRA are prepared to play a major part in such discussions.

4. CONCLUSIONS AND RECOMMENDATIONS

Since independence in 1991 The Lithuanian Road Administration has been in a stage of transition. Step by step the former Soviet institutions are transformed to suit the demands of a market economy. During this short time the LRA has identified and made considerable progress in the priority areas of organization, legislation, management, and quality assurance. The BITS focus on institutional support has been well tuned to support this transformation and the training activities carried out by the consultants have been well received.

There are however still challenges ahead and some of these deserve mentioning. Firstly, the re-organization into ten regional road administrations and one motorway administration require that the LRA institutes changes to make the regional organization work. All know-how and new processes developed at the central level must now be made operational at the regional level. Secondly, three major road rehabilitation projects are being developed and the implementation will require substantial human resources for the project implementation units. Thirdly, major investments have been made for management information systems where a number of data bases will be compiled and software provided to support analysis of the information. Fourth, traffic accidents and road damage from overloaded vehicles are increasing and strong measures must be taken to curb these trends.

Certainly, there is scope for continued foreign assistance to support the Road Administration as they are facing these challenges. As recommended in the Bruzelius report such support should be based on the needs of the LRA and LRA should be required to produce a well prepared project document according to the guidelines of respective financing institution.

In planning future technical assistance, the Government should also assess some strategic questions.

- How will the Regional and Municipal levels of road administration benefit from technical assistance?
- How can technical assistance be obtained in areas which require long term commitment, e.g. traffic safety?
- What is an appropriate mix of long term and short term Consultants?
- How can the Government and its institutions develop its capacity to prepare and implement technical assistance projects?

In view of the difficulties in establishing a training institution in the LRA, it is recommended to study the experience of the Estonian Technical Centre.

If Sida decides to continue its involvement in the road sector in Lithuania, there are some specific recommendations based on the findings from this evaluation mission regarding the project identification, project formulation, project implementation and project evaluation.

Project identification should be tied to the existing efforts by the Lithuanian government to formulate policy and programmes. In this respect dialogues at the Ministry of Transport level may be more appropriate than identifying projects at the road administration level. Lithuanian policy documents, such as the National Transport Development Programme are important for identifying priority areas.

The development in the Baltic states is rapid and projects quickly become obsolete. It is therefore paramount that once the project is identified the time needed to start the implementation is kept at minimum. In the formulation process, related projects financed by other institutions must be identified and the co-ordination arrangements clarified. It should also be recognized that the road administration resources are heavily taxed and a balance must be found between using administration staff and consultants. Wherever possible, local consultants should be used in order not to steal capacity from the administration and at the same time economize on available funds.

The major problem in project implementation seems to be delays. In order to achieve a more efficient and timely implementation, the agreements signed should be more clear on reporting requirements and time schedules. The project director is a key figure for the success of the project and Sida should therefore provide more guidance regarding his/her role in the implementation.

Evaluation procedures should be formulated so that these are spelled out in the agreements on which the implementation is based. If possible performance indicators should also be identified in the agreements. By making the consultants aware of the evaluation procedures already at contract negotiations they can allocate sufficient time for supporting this activity and also produce in advance the documents needed by the evaluation team.

While initial training has had the character of "eye-openers" introducing the road administration to new insights, future training will be less general and more of character training of trainers. This will require that training provided includes complete sets of training materials including teacher's aid, overhead slides, calculation examples etc. all in Lithuanian language. Consultants should therefore be encouraged to co-operate with local consultants and institutions and to be specific in their proposals about physical training provisions.

More care should be given in naming the projects. The same project name and ID number should be used by all parties. Confusion is created by the same project named differently in the various agreements. The consultants may also be involved with projects financed from other than Sida sources. Support is also given directly by the Swedish National Road Administration, the owner of SweRoad, which will from time to time fund study tours, conference participation or training courses. These organizations also carry out other BITS funded training, e.g. the RTM-courses. In this context it is important that each project is properly identified, particularly as some concern could be raised about the SNRA being active both as a publicly financed administration and as a consulting firm acting on commercial terms (SweRoad).

5. LESSONS LEARNED

The fact that BITS technical assistance was mobilized very quickly after independence is a major factor why it has been well received. Not only did this create a goodwill, it also provided an open field for targeting the most important needs. The fact that the Swedish Road Administration had recently gone through a period of re-organization and changes created an excellent background for discussing important institutional issues with the Lithuanian counterparts. The environment for technical assistance is changing and more and larger projects are being launched. An effect has been that BITS financed activities are increasingly being delayed as the capacity of the road administration is concentrated on supporting major loan financed rehabilitation projects.

As a result Sida will be required to devote more time to project preparation and project monitoring than what has been previous practice. It may also require a more permanent and long term presence in Lithuania as a contrast to the past short term inputs.

6. APPENDICES

6.1 List of Persons Interviewed

3/6	Fredrik Löjdquist	Second Secretary	Embassy of Sweden
4/6	Algirdas Sakalys	Deputy Minister	MOT
4/6	Raimonda Liutkeviciene	Head of C. Integr. Division	MOT
5/6	Valdas Kezys	Head of Road Maintenance Division	LRA
5/6	Pranas Joudis	Head of Road Planning and Construction Division	LRA
5/6	Henrikas Jurkuvenas	Deputy Head of Road Maintenance Division	LRA
6/6	Robert Jennings	Senior Economist	MOT
6/6	Pasquale Staffini	Deputy Head	MOT
6/6	Birute Valionyte	Director of the Department	MOT
6/6	Algimantas Janusauskas	Head of Foreign Investments Division	LRA
5/6	Gintaras Asadauskas	Deputy Director General-Technical Director	LRA
5/6	Vytautas Timukas	Head of Foreign Relations and Information Division	LRA
7/6	Gintaras Striaukas	Director General	LRA
7/6	Anders Bonde	Senior Officer	World Bank

6.2 List of References

6.2.1 General

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6.2.2 Lithuania

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LTU 0351 Training Programme. GD Decision

LTU 0351 Training Programme. Agreement LRA, SweRoad

LTU 0351 Training Programme. Course Programmes

LTU 0352 Training Programme. GD Decision

LTU 0352 Training Programme. Agreement LRA, SweRoad

LTU 0353 Training Programme. GD Decision

LTU 0353 Training Programme. Agreement LRA, SweRoad

LTU 0353 Training Programme. Report on Collection of Additional Information

"A Businessman's Handbook", Lithuanian Information Institute

"Study Report on Institutional Support to the Road Sector in Lithuania", LRA

"Transport in independent Lithuania", Ministry of Transport of the Republic of Lithuania

6.1 Terms of Reference

See overleaf.

6.4 Organization

See overleaf.

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graph TD
    MOT[Ministry of Transport] --> LRA[Lithuanian Road Administration]
    MOT --> SEP[State Enterprise "Problematika"]
    MOT --> TRI[Transport and Road Research Institute]
    LRA --> R1[Road Maintenance Units]
    LRA --> R2[Road Maintenance Units]
    LRA --> R3[Road Maintenance Units]
    LRA --> R4[Road Maintenance Units]
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    LRA --> R15[Road Maintenance Units]
    R1 --> SC1[State Company]
    R1 --> T1[Tender]
    R2 --> SC2[State Company]
    R2 --> T2[Tender]
    R3 --> SC3[State Company]
    R3 --> T3[Tender]
    R4 --> SC4[State Company]
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Tender

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TERMS OF REFERENCE

Evaluation of BITS/Sida's Support to the Development of the Road Sector in the Baltic States

Background

BITS/Sida has been providing support to the development of road sector in Estonia, Latvia and Lithuania (the Baltic States) since 1993. The lead Swedish consultant has been SweRoad AB. By the end of 1995, the support implemented through SweRoad had come to comprise nine projects at a total cost of approximately SEK 13 million. A complete list of projects is found below.

The recipients of this aid have been the Ministries of Transport and the national Road Administrations in the respective countries. The overall aim of the projects has been to provide institution building assistance to the Road Administrations in each one of the three Baltic countries.

In view of the large number of projects to the development of the road sector in the Baltic States, Sida has decided to undertake a review and evaluation of the achievements to date. To undertake this evaluation, Sida intends to recruit an independent consultant (the Consultant). These terms of reference will guide the work to be performed by the Consultant.

Purpose

The purpose of the evaluation exercise is to evaluate the relevance, impacts, cost-effectiveness, sustainability and effects of the Swedish support so far provided to the road sector in the Baltic States.

Scope of work

The scope of work will include, but will not necessarily be limited to, the following:

1. A brief background description for each country concerning road administration, comprising i.a. the current institutional structure, current legal framework, other donor's support etc;
2. Identify the role played by BITS/Sida's support within the overall development of the road sector in the three countries with regard to institution building and the development of the sector at large;

3. Review each of the projects funded so far by BITS/Sida, identify their specific roles, their objectives, and any performance indicators specified for the projects. Evaluate the projects against these roles, objectives and performance indicators; and
4. Identify major issues with regard to the execution of the BITS/Sida support, the manner in which it has been implemented both with respect to the provision of technical assistance services and the arrangements and absorptive capacity on the sides of the recipient countries including the efficiency of the concerned institutions in the Baltic States and in Sweden. Assess the cost effectiveness and the sustainability of the support provided.
5. Provide recommendations for the future and discuss lessons learned from the activities.

Method of work and reporting

To collect the required material, the Consultant will review relevant policy and project related documentation at Sida and make a visit to SweRoad. He will then visit Tallinn, Riga and Vilnius for approximately 10 days for fact finding. The visits should be made before 10 June, 1996.

After the visits to the three capital cities, the Consultant will submit first draft reports to each of the Baltic counterparts concerned and to SweRoad for their review. After having received the counterparts' and SweRoad's comments, draft final reports for each country will be submitted within five working days to Sida. A final report, including findings for each country and conclusive assessment, is estimated to be presented to Sida no later than 28 June, 1996.

All reports should be written in English. The reports should be outlined in accordance with Sida Evaluation Report - A Standardized Format (Annex A, Evaluation Manual for Sida) with a comprehensive Newsletter Summary in accordance with the enclosed guidelines (Annex B). Furthermore, the Sida Evaluation Data Worksheet (Annex C) should be filled in and returned to Sida. The final report should be presented in two copies as well as in a diskette version.

Undertakings

The Consultant will be responsible for practical arrangements in conjunction with the missions to the Baltic States and other visits. Sida will make available or cause to make available all written material (reports, project preparation documents, project completion reports, etc.) deemed to be of relevance to the evaluation exercise by the Consultants and Sida.

List of projects to be evaluated

Completed projects:

Estonia:

EST0711	SEK 306 000	Decision 93-03-12
Training programme in the road sector		

Latvia:

LVA0501	SEK 334 000	Decision 93-03-12
Road management and maintenance programme for Latvian Road Department		

Lithuania:

LTU0321	SEK 181 000	Decision 93-01-22
Adaption of the Lithuanian norms for road- and bridge building, prestudy		

LTU0351	SEK 342 000	Decision 92-02-12
Training program in the road sector		

On-going projects:

Estonia:

EST1031	SEK 1 799 500	Decision 94-06-14
Institutional support to the Estonian Road Administration		

EST1041	SEK 4 671 000	Decision 94-08-02
Road Network Study		

Latvia:

LVA0502	SEK 1 592 000	Decision 94-03-21
Training and consultancies on road management and maintenance		

Lithuania:

LTU0352	SEK 1 733 000	Decision 94-05-06
Institutional support to the Lithuanian Road Administration		

LTU0353	SEK 2 552 000	Decision 95-06-28
Continued institutional support to the Lithuanian Road Administration		

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- 96/2 Debt Management. (Kenya) Kari Nars
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- 96/3 Telecommunications - A Swedish Contribution to Development. Lars Rylander, Ulf Rundin et al
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- 96/12 Cooperative Environment Programme - Asian Institute of Technology/Sida, 1993-1996. Thomas Malmqvist, Börje Wallberg
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- 96/13 Forest Sector Development Programme - Lithuania-Sweden. Mårten Bendz
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- 96/14 Twinning Programmes With Local Authorities in Poland, Estonia, Latvia and Lithuania. Håkan Falk, Börje Wallberg
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- 96/15 Swedish Support to the Forestry Sector in Latvia. Kurt Boström
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- 96/16 Swedish Support to Botswana Railways. Brian Green, Peter Law
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- 96/17 Cooperation between the Swedish County Administration Boards and the Baltic Countries.
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- 96/18 Swedish - Malaysian Research Cooperation on Tropical Rain Forest Management. T C Whitmore
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- 96/19 Sida/SAREC Supported Collaborative Programme for Biomedical Research Training in Central America. Alberto Nieto
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- 96/28 Strategic Business Alliances in Costa Rica. Mats Helander
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- 96/31 Support to the Road Sector in Estonia. Anders Markstedt
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- 96/32 Support to the Road Sector in Latvia. Anders Markstedt
Department for Central and Eastern Europe



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