

Support to the Maritime Sector in Lithuania

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Eastern Europe**

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**Sida Evaluation 96/46
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Abbreviations

BITS	Swedish Board for Investment and Technical Support
GMDSS	Global Maritime Distress and Safety System
IMO	International Maritime Organisation
KSSA	Klaipeda State Seaport Authority
LISCO	Lithuanian Shipping Company
MRCC	Maritime Rescue and Coordination Centre
MOT	Ministry of Transport, Lithuania
OPR	Oil Pollution Response
SAR	Search and Rescue
SEK	Swedish Kronor
Sida	Swedish International Development Cooperation Agency
SNMA	Swedish National Maritime Administration
TOR	Terms of Reference
VTs	Vessel Traffic Services
WTD	Water Transport Department, Ministry of Transport

EXECUTIVE SUMMARY

Background

Sida¹ has been providing support to the Lithuanian maritime sector since 1991. The support comprises several different projects, which have been divided into phases. Initially, the support was provided as part of joint programmes for the three administrations responsible for maritime affairs in the Baltic republics, but as from 1992 several projects have also been approved which only concern the maritime sector in Lithuania.

The number of approved Lithuanian projects in the maritime sector is today 5 with an aggregate budget of SEK 3.1 million financed by Sida. The number of joint programmes amount to 7, of which one is under implementation. The total Sida appropriations for the joint Baltic projects in the maritime sector amount to SEK 5.4 million, of which approximately SEK 1.8 million are for Lithuania.

The recipient (implementing partner) of the aid has been the Ministry of Transport (MOT). However, since its establishment in January 1994, the Klaipeda State Seaport Authority (KSSA) has been the effective recipient of the aid. KSSA is a semi-independent agency of the state responsible for two main functions: (i) the provision and maintenance of infrastructure in the Port of Klaipeda; and (ii) the day-to-day administration of maritime affairs in Lithuania, including ship safety, navigation aids, search and rescue (SAR) and Oil Pollution Response (OPR) activities, etc. The latter functions are the responsibility of the Harbour Master's Office in KSSA. The Swedish partner has been the Swedish National Maritime Administration (SNMA), sometimes assisted by other consultants.

The Evaluation

In view of the relatively large number of projects to the Lithuanian maritime sector and that Sida is currently in the process of developing a sector strategy for its support to transport and communications in the Baltic states, Sida has decided to undertake a review and evaluation of the achievements to date and to identify possible motives for continued assistance to the sector. To undertake this evaluation, Sida engaged an independent consultant (this Consultant). This evaluation follows a similar evaluation undertaken in 1995 of the support to the Estonian maritime sector, which was carried out by the same consultant. An evaluation of the Sida support to the maritime sector in Latvia is undertaken jointly with the evaluation of the support to the Lithuanian maritime sector, and is reported on separately.

The purposes of the evaluation exercise are:

1. To evaluate the relevance, results, cost-effectiveness, sustainability and effects of the support provided so far to the development of the Lithuanian maritime administration, and identify major issues with respect to project definition and implementation; and

¹ On 1 July 1995, several Swedish government agencies involved in development assistance - including the Swedish Board for Investment and Technical Support (BITS) and the Swedish International Development Authority (SIDA) - were merged to form the Swedish International Development Cooperation Agency (Sida). The Swedish support which before had been channelled through BITS was from this date taken over by Sida. In the sequel reference will only be made to Sida, being the legal successor of BITS.

2. To identify aspects to consider in any possible further Sida support to the sector to ensure effective support and the establishment of the Lithuanian maritime sector on a self-sustained basis.

Findings

The projects subject to evaluation comprise one project which was initiated during 1993, all four projects which were initiated during 1994, and one project which was initiated in 1995.

The Swedish support is mainly of an institution building nature, with an emphasis on formal and on-the-job training in order to transfer methods and techniques used for the execution of functions which are typically performed by a maritime administration. However, part of the support has also been directed at the provision of equipment to the Lithuanian Maritime Rescue Coordination Centre (MRCC), which is operated by KSSA. This hardware support, which is part of two projects, is worth about SEK 1.59 million, the only support of this nature financed by Sida under the assistance programme to the Lithuanian maritime sector.

The project 'Aids to Navigation' is reported on in the report *Aids to Navigation; Rehabilitation Programme; Lithuania*; October 1993. Main achievements were (i) an identification of the navigation aids in Lithuanian waters; and (ii) proposals for a crash programme and a medium term programme for the rehabilitation and upgrading of navigation aids.

The purpose of 'Aids to Navigation; Phase 2' was to provide support to the new entity within KSSA to be responsible for navigation aids, including training of technicians and in international procurement procedures, as well as the establishment of plans of maintenance for navigation aids, etc. The project was to be initiated during spring 1994 and completed before the end of the summer 1994. As of today, the project has not been completed. It is understood that the project has mainly served and will come to serve as an extension of the Phase 1 project, and so far it has also had an emphasis on the modernisation of navigation aids. It is also understood that the main reason for this is that KSSA was in effect not involved in the Phase 1 navigation aid project, as it was implemented before KSSA's establishment. Another reason is that KSSA has not been able to give priority to navigation aids, and the renewal of these aids, including the establishment of an appropriate organisation for their operation and maintenance until during 1996. According to SNMA, a not insignificant part of the project remains to be carried out; this will be done during 1996, and will be reported on before the end of the year. The focus on the continued support will be on replacement and renewal needs, but attempts will be made to integrate the needs for organisational development in this area as well.

A main component of the Swedish support has been a project to establish the MRCC of KSSA; it comprises two projects: (i) 'Rescue at Sea and Oil Pollution Response'; and (ii) and an extension called 'Equipment for the Lithuanian Search and Rescue Centre'. The first project comprised equipment and institutional support in order to develop plans for SAR and OPR, as well as training, while the second project only comprised equipment. According to the original schedule, the first project was to be completed during 1994. It is understood by this Consultant that the extension was expected to be completed during 1995. While most of the equipment came into operation late 1995, it now seems likely that the two projects will not be fully completed until the end of 1996. They have provided the MRCC with a complete system for radio communications, allowing also for remote control of other radio stations along the coast of Lithuania.

Three issues have emerged as concerns this project, viz. (i) the actual performance to be attained by the project; (ii) the fact that some of the equipment does not perform adequately; and (iii) the provision of training for the future maintenance of the equipment.

The three issues associated with the implementation of these two - equipment-oriented - projects in effect reflect that they have been incorrectly structured. The implementation arrangements are not in line with what is normally used in the commercial sector and - generally - also for the implementation of donor financed projects. The normal procedure for the implementation of supplies and civil works contracts thus requires the clear identification of and distinction between three roles, the contractor, the client/employer and the engineer/ advisor. In this project SNMA appears as both the contractor (albeit only partially) and as advisor, and therefore performs two incompatible roles. The normal arrangement also requires that the advisor undertakes and agrees with the client on the performance specifications to be met by the equipment to be installed.

The fourth project initiated in 1994, 'Inspection of Ships', has also not been completed and reported on. One component of the project is to train KSSA staff to be able to undertake inspection of ships including both flag and port state control. Another component is to train KSSA and LISCO staff in the procedures for the treatment of dangerous and hazardous goods to enable Lithuania to, *inter alia*, meet the requirements under the Baltic Agreement on Sea Transport of Dangerous Goods. According to the schedule under the TOR for this project it should have been completed during the autumn of 1994. It is understood that the training programme will now be completed during the autumn of 1996. According to SNMA, the main reason for the delay in implementation is the heavy work load that SNMA has experienced since the autumn of 1994.

The project concerned with SAR in the fifth phase, i.e., 'Search and Rescue at Sea' which is a joint programme for the Baltic states has essentially been completed for Lithuania. The ultimate aim of the project is to ensure that staff are adequately trained and routines have been developed for SAR and OPR operations to enable the Baltic states to perform these functions in accordance with international requirements. No final report has as yet been made available for this project, as the project component for Latvia has not been fully completed. This project comprises a component which overlaps with the project 'Rescue at Sea and Oil Pollution Response', and the same support for the SAR function in Lithuania has hence been provided in terms of two different projects.

It is too early to make a definitive assessment of the results of the support to the Lithuanian maritime sector as the projects have not been concluded (with one exception). It appears, however, that the projects have not been implemented effectively, in view of the considerable delay in project completion. As concerns the equipment for the MRCC, sustainability is also unclear. KSSA has stated that they are not able to maintain the new equipment for the MRCC, which is a cause for concern. This situation is aggravated by the fact that KSSA apparently does not have staff on hand which is adequately skilled in making use of some of the equipment (staff properly trained in radio communications). During this Consultant's visit to Klaipeda no solutions were in the pipeline for dealing with these two problems.

In summary, a number of reasons can be identified for the slow implementation as well as the emergence of the other issues which have been identified:

1. Project preparation has been inadequate. The more fundamental question that has not been addressed is what is required in order to be able to work effectively in the Lithuanian environment. A second important set of questions which have not been considered adequately are (i) if an equipment supply project is appropriate; and if so (ii) which are the appropriate arrangements for implementing such a project.
2. Inadequate recognition by the Lithuanian side of the need and importance to build up the public functions in the maritime sector. Clearly the Harbour Master's Office understands these needs, but administratively and financially this organisation is part

of KSSA, which is mainly concerned with the development of Klaipeda Port from a commercial point of view and as a major transshipment facility for goods to and from large parts of the CIS. These matters appear also to be the major concern of the Ministry, the principal of KSSA.

3. The language problems. KSSA staff have an inadequate command of English. Indeed, it appears that far too small resources are being devoted to language training of KSSA staff, which must be viewed as a strategic mistake.
4. Inadequate resources on part of SNMA. SNMA is involved in several projects of a similar nature in other countries, including in the other Baltic states, which when taken together demand a considerable amount of resources. At the same time, SNMA employees have to perform their ordinary duties. This Consultant is under the impression that working in Lithuania is viewed as more difficult than working in some other places, *inter alia*, on account of the language problem, which means that Lithuania, in effect receives less priority although this may not be intended or even less an explicit policy.

Recommendations

While the Sida-financed support to the maritime sector in Lithuania, in principle, has had a clear and relevant focus, end results have so far not materialised (fully). The main reason for this situation is that several of the projects have not yet been fully completed. The slow pace of implementation, on the one hand, reflects inadequate preparation of the support programme, but also that the arrangements to be put in place to ensure proper project implementation have been weak. In addition, monitoring of project progress by both Sida and MOT, Vilnius appears to have been inadequate.

While the maritime administration in Lithuania now in essence is up and running, there are still a number of needs that may warrant Swedish support, after the completion of the ongoing programme of support. Part of such support should be straightforward - support with a clear focus on either the development of operational skills (vocational training) or the provision of such skills (e.g. consultancy services to assist with design and procurement) - provided that such support is on a small scale and clearly is of a stand-alone nature.

More ambitious assistance in the institution building field may also be justified. For such assistance to materialise, it will however be absolutely essential for Sida to ensure that the proposed projects are developed adequately. In particular this means that appropriate conditions and arrangements for implementation have been established and that all these arrangements as well as the scope of the proposed project have the full support of all relevant Lithuanian parties. There is therefore a need to develop the support programme as part of a more general development programme which should first be formulated and discussed extensively with the Lithuanian parties concerned before the specifics of the support programme are determined.

Lessons Learned

The lessons to be learnt from the Lithuanian experience are as follows:

1. When it comes to larger support programmes, such as the one to the Lithuanian maritime sector, there is no escape from adequate project preparation. Project preparation implies firstly a careful definition of what is to be attained, secondly how this is to be attained and thirdly an identification of the necessary conditions to be fulfilled for successful project implementation.

2. The recipient must be in the driver's seat. The donor or the agents used by the donor must not be allowed to drive the project. The recipient must make a commitment, and must be made to understand that he/she is ultimately responsible for results being attained.
3. There must be some system for enforcing accountability on part of the recipient. This implies firstly that projects are only initiated provided the recipient actually implements measures seen as necessary for successful project implementation and secondly that there is agreement on performance indicators to be used to measure achievements under the project. These indicators must be carefully - and mutually - selected.
4. As far as possible, conventional - established - contractual arrangements should be employed for the provision of services and supplies.

On the other hand, it should also be stated that for smaller support programmes with a clear operational focus, such as training in specific skills - it is possible and justified - to apply the more simplified approach to project definition that was traditionally used by the then BITS.

1. INTRODUCTION

1.1 Background

BITS/Sida² has been providing support to the Lithuanian maritime sector since 1991. The support comprises several different projects, which have been divided into phases. Initially, the support was provided as part of joint programmes for the three administrations responsible for maritime affairs in the Baltic republics, but as from 1992 several projects have also been approved which only concern the maritime sector in Lithuania. Projects implemented in 1991 are part of phase one, projects implemented during 1992 are part of phase two, etc. Projects initiated in 1995 are thus part of the fifth phase. No new projects have been approved in 1996.

The number of approved Lithuanian projects in the maritime sector is today 5 with an aggregate budget of SEK 3.1 million financed by Sida. Four of these projects - all belonging to phase four - are still under implementation; a project from phase 3 has been fully completed. The number of joint programmes amount to 7, of which one is under implementation. The total Sida appropriations for the joint Baltic projects in the maritime sector amount to SEK 5.4 million, of which approximately SEK 1.8 million are for Lithuania. For a list of the projects, see Annex 1.

The recipient (implementing partner) of the aid has been the Ministry of Transport. However, since January 1994, the Klaipeda State Seaport Authority (KSSA) has been the effective recipient of the aid, although other institutions in the maritime sector have also been able to take part in and benefit from project activities³. KSSA is a semi-independent self-financing agency of the state. The Harbour Master's Office in KSSA is responsible for, *inter alia*, the regulation of maritime safety, accident investigations, navigation aids, hydrography, sea chart production, maintenance of the ships' register, and search and rescue (SAR) and oil pollution response (OPR) activities. The Swedish partner has been the Swedish National Maritime Administration (SNMA), sometimes assisted by other consultants.

Most of the projects involve institution-building activities, including staff training in such areas as inspection to ensure the safety of ships, combatting of oil at sea, search and rescue and organisational development concerning navigation aids. However, an important part of the support is also being directed at assisting with the development of the facilities required by KSSA, mainly equipment used for search and rescue operations, including the Maritime Rescue Coordination Centre (MRCC), and to some extent also navigation aids.

In 1993, Sida undertook a review of Sida-financed projects to the transport and communications sectors in the Baltic States (see *Transport and Communications in the Baltic*

² On 1 July 1995, several Swedish government agencies involved in development assistance - including the Swedish Board for Investment and Technical Support (BITS) and the Swedish International Development Authority (SIDA) - were merged to form the Swedish International Development Cooperation Agency (Sida). The Swedish support which before had been channelled through BITS was from this date taken over by Sida. In the sequel reference will only be made to Sida, being the legal successor of BITS.

³ It is understood by this Consultant that for the phase four projects, MOT has been referred to as the 'Implementing Partner', while KSSA has been referred to as the 'Client'. The Implementing Partner has signed the contracts and has also verified (countersigned) invoices from SNMA. In terms of the contract between SNMA and the Implementing Partner, the obligations on the Lithuanian side rest with the Client, i.e., KSSA. As it is understood that KSSA is a legal person, this arrangement is confusing and not conducive to strengthen responsibility on part of KSSA for the project.

States, November 4, 1993). The emphasis of the review was on identifying an appropriate strategy for Sida-support as to areas for support and the approach to be used for developing and implementing projects.

In view of the relatively large number of projects to the Lithuanian maritime sector and that Sida is currently in the process of developing a sector strategy for its support to transport and communications in the Baltic states, Sida has decided to undertake a review and evaluation of the achievements to date and to identify possible motives for continued assistance to the sector. The evaluation would focus on projects implemented mainly during 1994 and 1995, and under implementation during 1996. To undertake this evaluation, Sida engaged an independent consultant (this Consultant); terms of reference (TOR) and list of projects to be evaluated are at Annex 2. This evaluation follows a similar evaluation undertaken in 1995 of the support to the Estonian maritime sector, which was carried out by the same consultant (see *Evaluation of BITS Support to the Maritime Sector in Estonia*, 16 May 1996). An evaluation of the Sida support to the maritime sector in Latvia is undertaken jointly with the evaluation of the support to the Lithuanian maritime sector, and is reported on separately.

The evaluation was undertaken through interviews and visits to Vilnius and Klaipeda, and the offices of SNMA in Norrköping; persons interviewed are at Annex 3. This report contains the findings and conclusions of the evaluation.

1.2 Purpose

The purposes of the evaluation exercise are:

1. To evaluate the relevance, results, cost-effectiveness, sustainability and effects of the support provided so far to the development of the Lithuanian maritime administration, and identify major issues with respect to project definition and implementation; and
2. To identify aspects to consider in any possible further Sida support to the sector to ensure effective support and the establishment of the Lithuanian maritime sector on a self-sustained basis.

2. THE ADMINISTRATION OF MARITIME AFFAIRS IN LITHUANIA

2.1 Structure and Legal Framework

The Lithuanian Ministry of Transport (MOT) was established in 1990, and was at that time given the overall responsibility for policy development, economic and safety regulation of the transport sector, including of maritime affairs. Within the Ministry, the then Department of Maritime Transport, Ports and Inland Waterways was responsible for these matters in the maritime sector.

In terms of a government decree of 12 June 1991, ship safety, pilotage and vessel traffic services (VTS) and maintenance of the ships' and seamen's registers, were to be performed by the Board of the Klaipeda Harbour Master, while the landlord function - the development and maintenance of port infrastructure and port navigation aids - was allocated to the Lithuanian State Seaport Authority. These organisations were both separate state enterprises at that time. Navigation aids and hydrography remained under the control of the Russian navy.

On 1 January 1994, the Klaipeda State Seaport Authority (KSSA) was established by integrating the former Board of the Klaipeda Harbour Master into the Lithuanian State Seaport Administration. KSSA also became responsible for navigation aids in Lithuania and hydrography as well for the operations of SAR and OPR activities, including the MRCC. (The Russians transferred navigation aids and hydrography to Lithuania in mid-1993). KSSA is a non-profit organisation guided by its own separate legislation (see below).

At the same time was established the Council for the Development of the Port of Klaipeda. This Council has primarily an advisory role concerning long term - strategic - development plans for the Port. The Council comprises, *inter alia*, a number of ministers and the mayor of Klaipeda, with the Minister of Transport acting as chairman.

The renamed Water Transport Department (WTD) in the MOT retained responsibility for policy development, legislation, international liaison and oversight with respect to the operational, financial and safety performance of KSSA and other state enterprises in the maritime sector, for example the Lithuanian Shipping Company (LISCO). The WTD comprises three division, of which one, the Port Supervision Division is located in Klaipeda. WTD has a professional staff of 10 persons.

Marine pollution control is a responsibility of the Ministry of Environmental Protection, though matters relating to ship construction and operations remain with the Ministry of Transport.

The current organisational arrangements in the sector were formalised through the Law on Port of Klaipeda which was enacted on 16 May 1996, and which sets out the division of responsibility between the MOT, KSSA and the Harbour Master of KSSA. The head of KSSA is the Director, while the Harbour Master is responsible for, *inter alia*, safety matters including ship's safety. As there is no board, the Director in effect reports to the Minister of Transport, and through the director of the Water Transport Department (although the Law on the Port of Klaipeda explicitly identifies both the functions and powers assigned to the Director of KSSA). While KSSA thus enjoys considerable independence in a number of day-to-day matters, such as the hiring and firing of staff, and salary structure and benefits, policy matters and the appointment of the Director, Harbour Master and Chief Accountant are controlled by MOT, and effectively by the Minister. The budget of KSSA is also approved and monitored by MOT.

KSSA is a complete organisation with respect to its 'public' functions, and is responsible for everything from search and rescue and to inspection. There is no ice-breaking function as the Port is ice free the year around. KSSA is, as mentioned, also the landlord in Klaipeda Port.

The organisation of KSSA has undergone several changes since its establishment. The present organisation comprises the following three departments, with approximate number of positions indicated in brackets: (i) Harbour Master's Office (100), headed by the Harbour Master who is also a Deputy Director; (ii) the Chief Engineer's Office (65), headed by the Chief Engineer who is also a Deputy Director; and the Chief Accountant's Office (3). There is also a staff function (20).

The total staff thus amounts to about 190. There is only a limited number of vacant - key - positions in KSSA. A substantial number of the employees were formerly employed by the state organisations in Lithuania during the period of the Soviet Union responsible for fishing and shipping i.e., in the latter case by what was then known as Morflot. This means that the background of the employees to a considerable extent is in the fishing and merchant marine, although such organisations as Morflot was responsible also for regulatory affairs, including ship safety.

The staff function consists of five independent units, each directly subordinated to the Director. The Harbour Master's Office includes the SAR Coordination Centre, Shipping Safety, Vessel Traffic Service (including pilotage), the Ships' and Seamen's registers and an Engineering-Communications Department. The Chief Engineer controls (i) the Water and Navigation Canal Service, which includes hydrography, navigation aids and a group responsible for maintaining the entrance channel to the Port; (ii) a division concerned with the jetties of the oil terminal; and (iii) a division concerned with longer-term planning and development of the Port.

KSSA is a self-financing organisation, and finances its activities from the imposition of dues on shipping, including light and pilotage dues, as well as from revenues on leases with port operators and other operators making use of the Port (shipyards, etc.). The types of dues and charges that may be imposed by KSSA have to be approved by Cabinet, while the level of the dues have to be reviewed by the Water Transport Department in the MOT before being approved by the Minister of Transport. While ordinary revenues cover operating costs and some investments, other sources are required for financing major investments. KSSA may contract loans with the approval of the government and has done so for part of the ongoing developments in the Port.

A new merchant shipping act is at present being passed through the National Assembly, and is expected to come into effect towards the end of the year. Lithuania currently has an operational set of regulations for, *inter alia*, being able to enforce maritime safety. It is understood that the secondary legislation is based on defunct legislation from the period of the Soviet Union, which has been made effective through a Government Order. With the new merchant shipping act being enacted, it will be necessary to replace part of these regulations. Part of the legal preparatory work is done by KSSA, while the finishing details is the responsibility of the legal section in the WTD of MOT.

Lithuania is a member of the International Maritime Organization as from December 1995, but is not yet a member of the International Fund for Compensation for Oil Pollution Damage, the International Hydrographic Organisation (IHO) or of the International Association of Lighthouse Authorities (IALA).

Lithuania has acceded to several of the major international conventions in the maritime sector. Some of the main exceptions include the International Convention on Maritime Search and Rescue, 1979 and the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990. Latvia has adhered to the Understanding on Common Shipping Policies, but has not signed the OECD Memorandum of Understanding on Port State Inspections, as it lacks the capacity to enforce it.

Lithuania has only one port with international traffic, Klaipeda. In addition, there is a small fishing harbour, Sventoji (which falls under KSSA) and an inland port at Kaunas, which can be reached from Klaipeda via Kuršio Lagoon and river Nemunas. Actual port operations in the port of Klaipeda are handled by a number of port operating companies, the main one of which is Klaipeda Stevedoring Company (KLASCO). The present port operating companies are private, mixed public/private or entirely state-owned; it is the policy of the government to fully privatise all the operating companies, while KSSA will remain publicly owned and controlled.

2.2 Issues

KSSA is essentially a complete organisation for the management of maritime affairs. As concerns staffing, KSSA is also largely a complete organisation, although competency has not been fully developed in some fields. This applies in particular to inspection activities and the operations of the MRCC, where there is a shortage of professional radio operators. For flag state control of larger ships, KSSA relies on the services of classification societies. KSSA has not yet been able to establish procedures for how to audit the work of these organisations. The main source of the problem is that KSSA is not able to recruit the required people on account of its salary structure. Although, KSSA can control its salaries and pays better than what is normal in the government service, the salaries offered by the private sector are much higher than what KSSA can afford - or is allowed by the MOT - to pay today for the skills required.

Some other issues with respect to the administration of maritime affairs in Lithuania should be noted. Firstly, the degree of autonomy of KSSA. Although not formally part of the Ministry, KSSA in effect enjoys partial independence, and most major questions have to be settled in close consultation with the Ministry. The KSSA is therefore in effect subject to Ministerial rule. Although the current legislation sets out the powers of KSSA, it seems certain that the demarcation line of responsibilities has not been defined clearly. As concerns maritime safety, however, the law is apparently clear in that responsibility rests with the Harbour Master alone.

The nature of KSSA - and more specifically the Harbour Master's Office - as a mixed organisation, part of which is purely regulatory in nature, and part is actually a provider of services is another matter of concern. No clear distinction has been made between these two different functions. This can also be observed in the present organisation. Although the Harbour Master is responsible for safety, and the actual safety inspection work is done by staff under his control, other parts of the Harbour Master's office are also involved in a number of operational functions such as VTS, i.e., operational functions that in principle should be subject to oversight by an inspectorate in order to ensure compliance with safety regulations. This mixture of functions is not an ideal arrangement, and there is a need for making a clear separation between authority and accountability with respect to service functions and regulatory functions.

This situation is accentuated by the fact that the pure regulatory functions, ships safety, and the pure public service functions, such as SAR and OPR, are performed within an organisation that is primarily an infrastructure development and exploitation entity. While,

KSSA is not an organisation operating on strict commercial conditions, it is inevitable that given the potential for the development of the Port, such issues as investment planning and the mobilisation of finance easily may come to claim a dominant part of the time of the management of the Port. In the case of Klaipeda, the current programme of investments for the period up to the year 2000 is estimated to be worth US\$ 250 million⁴.

⁴ In a recent IMO-report: *Sectoral Support Needs Assessment and Programming Mission*, dated 14 January 1996, the following is stated: "There may be a conflict of interest in the duties of the Harbour Master. His enforcement activities may conflict with his responsibilities for the commercial viability for the Port. A similar conflict exists in WTD though this is not so acute given the distance of WTD from the ship/shore interface" (p. 4).

3. DONOR SUPPORT TO THE MARITIME SECTOR

While the Swedish support, to be considered further in the next Section, appears to have been the most important in the field of maritime affairs so far, other donors have also provided assistance. So far mainly Denmark, Holland, Germany and the EU through the Phare programme have been active in the maritime sector.

The Phare programme commenced operations in Lithuania in 1993. The reintegration of the Harbour Master to form KSSA and the establishment of a Council for the development of the Port, were partially a result of recommendations made by consultants under two Phare-financed programmes implemented during 1993, viz. 'Institutional Support to the Ministry of Transport' and the 'Master Plan Study of Klaipeda Port'.

Since then, Phare has been involved in a programme for providing management assistance to the Port of Klaipeda, including KLASCO. The assistance, which is due to terminate in August this year, has been implemented in two phases, involving the same consultant for both phases. Assistance has been provided for the development of, *inter alia*, marketing, budgeting, port dues, and of a port information system. There are no plans for a continuation at the present time. Under another Phare-financed programme, advisory services are provided for the improvement of the ro-ro terminal, which are mainly of a project preparatory nature, i.e., are expected to be followed by an investment project.

Phare has also been financing a training programme, involving several seminars, including one in Finland, on the handling of dangerous goods. This assistance has been provided as part of a sector-wide support in the transport sector in this area. Another Phare-programme has concerned the modernisation of transport legislation, under which assistance, *inter alia*, has been provided for the preparation of the Klaipeda Port Act. It should also be mentioned that the Phare programme has provided assistance to the Project Management Unit (PMU) in the Ministry. The role of the PMU is to co-ordinate and monitor the implementation of all donor-financed projects.

Future Phare support is likely to be directed towards the improvement of transit traffic through Lithuania. Another planned assistance, to be provided under the Cross Border Cooperation programme of Phare, concerns the development of navigation aids, for which the Lithuanians have submitted a request recently.

The Dutch government has financed a study of dredging and disposition of contaminated material in the harbour, and is also financing an ongoing study concerning a proposed project for the deepening of the entrance channel. As part of this proposed project, it is planned to in the next phase carry out an Environmental Impact Assessment; the funds are to be provided by the government of Japan through trust funds available to the World Bank.

Denmark has financed the preparation of a plan for pollution combatting for the Ministry of Environmental Protection (reported on in Preparation and Implementation of a National Oil Spill Contingency Plan for Lithuania, 1995). A proposal for a further phase of this study programme has been developed and involves development of actions for pollution prevention including the definition of required reception facilities. It has as yet not received funding.

Finally, through various German sources it has been possible for KSSA to obtain two search and rescue boats and to train staff in oil pollution prevention in the Port of Cuxhafen.

There may have been some - albeit probably harmless - overlap in donor activities in the sector. This refers primarily to oil pollution control and prevention, and training in the handling of dangerous goods, where several actors have been involved, but probably not in a way that resources have been used wastefully. Otherwise, the Swedish support is mainly being directed to the public functions under the Harbour Master, while other donors have been more involved in the Port proper and its operations.

4. THE SWEDISH SUPPORT - ROLE AND CONTENTS

4.1 Overall role

The Swedish support is mainly of an institution building nature, with an emphasis on formal and on-the-job training in order to transfer methods and techniques used for the execution of functions which are typically performed by a maritime administration.

However, part of the support has also been directed at the provision of equipment to the Lithuanian Maritime Rescue Coordination Centre (MRCC), which is operated by KSSA. This hardware support, which is part of two projects (LTU0471 and LTU0471, extension), is worth about SEK 1.59 million, the only support of this nature financed by Sida under the assistance programme to the Lithuanian maritime sector.

4.2 Review of Projects

The projects subject to evaluation comprise one project which was part of the third phase (i.e., it was implemented during 1993, all four projects which comprised the fourth phase and were implemented during 1994 and 1995 and which still are under implementation during 1996, and one project which makes up the fifth phase and which is planned to be completed during this year. For a list of the projects, see Annex 1 or 2.

The project 'Aids to Navigation' is reported on in the report *Aids to Navigation; Rehabilitation Programme; Lithuania*; October 1993. Main achievements were (i) an identification of the navigation aids in Lithuanian waters; and (ii) proposals for a crash programme and a medium term programme for the rehabilitation and upgrading of navigation aids. When evaluating this support it has to be remembered that it was undertaken at a time when the Russians were in the process of handing over the navigation aids to the Lithuanian authorities, which took place in mid-1993, and before the full establishment of KSSA, and hence before a more definitive organisational framework for the operations of navigation aids had come into being.

During phase four, there has been a continuation of the support to navigation aids, 'Aids to Navigation; Phase 2'. The purpose of this project was to provide support to the new entity within KSSA to be responsible for navigation aids, including training of technicians and in international procurement procedures, as well as the establishment of plans of maintenance for navigation aids, etc. The project was to be initiated during spring 1994 and completed before the end of the summer 1994, according to the TOR for the project. As of today, the project has not been completed and there is no final report. It is understood that the project has mainly served and will come to serve as an extension of the Phase 1 project, and so far it has also had an emphasis on the modernisation of navigation aids. It is also understood that the main reason for this is that KSSA was in effect not involved in the Phase 1 navigation aid project, as it was implemented before KSSA's establishment. Another reason is that KSSA has not been able to give priority to navigation aids, and the renewal of these aids, including the establishment of an appropriate organisation for their operation and maintenance until during 1996. According to SNMA, a not insignificant part of the project remains to be carried out; this will be done during 1996, and will be reported on before the end of the year. The focus on the continued support will be on replacement and renewal needs, but attempts will be made to integrate the needs for organisational development in this area as well.

A main component of the Swedish support has been a project to establish the MRCC of KSSA. The background to this project is that during the days of the former Soviet Union there was no separate MRCC; this function was performed within such organisations as Morflot. There has therefore been a need to reorganise the function and also to upgrade it to ensure that it would meet recognised requirements in terms of international conventions acceded to or to be acceded to by Lithuania. LTU0471 comprises two projects (with different names but referred to with the same Sida number): (i) 'Rescue at Sea and Oil Pollution Response'; and (ii) and an extension called 'Equipment for the Lithuanian Search and Rescue Centre'. The first project comprised equipment and institutional support in order to develop plans for SAR and OPR, as well as training, while the second project only comprised equipment. The impression gained by this Consultant is that the two projects when seen together have mainly had a hardware focus; the software components have to some extent come to be implemented as part of a different project, BAL0531, 'Search and Rescue at Sea'; see below.

The hardware orientation is underlined by the fact that the first project was extended, and that this extension only comprised additional hardware. The background to the extension seems to be that the original project would only provide - albeit extensive - yet incomplete radio coverage by way of VHF-communication, the normal equipment used by all types of boats, including by search and rescue units. During 1994, it however emerged that under a different Swedish support - the Sovereignty Support - Lithuania would be provided with a new surveillance system, and the radiolink system to be provided under this separate support would allow for an expansion of the originally proposed system at low cost to give a more complete radio coverage on, in particular, the VHF-range.

Three issues have emerged as concerns this project, viz. (i) the actual performance to be attained by the project; (ii) the fact that some of the equipment does not perform adequately; and (iii) the provision of training for the future maintenance of the equipment.

As concerns the performance, there appears to be different opinions as to what was to be expected of the project between SNMA and KSSA. In the opinion of this Consultant this is not surprising, as none of the base documents for this project, i.e., the TOR and the Sida decision memorandum contains any clear performance specifications. The Sida memorandum refers to equipment required for maintaining a minimum level of functioning sea rescue system, while the TOR does not contain any performance specifications at all. It is understood by this Consultant that the SNMA's views are that it would suffice with a certain level of radio system in order to establish an MRCC, while the ambitions of KSSA apparently have been set higher, and thus to provide higher performance equipment. It is understood that the type of equipment that KSSA wanted to install will not be required in terms of international conventions for yet some time to come, and also that such equipment apparently at present is not being used in general by other countries in the Baltic Sea⁵. A contributing factor to this situation is the contractual arrangements, i.e., that MOT, and not KSSA, is the signatory to the agreement for the project.

⁵ The situation is made more confused by that Sida appears not to have understood the importance and significance of performance specifications. In the decision memorandum on the extension of the project it is stated that the motive for the additional equipment was that the equipment to be provided under the first project 'later turned out to be insufficient in order to attain the minimum requirements of the IMO, the UN's maritime safety organisation' (this Consultant's translation from Swedish). No definition is, however, provided of what is meant by 'minimum requirements'. In addition, if such an error had been committed by the responsible organisation, i.e., SNMA, as intimated by this formulation, it must be viewed as an exceptional argument to say that because an error had been made then additional public money should be spent in order to allow this same organisation to remedy the problem. It is this Consultant's understanding that the real motive for the additional project - the extension - was of a different nature as explained in the main text.

The equipment has now been installed and has come into operation towards the end of 1995, but has not yet been commissioned (see below). It has provided the MRCC with a complete system for radio communications, allowing also for remote control of other radio stations along the coast of Lithuania. This equipment can with minor modifications be modified and upgraded to meet the full requirements in terms of the Global Maritime Distress and Safety System (GMDSS). However, the equipment does not work properly, e.g. the VHF station in Nida and the HF station in Svetoji. The first problem is related to the radiolink which is actually part of those other components which are being supplied under the Sovereignty Support, while the other problem is a warranty issue to be solved by the concerned manufacturer. It appears that it is still unclear how this latter problem is to be sorted out⁶. The first problem will apparently be solved during the coming months when a new radiolink will be installed to link up with Nida, as part of the Sovereignty Support. SNMA believes that it will be possible to solve also the other problem in the near future.

As concerns the third issue, training, KSSA is of the opinion that no or inadequate training has been provided for the maintenance of the new equipment. SNMA's views are that training has been provided but that there has been a lack of English-speaking counterpart trainees.

The three issues associated with the implementation of these two - equipment-oriented - projects in effect reflect that they have been incorrectly structured. The implementation arrangements are not in line with what is normally used in the commercial sector and - generally - also for the implementation of donor financed projects. The normal procedure for the implementation of supplies and civil works contracts thus requires the clear identification of and distinction between three roles, the contractor, the client/employer and the engineer/advisor. In this project SNMA appears as both the contractor (albeit only partially) and as advisor, and therefore performs two incompatible roles. The normal arrangement also requires that the advisor undertakes and agrees with the client on the performance specifications to be met by the equipment to be installed.

According to the original schedule, the project 'Rescue at Sea and Oil Pollution Response' was to be completed during 1994. It is understood by this Consultant that the extension, 'Equipment for the Lithuanian Search and Rescue Centre', was expected to be completed during 1995. While most of the equipment came into operation late 1995, it now seems likely that the two projects will not be fully completed until the end of 1996.

The fourth project in the fourth phase 'Inspection of Ships' has also not been completed and reported on. One component of the project is to train KSSA staff to be able to undertake inspection of ships including both flag and port state control. Another component is to train KSSA and LISCO staff in the procedures for the treatment of dangerous and hazardous goods to enable Lithuania to, *inter alia*, meet the requirements under the Baltic Agreement on Sea Transport of Dangerous Goods. According to the schedule under the TOR for this project it should have been completed during the autumn of 1994. It is understood that the training programme will now be completed during the autumn of 1996. According to SNMA, the main reason for the delay in implementation is the heavy work load that SNMA has experienced since the autumn of 1994.

⁶ This actually highlights another aspect of this equipment supply project, i.e. that there is a conflict of interests as discussed later on in the report, as SNMA is both an advisor and a contractor. In addition, and linked to this arrangement, the agreement for the installation (signed by MOT and SNMA) does not impose on the contractor the need to deliver a functioning system to be verified through the process of commissioning. Instead the agreement says that all "warranty matters concerning delivered hardware should be handled by the Client directly with the manufacturer". The client is also obligated to verify the delivery to BITS when executed. It is unclear whether this is in accordance with or contrary to the then BITS policies or that this arrangement reflects an absence of policies on part of BITS in this area.

The project concerned with SAR in the fifth phase, i.e., 'Search and Rescue at Sea'⁷, which is a joint programme for the Baltic states has essentially been completed for Lithuania. The ultimate aim of the project is to ensure that staff are adequately trained and routines have been developed for SAR and OPR operations to enable the Baltic states to perform these functions in accordance with international requirements. No final report has as yet been made available for this project, as the project component for Latvia has not been fully completed. As noted above, this project comprises a component which overlaps with project LTU0471, and the same support for the SAR function in Lithuania has hence been provided in terms of two different projects.

⁷ This project is not listed in the TOR for the evaluation exercise, but has been added by this Consultant as it was part of the evaluation exercise carried out of the Sida support to the Estonian maritime sector in 1995.

5. EVALUATION OF THE SWEDISH SUPPORT

5.1 Introduction

In the report *Transport and Communications in the Baltic States; A review of BITS-financed projects and a strategy for the future*, November 1993, a number of recommendations/guidelines were presented concerning the future support to, *inter alia*, the maritime sector in Lithuania, including:

- support should be provided to non-revenue generating activities concerned with the performance of basic public functions and with an emphasis on institution building;
- support should be based on a request from the proposed recipient party, and should preferably be linked to an explicit development programme for this party;
- greater use should be made of experts stationed for longer periods of time in the country
- more emphasis should be placed on vocational training;
- arrangements for implementation should be made more detailed and mixed teams for implementation should be made use of; and
- indicators of achievement should be introduced in order to allow for the monitoring of results of the projects.

It appears that the projects which have been implemented or are being implemented in the Lithuanian maritime sector since the publication of this report have only to a limited extent followed these guidelines. However, it is to be noted that the focus of all the support has been on the development of basic public functions with, in principle, an emphasis on institution building. In terms of the above-mentioned report, this criterion was to be seen as the most important when identifying suitable support.

On the other hand it may be queried why equipment supply - hardware - has come to play such an important role in Lithuania. During the period of BITS, this was not a normal area of support. More importantly, however, is that KSSA is a revenue-generating organisation, which is understood to have considerable financial resources at its disposal. Indeed KSSA is expected to operate on a self-financing basis, and at present receives no subsidies or other financial resources from the government. Major investments are therefore currently being financed by contracting long-term loans from international financing institutions. It is also understood that all the functions of KSSA, i.e., including the Harbour Master's Office, are operated under one unified budget⁸.

As concerns the other criteria, there is no evidence that a development programme was ever formulated for the development of the Harbour Master's Office of KSSA, which must be judged as unfortunate in view of (i) the size of the Sida support; (ii) that KSSA - in effect a new organisation - came into being as late as 1 January 1994; and (iii) that the language problems make working in Lithuania more difficult than in many other countries, including the two other Baltic states .

The stationing of personnel for longer periods has not taken place (item 3), and the projects under review here have all been characterised by, in the same way as the projects implemented during the period up to and including 1992, of visits of short duration. The stationing of experts for longer periods of time would probably have been helpful given the more difficult circumstances of operating in Lithuania. Also the Lithuanians have expressed concerns about the short visits paid by SNMA staff and consultants.

⁸ While it could be argued that it was necessary to finance the equipment for the MRCC in order to ensure the timely provision of adequate SAR capacity in Lithuania, it could also be argued that such support may distort incentives and create aid dependency.

Vocational training (item 4) has clearly only been relevant for some projects, where this method also appears to have been used successfully. Vocational training has been the core of the SAR projects, and has or will also play a role in the navigation aid project.

Little attention appears to have been paid to implementation arrangements (item 5). This is evidenced by the significant delay that all the projects during the fourth phase has experienced. All of these projects should have been completed during 1994 according to the original time schedule, although the extension of project LTU0471 resulted in a new expected completion date for sometimes during 1995. None of the projects has been (fully) completed at the time of writing of this report, and current plans for their completion suggest that all the projects will not be completed until towards the end of 1996.

More significant in this regard is the absence of proper arrangements for the implementation of the equipment supply component for the MRCC, which has been characterised by a lack of clear and functional identification of the role of the different actors. It is this Consultant's view that the improper arrangements for the implementation of the equipment component is a cause of concern in spite of the small size of the project. Swedish development aid should never be permitted to be used to create conflict of interests between various actors in what is essentially a contractual arrangement for delivering well-specified services and supplies. In this particular instance the condition that the real client - KSSA - has not been party to any contract has made the weakness of the applied arrangements more apparent.

Finally, indicators of achievement have to some extent been introduced, for example for project LTU0472. Indicators have also been established for the SAR project but formulated in a way that they are not operational, i.e., they cannot be used to measure the achievements of a particular effort in an unequivocal way. For example, one indicator is the signing of bilateral SAR agreements with neighbouring states. It is understood that such agreements do not yet exist, but the explanation for this is likely to be quite complicated and not related to the efforts or lack of efforts under the 'Search and Rescue at Sea' project. Another indicator used is the ratification of the SAR Convention, which in the case of Lithuania is still not in the process of being achieved. Again, this delay should, however, not be seen as an indication of the project not having achieved its real objectives. Similar types of criticism can also be directed against the indicators used for project LTU0472, i.e., the actual implementation - implying the signing - of the Baltic Agreement on Sea Transport of Dangerous Goods.

5.2 Results

It is too early to make a definitive assessment of the results of the support to the Lithuanian maritime sector as the projects have not been concluded (with one exception). It appears, however, that the projects have not been implemented effectively, in view of the considerable delay in project completion. As concerns the equipment for the MRCC, sustainability is also unclear. The complaint by KSSA that they are not able to maintain the new equipment for the MRCC is thus a cause for concern. This situation is aggravated by the fact that KSSA apparently does not have staff on hand which is adequately skilled in making use of some of the equipment (staff properly trained in radio communications). During this Consultant's visit to Klaipeda no solutions were in the pipeline for dealing with these two problems.

There is an awareness in the Ministry of Transport that progress on the projects has not been as envisaged. One argument given is that there has not been a steering group for the implementation of the projects. The mechanism for the implementation of Phare-financed programmes - where use is made of a steering group - was referred to as an example to illustrate how project implementation can be made more effective.

This, however, appears not to be a justified assessment. In fact a steering group has existed at least for part of the period, and this group has met on three occasions. The group has comprised staff of the Ministry, KSSA and SNMA as members. The impression gained by this Consultant is that the workings of this group have not attracted sufficient attention by the top management of neither KSSA nor the Ministry, which ultimate is believed to reflect the condition that the Swedish support is not seen as the 'hot stuff'⁹. There are other matters in the maritime sector (see below), which are apparently viewed as much more important. Also, the method of work of the Swedish partner - SNMA - i.e., the reliance on short-term visits, has not been helpful in order to ensure full awareness and appreciation of the Swedish support to the maritime sector. By contrast, the Phare-programme includes, as mentioned, a full time advisor to the MOT.

In summary, a number of reasons can be identified for the current situation:

1. Inadequate project preparation. The more fundamental question that has not been addressed is what is required in order to be able to work effectively in the Lithuanian environment. A second important set of questions which have not been considered adequately are (i) if an equipment supply project is appropriate; and if so (ii) which are the appropriate arrangements for implementing such a project.
2. Inadequate recognition by the Lithuanian side of the need and importance to build up the public functions in the maritime sector. Clearly the Harbour Masters Office understands these needs, but administratively and financially this organisation is part of KSSA, which is mainly concerned with the development of Klaipeda Port from a commercial point of view and as a major transshipment facility for goods to and from large parts of the CIS. These matters appear also to be the major concern of the Ministry, the principal of KSSA.
3. The language problems. KSSA staff have an inadequate command of English. Indeed, it appears that far too small resources are being devoted to language training of KSSA staff, which must be viewed as a strategic mistake.
4. Inadequate resources on part of SNMA. SNMA is involved in several projects of a similar nature in other countries, including in the other Baltic states, which when taken together demand a considerable amount of resources. At the same time, SNMA employees have to perform their ordinary duties. This Consultant is under the impression that working in Lithuania is viewed as more difficult than working in some other places, *inter alia*, on account of the language problem, which means that Lithuania, in effect receives less priority although this may not be intended or even less an explicit policy.

5.3 Lessons for the Future

The lessons to be learnt from the Lithuanian experience are straightforward (as they have been learnt from numerous projects before):

1. When it comes to larger support programmes, such as the one to the Lithuanian maritime sector, there is no escape from adequate project preparation. Project preparation implies firstly a careful definition of what is to be attained, secondly how

⁹ That inadequate attention may have been paid to the work of this steering group is suggested by a sample of minutes of meeting shown to this Consultant. These minutes were hand written, had no distribution list attached and did not include any items referring to matters pending. It is also clear that during the meeting concerned, no proper review was made of the progress of the various projects against the scope of work and time schedules set out in the TOR for these projects.

this is to be attained and thirdly an identification of the necessary conditions to be fulfilled for successful project implementation.

2. The recipient must be in the driver's seat. The donor or the agents used by the donor must not be allowed to drive the project. The recipient must make a commitment, and must be made to understand that he/she is ultimately responsible for results being attained.
3. There must be some system for enforcing accountability on part of the recipient. This implies firstly that projects are only initiated provided the recipient actually implements measures seen as necessary for successful project implementation and secondly that there is agreement on performance indicators to be used to measure achievements under the project. These indicators must be carefully - and mutually - selected.
4. As far as possible, conventional - established - contractual arrangements should be employed for the provision of services and supplies.

On the other hand, it should also be stated that for smaller support programmes with a clear operational focus, such as training in specific skills - it is possible and justified - to apply the more simplified approach to project definition that was traditionally used by the then BITS.

6. FUTURE SUPPORT

Both MOT and KSSA are of the opinion that the main priority for future support is the completion of the ongoing activities. In the longer term, both these parties envisage the need for additional support, but with an emphasis on equipment supply. KSSA indicated - as a matter of priority - the need for surveillance equipment and procedures for the Port in order to ensure adequate safety and protect the Port from incursion by people without permits. The MOT suggested the provision of necessary reception facilities to handle, for example oil spills, etc.

There is a need for Sida to carefully consider the relevance of support mainly with a hardware orientation for the future. Firstly, KSSA is a self-financing institution and must not become aid dependent for supplies that it essentially could and should finance on its own¹⁰. Secondly, there is a need to strictly follow certain procedures when it comes to equipment supplies to be financed by donor funds in order to ensure accountability, and smaller equipment supplies can often not be handled efficiently when such procurement rules and policies have to be applied.

This Consultant is of the opinion that the original focus of the Swedish support is still relevant and appropriate, i.e., support of an institutional development nature for the performance of basic public functions in the maritime sector. The recent IMO-report (see footnote 3) also suggests that several needs still have to be met, including:

- (i) the development of the legislation to ensure that it appropriately gives effect to conventions already acceded to by Lithuania;
- (ii) analysis of need for accession to other maritime conventions and to assist in the preparation of the associated primary legislation¹¹;
- (iii) the development of an appropriate framework of regulations to make the primary legislation operational;
- (iv) the establishment of a monitoring system for the work being done by classification societies;
- (v) a review of the current contractual arrangements between MOT/KSSA and the classification societies; and
- (vi) the development of an appropriate framework for the management of the International Safety Management certification aspects of the SOLAS Convention.

It also appears clear that there is a need for additional training in a number of skills required by a modern maritime organisation, and related to public functions such as the enforcement of rules concerning safety, the handling of pollutants and dangerous goods, and the performance of search and rescue functions. A major constraint to successful support in this area is, however, the inadequate command of English in Lithuania.

It is, however, recommended that additional support on a larger scale only be provided after a proper project definition exercise has been carried out. And further support should not be initiated until agreement on required implementation arrangements has been reached with the concerned parties in Lithuania, i.e., the Minister or Deputy Minister of Transport and the Director of KSSA.

¹⁰ It is to be noted that reception facilities may be operated also by other organisations.

¹¹ Lithuania has not acceded to any conventions since the end of 1991.

7. CONCLUSIONS AND RECOMMENDATIONS

While the Sida-financed support to the maritime sector in Lithuania, in principle, has had a clear and relevant focus, end results have so far not materialised (fully). The main reason for this situation is that several of the projects have not yet been fully completed. The slow pace of implementation, on the one hand, reflects inadequate preparation of the support programme, but also that the arrangements to be put in place to ensure proper project implementation have been weak. In addition, monitoring of project progress by both Sida and MOT, Vilnius appears to have been inadequate.

While the maritime administration in Lithuania now in essence is up and running, there are still a number of needs that may warrant Swedish support, after the completion of the ongoing programme of support. Part of such support should be straightforward - support with a clear focus on either the development of operational skills (vocational training) or the provision of such skills (e.g. consultancy services to assist with design and procurement) - provided that such support is on a small scale and clearly is of a stand-alone nature.

More ambitious assistance in the institution building field may also be justified. For such assistance to materialise, it will however be absolutely essential for Sida to ensure that the proposed projects are developed adequately. In particular this means that appropriate conditions and arrangements for implementation have been established and that all these arrangements as well as the scope of the proposed project have the full support of all relevant Lithuanian parties. There is therefore a need to develop the support programme as part of a more general development programme which should first be formulated and discussed extensively with the Lithuanian parties concerned before the specifics of the support programme are determined.

Annex 1

Lithuania: BITS/Sida-Financed Projects in the Maritime Sector

The list includes all projects, including projects involving all three Baltic states. These latter projects are identified by 'BAL', while projects only involving Lithuania are identified by 'LTU'. The projects subject to evaluation are marked by *.

Projects	Cost	Year Approved
<u>Phase one:</u>		
BAL0091 Seminars in Maritime Safety	544 100	1991
<u>Phase two:</u>		
BAL0201 Baltic Transit - Maritime Links to Future Transport Network	870 000	1992
BAL0201 Seminar Baltic Transit - Maritime Links to Future Transport Network - Extension	140 000	1992
BAL0211 Seminars on Management of Maritime Safety and Environmental Protection	507 000	1992
BAL0231 Establishing Institutions and Routines for Search and Rescue and Oil Pollution Response	540 000	1992
<u>Phase three:</u>		
LTU0311 Aids to Navigation*	195 000	1992
BAL0381 Applied Operational Maritime Safety and Environment Protection	889 000	1992
<u>Phase four:</u>		
LTU0312 Aids to Navigation; Phase 2*	295 000	1994
LTU0471 Rescue at Sea and Oil Pollution Response*	1 600 000	1994
LTU0471 Equipment for the Lithuanian Search and Rescue Centre*#	590 000	1994
LTU0472 Inspection of Ships*	376 000	1994
# This project is an extension of the previous project with the same number.		
<u>Phase five:</u>		
BAL0531 Search and Rescue at Sea* ¹²	1 886 850	1994

Total appropriations for BAL-projects: SEK 5 376 950

Total appropriations for LTU-projects: SEK 3 056 000

¹² See footnote 6.

Annex 2

Terms of Reference (to be inserted later)

TERMS OF REFERENCE

Evaluation of BITS/Sida's Support to the Maritime Sector in Latvia and Lithuania

Background

BITS has been providing support to the Latvian and Lithuanian maritime sectors since 1991. By spring 1996, this support had come to comprise 7 projects at a total cost of approximately SEK 3.828.000. Latvia and Lithuania have also benefitted from BITS/Sida supported projects to the maritime sector which have been directed simultaneously to all three Baltic states. A complete list of the bilateral projects for Latvia and Lithuania is found here below.

The recipient of this aid has been

for Latvia: Maritime Administration Department
Ministry of Maritime Affairs

for Lithuania: Ministry of Transport

The Swedish partner has been the Swedish National Maritime Administration.

The projects have mainly involved institution building activities, including staff training in areas such as management, safety at sea, operational safety of ships and environmental protection and combatting oil at sea.

In view of the large number of projects to the development of the maritime sector in the Baltic States, Sida has decided to undertake a review and evaluation of the achievements to date and to identify whether any motives for continued assistance to the sector are at hand. 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, results, cost-effectiveness, sustainability and effects of the support so far provided to the development of the maritime administration in the Baltic States, and identify major issues with respect to project definition and implementation.

To identify aspects to consider in any possible further Sida support to the sector to ensure effective support and the establishment of the Latvian and Lithuanian maritime sector on a self-sustained basis.

Scope of work

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

1. A brief description of the current institutional structures of the two countries as concerns the maritime administration in Latvia and Lithuania, including the current legal framework, and identification of major changes in the process which have been implemented.
2. Describe the overall strategy used by the respective Maritime Administrations to build up and establish fully fledged maritime administrations and identify current plans under formulation or implementation to this end.
3. Describe other donor support of importance - from all different sources and not only from BITS/Sida - to this sector. Identify the thrust of the support of the different sources of support.
4. Identify the role played by BITS/Sida support within the overall framework of the development of the Maritime Administrations and in the context of support from other possible sources.
5. Review each of the projects funded so far by BITS/Sida, identify their specific roles, their objectives, and any performance indicators specified for the project. Assess the projects against these roles, objectives and performance indicators.
6. Evaluate the relevance of the support from the point of view of the strategy for donor support identified in the report *Transport and Communications in the Baltic States, November 4, 1993*.
7. 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 Latvian and Lithuanian side, including important features in the enabling environment.
8. Comment briefly on possible impact on equality between men and women
9. Describe possible impact on the environment

10. Identify the need for further support, and the scope, objectives and arrangements of such support.

Method of work and Time Schedule

Study of relevant documentation available at Sida. To collect the required material, the Consultant will initially visit the Swedish National Maritime Administration in Norrköping, who has been the lead consultant for all the consultancy services provided to date. He will then visit relevant counterparts in Riga, approximately 3 days as well as Vilnius and Klaipeda for approximately 4 days, 7 days in total, for fact finding. Preferably, the visits should be made before 31 May 1996.

Reporting

Within 10 working days from the end of the visit of the capital cities, the Consultant will submit first draft reports to each counterpart in the respective countries and to the Swedish National Maritime Administration for their review. After having received the comments from the counterparts and from the Swedish National Maritime Administration, draft final reports will be submitted within five working days to Sida.

All reports should be written in English in three copies, one for each country and include executive summaries and a final report shall be delivered to Sida not later than June 26, 1996.

The final report shall be outlined in accordance with Sida's standard beginning with a comprehensive summary of conclusions and recommendations. A separate summary shall be produced in accordance with the outline in "Sida Evaluations Newsletter: Instructions for Evaluations Managers and Consultants", as well as a completed form of "Sida Evaluations Data Worksheet".

Undertakings

Sida will inform relevant ministries of the evaluation and forthcoming visits by the Consultant. The Consultant will be responsible for practical arrangements in conjunction with the missions to the Latvia and Lithuania 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.

Annex 3

Persons Interviewed

Ministry of Transport:

Algirdas Sakalys, Deputy Minister, Head of Project Management Unit
Mr. Juozas Darulis, Director, Water Transport Department
Mr. Robertinas Tarasevicius, Head of International Relations, Water Transport Department
Mr. Pasquale Staffini, Phare-financed Consultant, Deputy Head, Project Management Unit

Klaipeda State Seaport Authority:

Mr. Valentinas Greiciunas, Director
Mr. Antanas Draugelis, Deputy Director and Chief Engineer
Ms. Felicija Smitiene, Assistant
Mr. Richardas Luchka, Deputy Harbour Master
Capt. Romualdas Marsulas, Captain Co-ordinator, Maritime Rescue Coordination Centre
Mr. Algirdas Kamarauskas, Head, Engineering Communications Department
Capt. Jonas Suris, Head, Port State Control

Swedish National Maritime Administration:

Joackim Heimdal, Norrköping
Sven Kurin, Lighthouse engineer, Norrköping
Thomas Ljungström, Head of Budget Department, Norrköping
Willand Ringborg, Director, International Projects, Norrköping

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Department for Democracy and Social Development
- 95/2 Agitators, Incubators, Advisers - What Roles for the EPU's? Joel Samoff
Department for Research Cooperation
- 95/3 Swedish African Museum Programme (SAMP). Leo Kenny, Beata Kasale
Department for Democracy and Social Development
- 95/4 Evaluation of the Establishing of the Bank of Namibia 1990-1995. Jon A. Solheim, Peter Winai
Department for Democracy and Social Development
- 96/1 The Beira-Gothenburg Twinning Programme. Arne Heileman, Lennart Peck
The report is also available in Portuguese
Department for Democracy and Social Development
- 96/2 Debt Management. (Kenya) Kari Nars
Department for Democracy and Social Development
- 96/3 Telecommunications - A Swedish Contribution to Development. Lars Rylander, Ulf Rundin et al
Department for Infrastructure and Economic Cooperation
- 96/4 Biotechnology Project: Applied Biocatalysis. Karl Schügerl
Department for Research Cooperation
- 96/5 Democratic Development and Human Rights in Ethiopia. Christian Åhlund
Department for East and West Africa
- 96/6 Estruturação do Sistema Nacional de Gestão de Recursos Humanos. Júlio Nabais, Eva-Marie
Skogsberg, Louise Helling
Department for Democracy and Social Development
- 96/7 Avaliação do Apoio Sueco ao Sector da Educação na Guiné Bissau 1992-1996. Marcella
Ballara, Sinesio Bacchetto, Ahmed Dawelbeit, Julieta M Barbosa, Börje Wallberg
Department for Democracy and Social Development
- 96/8 Konvertering av rysk militärindustri. Maria Lindqvist, Göran Reitberger, Börje Svensson
Department for Central and Eastern Europe
- 96/9 Building Research Capacity in Ethiopia. E W Thulstrup, M Fekadu, A Negewo
Department for Research Cooperation
- 96/10 Rural village water supply programme - Botswana. Jan Valdelin, David Browne, Elsie
Alexander, Kristina Boman, Marie Grönvall, Imelda Molokomme, Gunnar Settergren
Department for Natural Resources and the Environment
- 96/11 UNICEF's programme for water and sanitation in central America - Facing new challenges and
opportunities. Jan Valdelin, Charlotta Adelstål, Ron Sawyer, Rosa Nunes, Xiomara del Torres,
Daniel Gubler
Department for Natural Resources and the Environment
- 96/12 Cooperative Environment Programme - Asian Institute of Technology/Sida, 1993-1996. Thomas
Malmqvist, Börje Wallberg
Department for Democracy and Social Development
- 96/13 Forest Sector Development Programme - Lithuania-Sweden. Mårten Bendz
Department for Central and Eastern Europe

- 96/14 Twinning Programmes With Local Authorities in Poland, Estonia, Latvia and Lithuania. Håkan Falk, Börje Wallberg
Department for Central and Eastern Europe
- 96/15 Swedish Support to the Forestry Sector in Latvia. Kurt Boström
Department for Central and Eastern Europe
- 96/16 Swedish Support to Botswana Railways. Brian Green, Peter Law
Department for Infrastructure and Economic Cooperation
- 96/17 Cooperation between the Swedish County Administration Boards and the Baltic Countries. Lennart C G Almqvist
Department for Central and Eastern Europe
- 96/18 Swedish - Malaysian Research Cooperation on Tropical Rain Forest Management. T C Whitmore
Department for Research Cooperation, SAREC
- 96/19 Sida/SAREC Supported Collaborative Programme for Biomedical Research Training in Central America. Alberto Nieto
Department for Research Cooperation, SAREC
- 96/20 The Swedish Fisheries Programme in Guinea Bissau, 1977-1995. Tom Alberts, Christer Alexanderson
Department for Natural Resources and the Environment
- 96/21 The Electricity Sector in Mozambique, Support to the Sector By Norway and Sweden. Bo Andreasson, Steinar Grongstad, Vidkunn Hveding, Ralph Kårhammar
Department for Infrastructure and Economic Cooperation
- 96/22 Svenskt stöd till Vänortssamarbete med Polen, Estland, Lettland och Litaunien. Håkan Falk, Börje Wallberg
Department for Central and Eastern Europe
- 96/23 Water Supply System in Dodota - Ethiopia. Bror Olsson, Judith Narrowe, Negatu Asfaw, Eneye Tefera, Amsalu Negussie
Department for Natural Resources and the Environment
- 96/24 Cadastral and Mapping Support to the Land Reform Programme in Estonia. Ian Brook
Department for Central and Eastern Europe
- 96/25 National Soil and Water Conservation Programme - Kenya. Mary Tiffen, Raymond Purcell, Francis Gichuki, Charles Gachene, John Gatheru
Department for Natural Resources and the Environment
- 96/26 Soil and Water Conservation Research Project at Kari, Muguga - Kenya. Kamugisha, JR, Semu, E
Department for Natural Resources and the Environment
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- 96/30 Support to the Land Reform in Latvia. Ian Brook, Christer Ragnar
Department for Central and Eastern Europe

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Department for Central and Eastern Europe
- 96/32 Support to the Road Sector in Latvia. Anders Markstedt
Department for Central and Eastern Europe
- 96/33 Support to the Road Sector in Lithuania. Anders Markstedt
Department for Central and Eastern Europe
- 96/34 Support to the Maritime Sector in Latvia. Nils Bruzelius
Department for Central and Eastern Europe
- 96/35 Sida/SAREC's Marine Science Programs. Jan Rudengren, Per Brinck, Brian Davy
Department for Research Cooperation, SAREC
- 96/36 Support to the Development of Civil Aviation Administration in the Baltic States. Johan
Svenningsson
Department for Central and Eastern Europe
- 96/37 The Opening of the two Road Sectors in Angola. C H Eriksson, G Möller
Department for Infrastructure and Economic Cooperation
- 96/38 Statistikproduktion i Nordvästra Ryssland. Lennart Grenstedt. Also available in Russia
Department for Central and Eastern Europe
- 96/39 Sri Lankan - Swedish Research Cooperation. Nimal Sanderatne, Jan S. Nilsson
Department for Research Cooperation, SAREC
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- 96/41 Sida Support to Environmental Public Awareness and Training Projects through The Panos
Institute, Gemini News Service and Television Trust for the Environment. Leo Kenny, Alice
Petren
Department for Democracy and Social Development
- 96/42 Concessionary Credits in Support of Economic Development in Zimbabwe. Karlis Goppers
Department for Infrastructure and Economic Cooperation
- 96/43 Botswana Road Safety Improvement Projects. Rob Davey
Department for Infrastructure and Economic Cooperation
- 96/44 Programa de Estudo Pos Graduação - PEP Guinea Bissau 1992-1996. Roy Carr Hill, Ahmed
Dawalbeit
Department for Democracy and Social Development
- 96/45 Capacity Building and Networking, A meta-evaluation of African regional research networks.
Jerker Carlsson, Lennart Wolgemuth
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