



**LATVIAN ROAD ADMINISTRATION
ANNUAL REPORT 2001**





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Introduction on the Latvian Road Administration

The Latvian Road Administration (LRA) performs management of the state road network, administration of the State Road Fund and organisation of public procurement in order to provide the public with profitable, durable, safe and environmentally friendly state road network. Maintenance and development of parish, company and household roads is supervised.

Since June, 1997, the Latvian Road Administration is a Non-profit State Joint Stock Company that operates according to Company Statutes and the Agreement «On Road Sector Management» signed with its main client – the Ministry of Transport of the Republic of Latvia.

Tasks of the Latvian Road Administration are:

- ▶ to implement the counting, registration, management and protection of state roads;
- ▶ to prepare the strategy for state road network preservation and development;
- ▶ to administer the State Road Fund;
- ▶ to organise public procurement in the road sector;
- ▶ to organise and control road network design, construction, repairs and maintenance;
- ▶ to prepare legal acts of the road sector and control their implementation;
- ▶ to co-ordinate traffic safety organisation on roads;
- ▶ to supervise the construction, maintenance and protection of parish, company and household roads.

State road network

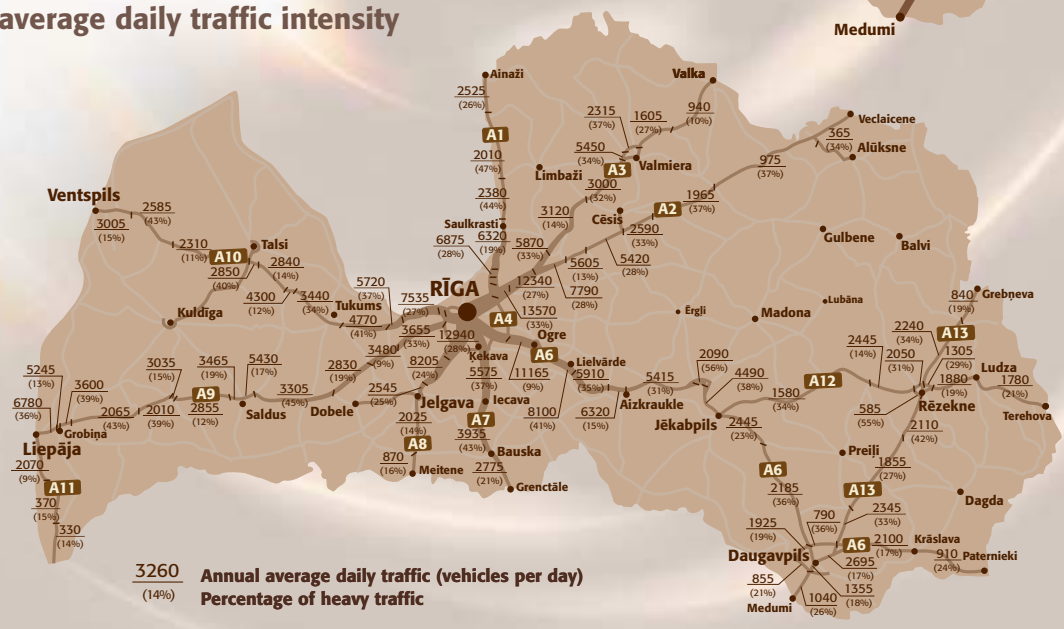
- ▶ Territory of Latvia: 64 589 km².
- ▶ Population as at December 31, 2001: 2 351 400.
- ▶ Total recorded length of roads and streets: 69 732 km.
- ▶ Average density of the road network: 1.08 km per 1 km².
- ▶ Number of registered vehicles: 776 229.
- ▶ Number of registered vehicles per 1000 inhabitants: 329.
- ▶ Number of registered cars: 586 209.
- ▶ Number of registered cars per 1000 inhabitants: 248.
- ▶ Losses to the public caused by road accidents in 2001: 190.6 million Lats.
- ▶ The Latvian Road Administration is responsible for 927 bridges, out of which 873 are reinforced concrete bridges, 14 – stone masonry bridges, 21 – steel bridges and 19 – wooden bridges.
- ▶ Total length of bridges: 31 105.97 meters.
- ▶ In the period of 1990–2001 81 bridge was reconstructed according to the European Union standards. Traffic loading calculations for bridges meeting the European Union standards were introduced: $k = 1$ for state main roads and $k = 0.8$ for other roads.



State road network



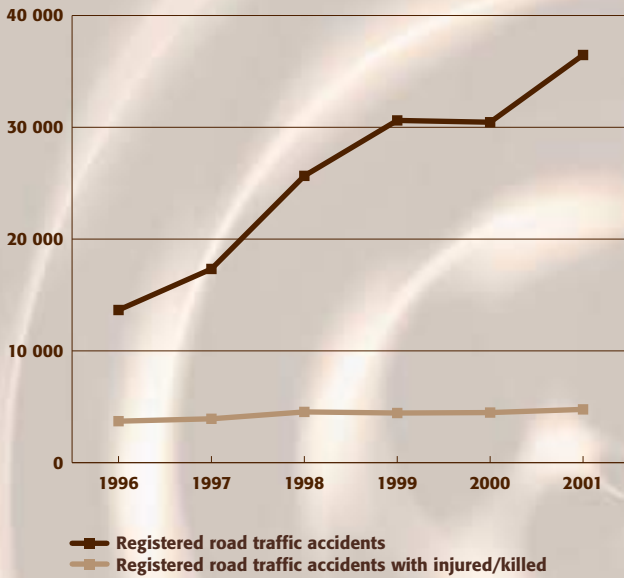
Annual average daily traffic intensity



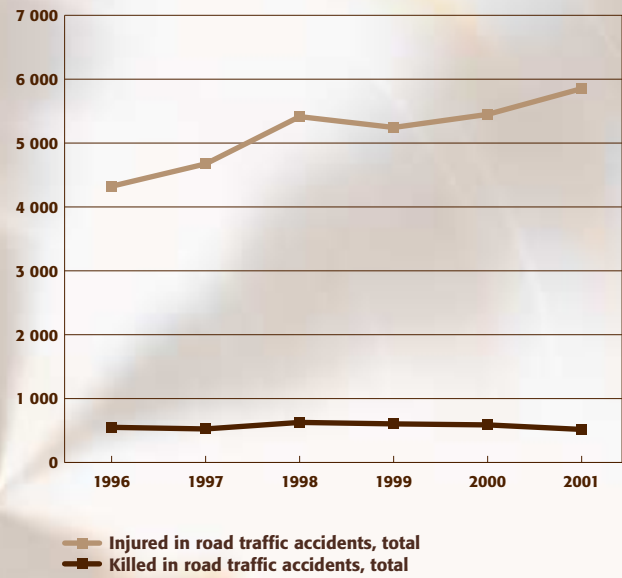
3260 Annual average daily traffic (vehicles per day)
14% Percentage of heavy traffic



Road traffic accidents

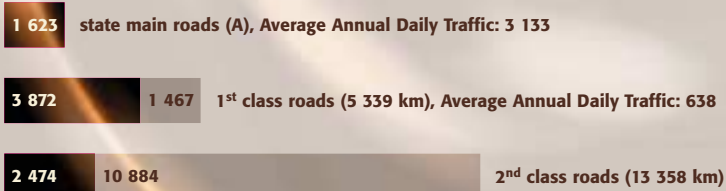


Injured/killed in road traffic accidents



Classes and average loading of the Latvian road network

State roads



Municipal roads and streets



Forest roads



Private roads





Section 1. Road and bridge periodic maintenance and reconstruction

In 2001 construction works within the scope of periodic maintenance and reconstruction programmes were implemented for the amount of 11.96 million Lats. 1.58 million Lats were allocated to Rural Road Improvement Programme. 0.29 million Lats from the State Road Fund were allocated as a share of the Ministry of Transport in municipal road programmes.

In 2001 in **periodic maintenance** and **reconstruction** works 94.78 km of roads were renewed for the amount of 9.62 million Lats.

In comparison:

160.43 km of roads for the amount of 7.09 million Lats were renewed in 2000;

502.7 km of roads for the amount of 14.88 million Lats were renewed in 1999;

347.1 km of roads for the amount of 20.68 million Lats were renewed in 1998;

322.6 km of roads for the amount of 10.15 million Lats were renewed in 1997.

Several technologies for periodic maintenance and reconstruction of road asphalt pavements were applied: reconstruction of asphalt concrete pavement (9.82 km), construction of asphalt concrete wearing course (28.42 km), recycling of the existing pavement with the construction of asphalt concrete pavement (36.15 km), recycling of the existing pavement with surface treatment (1.52 km) and surface treatment of the existing pavement (18.87 km). 31.76 km of asphalt concrete pavements were constructed using the resources of the Rural Road Improvement Programme, 0.9 km of asphalt concrete pavements on recycled base were reconstructed using the resources of the State Road Fund as a share of the Ministry of Transport in municipal road programmes. In the scope of **asphalt pavement periodic maintenance programme** works for the amount of 1.28 million Lats were executed. In total 62.76 km of asphalt concrete pavements were constructed. The most important sites were:

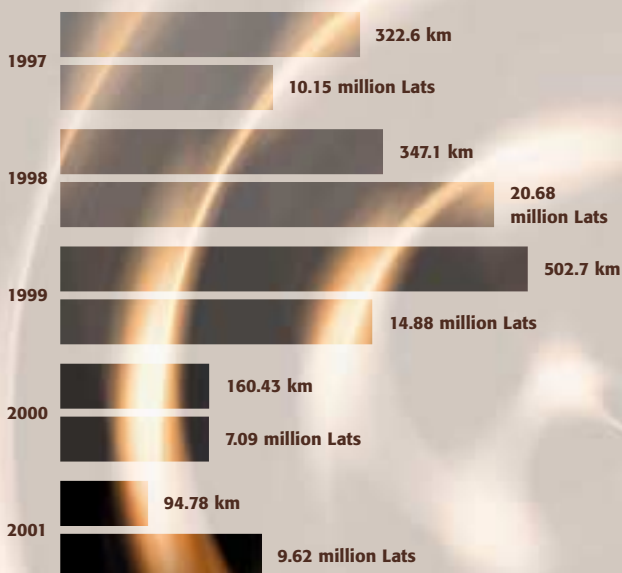
► recycling of the existing pavement and construction of asphalt concrete pavement on road A9 (Rīga (Skulte) – Liepāja),

Construction works in the state road network in 2001

Programme	Amount of implemented works, Lats
Periodic maintenance	3 096 188
Roads, asphalt pavements	1 280 066
Roads, gravel pavements	333 236
Bridges	503 461
Traffic safety	979 425
Reconstruction	8 867 605
Reconstruction of road sections	6 287 101
Bridges	863 521
Traffic safety improvement projects	1 716 983
Rural Road Improvement Programme	1 577 590
State Road Fund allocations as a share of the Ministry of Transport in municipal road programmes	286 669
Total	13 828 052



Road periodic maintenance and reconstruction



Bridge reconstruction



section from km 4.52 to km 9.2. Work costs were 333.4 thousand Lats.

► second stage of asphalt research project «LatvASTO» (in co-operation with the Finnish road research institute): construction of nine different types of asphalt concrete pavements on road A4 Riga bypass (Baltezers – Saulkalne) from km 12.47 to km 20.04. Work costs were 172.2 thousand Lats.

► construction of levelling course on road P89 Kekava – Skaistkalne, section 36.63 to km 47.05. Work costs: 116 thousand Lats.

► recycling of the existing pavement and construction of asphalt concrete pavement on road P87 Bauska – Aizkraukle, sections from km 1.397 to km 1.919 and km 3.358 to 8.56. Work costs: 242 thousand Lats.

In the scope of **gravel pavement periodic maintenance programme** works for the amount of 0.33 million Lats were executed.

The most important sites were:

► construction of gravel pavement on road V130 Igate – Inte station – Ozoliņi, section from km 0.0 to km 6.0. Works will be completed in 2002;

► periodic maintenance of gravel pavements on road P119 Kuldīga – Alsunga – Jūrkalne, section from km 30.628 to km 39.25, and road V166 Sigulda – Ropaži, section from km 1.05 to km 6.46.

In the scope of **bridge periodic maintenance programme** works for the amount of 0.5 million Lats were executed. Replacement of expansion joints, construction of asphalt concrete pavement, strengthening of bridge cones, repairs of guardrails, anchorages and stairs were executed on twenty bridges. Repair works of road interchange with railroad Limbaži – Rūjiena on road P15 Ainaži – Matīši in km 42.2 will be completed in 2002.

In the scope of **road traffic safety programme** works for the amount of 0.98 million Lats were executed. Horizontal markings on state main roads were painted for the amount of 930.6 thousand Lats, borderland signs and «E» signs were installed for the amount of 46.7 thousand Lats.

In the scope of **reconstruction programme** works for the amount of 8.87 million Lats were executed.

In the scope of **road reconstruction programme** works for the amount of 6.29 million Lats were executed. In total 32.02 km of asphalt concrete pavements were constructed. The most important sites were:

► pavement reconstruction on road A1 Riga – Estonian border (Ainaži), section from km 13.0 to km 21.2 (Gauja – Lilaste). Work costs: 2 444.3 thousand Lats.

► pavement reconstruction on road A7 Rīga – Bauska – Lithuanian border (Grenctāle), section from km 44.782 to km 65.212. Work costs: 3 541.4 Lats.

In the scope of **bridge reconstruction programme** works for the amount of 0.86 million Lats were executed, six bridges were reconstructed.

Most important sites:

► bridge over the Svēte, road A10 Rīga – Ventspils, km 159.2 (bridge length: 27 m; work costs: 300.6 thousand Lats);

► road interchange, road A10 Rīga – Ventspils, km 64.8 (bridge length: 55.1 m; work costs: 179.4 thousand Lats);

► bridge over the Iecava, road P99 Jelgava – Kalnciems, km 3.7 (bridge length: 52 m; work costs: 203.7 thousand Lats);

► culvert on the Vidusupe, road A10 Rīga – Ventspils, km 126.8 (work costs: 97.8 thousand Lats).

In the scope of **traffic safety improvement programme** works for the amount of 1.72 million Lats were executed in the reconstruction of Kalna and Zaļā streets in Bauska. Total reconstructed streets: 1.225 km.





Section 2. Latvian Rural Road Improvement and Development Programme

In 2001 the implementation of Latvian Rural Road Improvement and Development Programme included only the completion of the sites commenced in the previous year and the repayment of loan, which was borrowed to continue the Programme, and its interest. The financing for this purpose was provided by the Ministry of Transport from the State Road Fund in the amount of 3.202 million Lats, which was only 22.1% from the amount envisaged in the Latvian Rural Road Improvement and Development Programme approved by the Cabinet of Ministers on July 6, 1999.

The allocated amount was used to implement the Rural Road Regional Development Programme, which covers the routes of regional importance.

In the scope of this programme works for the amount of 1.5 million Lats were executed. 31.76 km of roads with asphalt pavement were rehabilitated, one new reinforced concrete bridge was built, capital repairs of two bridges were commenced. The biggest sites were:

► P111 Ventspils (Leči) – Grobiņa, section Jūrkalne – Pāvilosta from km 43.0 to 50.3. Preparation of asphalt concrete base in the length of 7.3 km was commenced, works were executed for the amount of 223 060 Lats. Contractor: SIA «Aizputes ceļinieks».

► P15 Ainaži – Matīši, section Mēnieki – Staicele. Asphalt concrete pavement was constructed in the length of 13 km. Contractor: SIA «Binders».

► P78 Pļaviņas – Ērgļi, section Mežezers – Odziena from km 2.3 to 8.7. Asphalt concrete pavement was constructed in the length of 6.4 km. Works were executed for the amount of 164 824 Lats. Contractor: JSC «8. CBR».

► P57 Malta – Sloboda, section from km 20.0 to km 36.5. Asphalt concrete pavement was constructed in the length of 16.5 km. Works were executed for the amount of 516 266 Lats. Contractor: SIA «Daugavpils ceļinieks».

► P73 Vecumnieki – Nereta – Subate, km 42.8. Construction of a reinforced concrete bridge over the Zalvīte river. Works were executed for the amount of 152 136 Lats. Contractor: JSC «8. CBR».

Though the implementation of Latvian Rural Road Improvement and Development Programme consisted mostly of the completion of previously commenced sites, the works were carried out in all regions of the country, and 32 km of asphalt pavements were reconstructed.

According to the order of the Ministry of Transport the Latvian Road Administration worked out the Rural Road Improvement and Development programme for 2002–2004. This Programme was approved

Rural road financing

Target programme	Amount of implemented works, Lats			Renewed roads, km		
	1999	2000	2001	1999	2000	2001
Projects of regional importance	1 461 000	3 626 380	1 458 338	19.738	69.475	31.76
Projects of local importance	6 510 000			703.670		
Projects of local importance (payment for works executed in 1999)		468 237				
Repayment of loan borrowed for rural road financing		1 599 980	1 508 170			
Financing of works commenced in 2000			100 917			
Design of rural roads		125 073	134 411			
Total	7 971 000	5 819 670	3 201 836	723.408	69.475	31.76

by the state institutions identified by the government and submitted to the State Chancellery for approval in the Cabinet of Ministers.

The renewal of the Programme was made possible only after May 24, 2001, when in the meeting for the revision of state budget programmes set the priority of regional rural roads and roads in areas where railroad connections were eliminated. The Ministry of Transport was ordered to prepare appropriate Programme and submit it for revision in the government. Its financial base is envisaged by the decision of the meeting of the Cabinet of Ministers of June 5, 2001, which envisaged the distribution of revenues from excise duty on fuel by

allocating 40% to the state consolidated budget and 60% to the state special budget – the State Road Fund. Annually this increase would amount up to 10 million Lats, and exactly this amount is envisaged for the implementation of Latvian Rural Road Improvement and Development Programme in 2002.

The Programme provides a short review of its aims, contents and expected benefits, including both projects of regional importance and works on rural roads in five districts (Limbaži, Cēsis, Gulbene, Madona and Balvi) where passenger transportation by railways was eliminated, and bridge reconstruction projects on roads of regional importance.

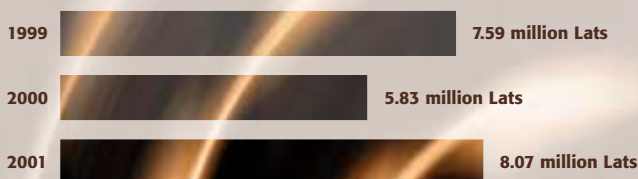




Section 3. Road routine maintenance

Road routine maintenance

Winter road maintenance



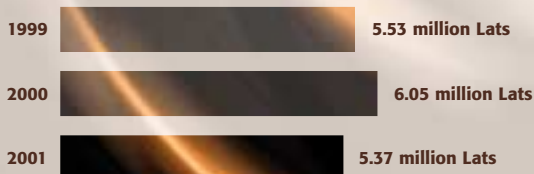
Bridge, interchange and culvert maintenance



Traffic organisation



Pavement maintenance



Road treatment and supervision



Programme management and construction supervision



For the routine maintenance of 20 323 km of state roads 16.976 million Lats were spent in 2001, including:

- ▶ 8.07 million Lats for winter road maintenance
- ▶ 0.33 million Lats for bridge, interchange and culvert maintenance
- ▶ 0.92 million Lats for traffic organisation
- ▶ 5.37 million Lats for pavement maintenance
- ▶ 1.73 million Lats for road treatment and supervision
- ▶ 0.56 million Lats for programme management and construction supervision

State road routine maintenance works were executed for 1.46 million Lats more than in the year 2000. Amounts of state road routine maintenance works exceeded the amounts envisaged for 2001 for 1.03 million Lats.

To provide driving conditions in winter similar to conditions in the year 2000 winter road maintenance required 2.24 million Lats more than in the previous year or approximately 0.6 million Lats more than envisaged for 2001. Resources saved in March had to be spent in April to provide good driving conditions when snowing started again in the middle of month. Due to extremely changing weather conditions 0.6 million Lats more than envisaged had to be spent for winter road maintenance already in December.

295.5 thousand square metres of potholes in asphalt pavements were repaired in 2001. Due to insufficient financing in 2001 the amounts of pothole repairs were reduced. To provide driving conditions on collapsed roads in Riga district in winter season of 2001/2002 resources from the reserve of the Ministry of Transport were used for pothole repairs in asphalt pavements.

As the renewal of annually worn gravel pavements has not been performed for several years, the condition of gravel pavements deteriorates. Maintenance is provided mainly by pavement grading reducing the intervals between grading works. In total the work amounts of gravel pavement maintenance decreased for 0.7 million Lats in comparison with 2000.



Due to insufficient financing in 2001 it was not possible to implement the envisaged bridge and culvert maintenance works in sufficient amount, as well as, road treatment works, as damages caused by weather conditions had to be eliminated (road treatment after storms, elimination of road erosion caused by rainfalls, renewal of washed out culvert, etc.).

The Latvian Road Administration also supervises the construction, reconstruction, maintenance, traffic organisation and traffic safety of municipal, company and household roads. Supervision amounts:

▶ Private roads	3 500 km
▶ Forest roads	6 320 km
▶ Municipal roads and streets	39 592 km
▶ Total	49 412 km

Winter road maintenance

State road maintenance in winter is performed according to the road maintenance classes approved by the Ministry of Transport of the Republic of Latvia. In the winter of 2000/2001 state road maintenance was provided according to the following standards:

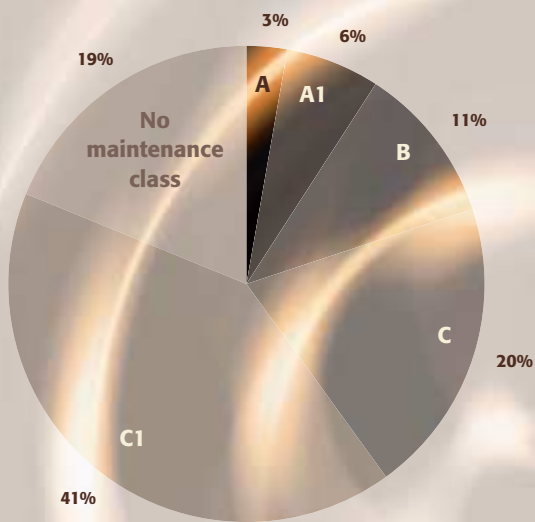
▶ Winter road maintenance class A	564.1 km
▶ Winter road maintenance class A1	1 301.5 km
▶ Winter road maintenance class B	2 199.8 km
▶ Winter road maintenance class C	4 111.1 km
▶ Winter road maintenance class C1	8 403.9 km
▶ No maintenance class	3 845.6 km
▶ Total	20 426.0 km*

* Total length of the state road network was increased for 108 km due to the fact that second roadways and ramps to interchanges on the 1st class roads also had to be maintained in winter.





Road maintenance in winter (1999–2001)

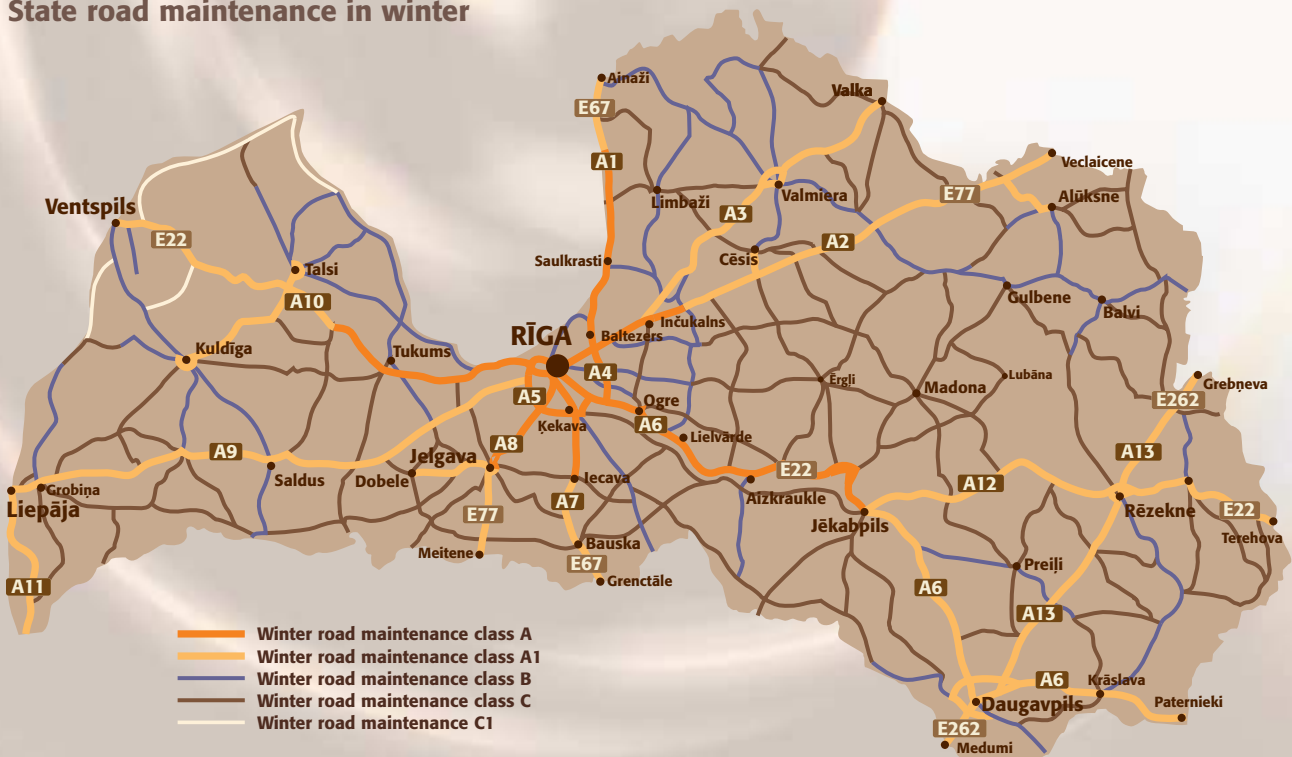


In the winter of 2001/2002 state road maintenance was provided according to the following standards:

▶ Winter road maintenance class A	562.1 km
▶ Winter road maintenance class A1	1 317.0 km
▶ Winter road maintenance class B	2 217.2 km
▶ Winter road maintenance class C	4 223.2 km
▶ Winter road maintenance class C1	8 414.5 km
▶ No maintenance class	3 690.9 km
▶ Total	20 424.9 km*

* Total length of the state road network was increased for 101.9 km due to the fact that second roadways and ramps to interchanges on the 1st class roads also had to be maintained in winter.

State road maintenance in winter





Section 4. Road traffic organisation

Average annual daily traffic intensity per 1 km of main roads in 2001 was 3133 vehicles per day. Average distribution of traffic on state main roads per day in per cent:

- heavy vehicles – 30%;
- other vehicles – 70%.

Basing on «black spot» determination method the priorities of dangerous road sections requiring traffic safety improvements were defined, but due to the lack of financing only a small part of these sections was reconstructed. There are no winter maintenance regulations for municipal roads and streets prepared and thus due to financial restrictions road winter maintenance is not performed properly.

Solutions in state road network

- ▶ road and traffic organisation supervision
- ▶ registration and improvement of dangerous sections
- ▶ road quality provision in winter

- ▶ reconstruction and improvement of crossings, improvement of roadside services and their locations;
- ▶ installation of traffic organisation devices
- ▶ solutions in municipal road (street) networks
- ▶ supervision of municipal road (street) traffic organisation

In the scope of National Road Traffic Safety Programme until 2006 it is envisaged to provide the replacement of necessary road signs, sustainability of road horizontal markings and reduction of unregistered (illegal) road accesses.

Different scope of problems concerns the capital city of Latvia – Rīga, and other cities. Most important drawbacks are connected with roads traffic organisation devices:

- ▶ traffic lights
- ▶ road signs and pedestrian guard-rails
- ▶ road horizontal markings
- ▶ routes for dangerous, over-dimensional and heavy goods traffic

Activities implemented in the scope of National Road Traffic Safety Programme

Set of activities, implemented works and tasks	Planned costs, total in thous. Lats	Implemented amounts in 2001	Sources of financing	Achieved benefits
Registration and improvement of dangerous sections	600	3018.1 €	SRF*, <i>Phare</i>	Traffic safety improvements in Bauska (Kalna and Zaļā streets in town centre) on road A7 Rīga – Bauska – Lithuanian border (Grenctāle)
Road quality provision in winter	14 500	Ls 8073.8	SRF	Ensured traffic in winter conditions
Reconstruction of crossings	600			No crossing reconstruction was envisaged in 2001
Installation of traffic organisation devices	58 000	Ls 977.3	SRF	Road horizontal markings were painted
Implementing of social projects (in municipalities)	200		SRF, SDA**	

*SRF – State Road fund, **SDA – Road Traffic Safety Sub-fund



Number of permits issued for heavy and over-dimensional traffic

Type of heavy vehicles	Permits issued	% of total number
Trucks with trailers	1470	56.4
Trailers	57	2.2
Timber transport	1026	39.4
Special vehicles (fuel transport, cranes)	53	2.0
Total	2606	

Traffic organisation measures implemented in the scope of Safety Improvement Programme

Works financed from routine maintenance resources	Work costs, Lats
1. Road signs in the state road network	608 140
replaced road signs – 9 211 items	414 518
renewed road signs – 224.5 m ²	6 456
replaced road sign poles – 8 432 items	185 026
painted road sign poles – 387 items	2 140
2. Horizontal road markings	16 006
painting of horizontal road markings – 3 776 m ²	16 006
3. Road guard-rails	51 992
replacement of damaged road guard-rails – 1 515 m	44 934
painting of steel guard-rails – 1 056 m	6 834
treatment of string guard-rails – 136 m	224
4. Signal posts	78 597
replaced signal posts 5 558 items	76 643
painting of signal posts, gluing of reflectors	1 954
5. Maintenance of bus stops and pavilions	99 083
6. Other traffic organisation measures	65 378
Total	919 197

Works financed from periodic maintenance resources	Work costs, Lats
1. Road signs in the state road network – 816 items	46 740
installed «E» road signs – 464 items	10 423
installed border-land road signs – 352 items	36 317
2. Painting of horizontal road markings – 132 809 m²	930 584
3. Other traffic organisation measures	2 100
4. Traffic safety improvement projects	1 716 983
Traffic safety improvements in Bauska (Kalna and Zaļā streets in town centre) on road A7 Rīga – Bauska – Lithuanian border (Grenctāle)	1 716 983
Total	2 696 407



Section 5. State Road Fund

State Road Fund was established according to the Decision of the Cabinet of Ministers No. 22 of February 1, 1994. On April 7, 1994, the first financial resources were transferred to the Fund, which consisted of vehicle owner payments according to the Law «On Annual Vehicle Tax». Since June 1, 1995, the State Road fund received 50% of excise duty on oil products. Already on July 1, 1996 according to the initiative of the Ministry of Transport the parliament accepted gradual increase of excise duty rates up to the level which would meet the requirements set by the EU Directive 92/82/EEC of October 19, 1992.

At present annual vehicle tax and excise duty on oil products are the main sources of revenues of the State Road Fund. The amount of the revenues directly depends on the number of vehicles in use and proper technical condition in the country, as well as, on the intensity of the use of these vehicles. Therefore it is justified to consider that the payments transferred to the State Road Fund are road user payments for the road use.

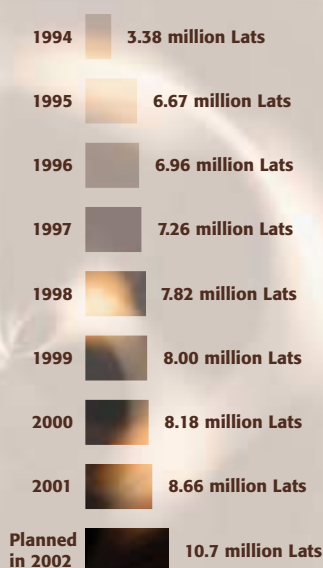
Annual vehicle tax

These payments comprise 17% of the total revenues, and since their introduction they show a stable trend of their increase. In the period of 1995–2002 the rates of the tax have not been changed, and the conducted analysis shows that the increase of the revenues is caused by the increase of the number of vehicles in appropriate technical condition. The year 2001 was very important in relation to the development of annual vehicle tax, as on June 5 the government made a decision to increase tax rates for 50% starting from January 1, 2002. New text of the law was prepared and adopted in 2001, which not only defined the new rates, but also introduced changes in the administration of the taxes.

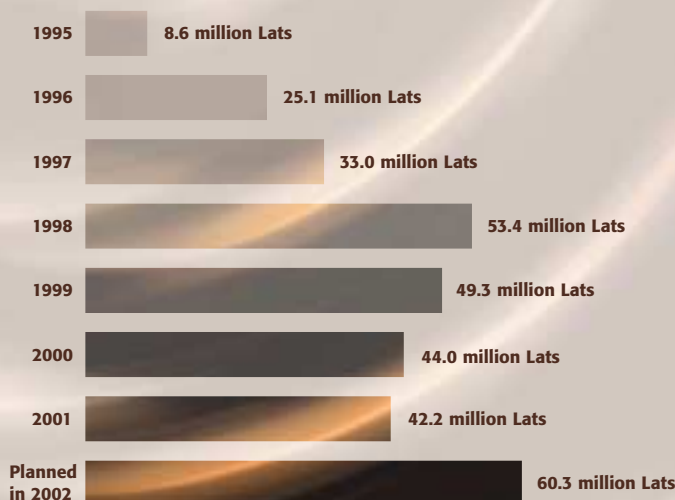
Excise duty on oil products

Revenues from the excise duty on oil products comprise the most significant part of the State Road Fund revenues. They are 83% from

State Road Fund revenues from annual vehicle tax



State Road Fund revenues from excise duty on oil products





Excise duty rates and share of excise duty allocated to the SRF

Year	1995	1996	1997	1998	1999	2000	2001
Share of excise duty allocated to the SRF, %	50%*	50%	50%	50%	60%/50%***	50%	50%
Rate of excise duty for diesel fuel, Lats/l	0.02	0.02	0.08	0.10	0.13	0.13/0.10****	0.10
Rate of excise duty for unleaded petrol, Lats/l	0.04	0.04/0.10**	0.12	0.14	0.16	0.16	0.16

* since July 1, 1995 ** until/since July 1, 1996 *** until/since September 1, 1999 **** until/since July 1, 2002

the annual Fund revenues. In its essence this payment directly relates to the fee for road use, as it depends both on traffic intensity and on the consumed amount of fuel. Until January 1, 2002, 50% of the excise duty on oil products were transferred to the State Road Fund. According to the amendments to the Law «On excise duty on oil products» adopted in 2001 the State Road Fund will receive 60% of the collected excise duty on oil products starting from January 1,

2002. Unfortunately since 1998 the revenues from the excise duty have decreased dramatically, and this probably may be caused by drawbacks in the legislation, which allow the circulation of oil products on which the excise duty is not imposed. Thus the road users, road maintainers and the whole national economy suffer losses.



Section 6. Future tasks

In 2001 «State Road Network Preservation and Development State Programme (2000–2015)» was worked out, and on February 20, 2002, it was approved by the Board for the Co-ordination of Transport Development National Programme. It defines further goals of road sector development, strategy and tactics for their achievement, the most important tasks and state road financing strategies for the period of 2000–2006 and the period of 2007–2015.

The aim of the Programme is efficient maintenance and development of the road sector to contribute to the progress of national economy and improvement of the standard of life and ensure the conformity of Latvian international highways to the requirements of the European road network. The Programme envisages the development of roads being parts of international transport corridors in order to ensure in the soonest possible time their conformity to the requirements of the European road network, including the increase of road pavement and bridge bearing capacity according to the loads accepted in the European Union.

For the development of international transport corridors «State Road Network Preservation and Development State Programme» has set the following targets of road improvement:

- ▶ ensuring of efficient operation of the corridors meeting the needs of road traffic;
- ▶ contributing to the competitiveness with other parallel corridors;
- ▶ connection of the Latvian road network with other countries;
- ▶ provision of transportation efficiency among the districts of Latvia.

Intermediate goal of the Programme in the period of 2000–2006 is to preserve and maintain the road network in operable condition in restricted financing situation and in the period of 2007–2015 to improve the level of road network maintenance, stop the deterioration of road network, develop the road network according to the economical and social needs.

In the period of 2000–2006 priorities are the development of Via Baltica route and commencement of the construction of Latgale Highway, section Rīga – Koknese. The Ministry of Transport of the

Locations of ISPA projects





Republic of Latvia has worked out «Second Via Baltica Investment Programme (2001–2006)». It mostly concerns the improvements of Via Baltica main route and West – East transport corridor.

Important condition in the preparation of strategy for further road sector development is the opportunity to attract the funds of the European Union (ISPA). In the period of 2000–2006 in the scope of Phare 2000 programmes the investments in infrastructure will be very limited. Mostly they will be used to improve administrative and institutional capacity of the candidate countries.

Funds of Instrument for Structural Policies for Pre-Accession (ISPA) are a new type of financing to provide the support of the European Union to transport and environmental sectors of candidate countries in the period of 2000–2006. EU ISPA financing in transport sector will be used for bilateral financing of large-scale investment projects.

Investments for construction in greater amount will be attracted starting from the year 2003. In 2000–2002 resources mostly have to be allocated to feasibility studies of big construction projects, environmental impact assessments, public hearing for construction projects and preparation of construction designs.

Projects partly financed by the EU

► Road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 0.0 to km 12.8 (Rīga – Ādaži – Gauja)

a) Application for the project «Improvements in Via Baltica route, road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 0.0 to km 6.3» has been prepared and submitted to the European Commission. Confirmation has been received on the possibility of bilateral financing of construction from Instrument for Structural Policies for Pre-Accession (ISPA) funds for 2001. Construction is planned for the period of 2002–2003;

b) After public hearing for construction (May 18 – June 18, 2000) a decision was made to continue the development of Baltezers bypass and its lead into the Rīga city. After attraction of the EU technical assistance funds the feasibility study of Baltezers bypass and its lead into the Rīga city in section Jaunciema alley (Bukulti) – Vairoga street in Rīga will be conducted. Application for the project «Feasibility

study of Baltezers bypass lead into the Rīga city in section Jaunciema alley (Bukulti) – Jugla – Vairoga street» on June 21, 2001 was submitted to the local ISPA co-ordinator for forwarding to the European Union. Financial memorandum on the EU ISPA technical assistance funds was signed on October 18, 2001, in Brussels and on November 29, 2001, in Latvia;

c) Construction design for the reconstruction of road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 6.3 to km 12.65 in order to carry out works in 2003 in the section of the first ISPA project of the road A1 Rīga (Baltezers) – Estonian border (Ainaži) from km 13.0 to km 21.2 (Gauja – Lilaste) for the EU ISPA finances saved from the tender for construction of 2001.

► Road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 20.7 to km 41.0 (Lilaste – Skulte)

Public hearing of construction design drawings of road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 20.7 to km 41.0 (new alignment in section Lilaste – Skulte) was completed. Saulkrasti and Skulte municipalities have chosen the main alignment alternative (II B) and informed the Ministry of Transport on their decision.

It is planned to nominate the Saulkrasti bypass project (according to the accepted road alignment alternative II B) and envisaged traffic safety improvements in the existing road section for the EU ISPA programme for 2002. Preparation of tender technical documentation for design and construction, as well as Application for Assistance under the ISPA Financial Instrument, Economic Feasibility Report, Environmental Impact Assessment Report for ISPA 2002 has been started.

In order to connect the new bypass with the existing road network gradually, without longer interruptions, it is envisaged to implement the project in the form of three separate construction tender sections. Construction designs for the three sections and respective tender documents will be prepared in the period of December 27, 2001 – September 1, 2004. Construction is envisaged in the period of 2003–2007.

► Access road P133 to the international airport «Rīga» and road A10 Rīga – Ventspils section Lielirbes street – Gaviezes street

The project was reviewed and approved in October, 2000, in the ISPA Management Commission and was supported by the EU ISPA 2000 programme co-financing in the amount of 4.345 million Euros. Construction tender for the Project Stage A was conducted in 2001, and the construction is envisaged in 2002. Construction in Stage B is planned in 2003.

Most important research works

Applications for the EU ISPA technical assistance in 2001 were submitted for the following feasibility studies:

- ▶ Feasibility study of Baltezers bypass lead into the Rīga city in section Jaunciema alley (Bukulti) – Jugla – Vairoga street;
- ▶ Feasibility study for alignment alternatives of road A7 Rīga – Bauska – Lithuanian border (Grenctāle) in Ķekava (section from km 7.9 to km 25.0);

- ▶ Feasibility study for improvements of road A7 Rīga – Bauska – Lithuanian border (Grenctāle), section from km 25.0 to km 42.9 (Ķekava – Iecava).

Feasibility studies are necessary to prepare materials for the working out of applications for ISPA bilateral financing.

A reserve project «Improvement of Rīga bypass A4, A6 and A5, section from A2 to A7» is being prepared for the projects included in the national ISPA strategy. Feasibility studies are commenced using the finances from the State Road Fund, the work will be continued in 2002.

Projects connected with the EU ISPA financing conform to the National Transport Development Programme for 2006–2006 and are included in the state investment project TRm04 «Improvements of Via Baltica route and West – East transport corridor» and Second Via Baltica Investment Programme (2001–2006).



Section 7. Environment protection

Since November 13, 1998, the law «On Environmental Impact Assessment» is effective and it envisages that environmental impact assessments (EIA) have to be prepared for road sections longer than 10 km before the preparation of construction design and the decision of the construction board.

EIA reports evaluate how different road alignment alternatives would influence the environment and population in case of road construction or reconstruction, their advantages and disadvantages in different aspects. Therefore environmental impact assessment may be considered as contribution to the making of decisions concerning the alternative, which in the best possible way ensure the sustainable development of life area.

When conducting environmental impact assessment for the road section to be constructed the following possible impacts caused by road construction and operation are considered:

- ▶ road impact on the development of population area and local inhabitants, traffic comfort, environment quality and land use;
- ▶ direct impacts connected with transport (noise, emissions, climate changes, energy consumption, traffic safety and vibrations);
- ▶ natural conditions (weather conditions, geology, hydrogeology, ice movement conditions, soils, exodynamic geological processes, underground water, flora, fauna, biotopes and biological diversity);
- ▶ natural resources (underground water, forests, landscapes, soil, minerals and recreation resources);



- ▶ territories of special use (special protected nature territories and sites, culture monuments, protection zones)
- ▶ interaction of any of the above mentioned impacts.

In 2001 environmental impact assessment was conducted for two projects:

▶ **Road A1 Rīga (Baltezers) – Estonian border (Ainaži), section from km 20.7 to km 41.0 (new alignment in section Lilaste – Skulte)**

The main purpose of the envisaged work is to form a highway section that would meet the needs of international traffic and to relieve Saulkrasti from transit traffic. Environmental impact assessment evaluated two road alternatives that differ in about 8 km long section. Both alternatives meet south from Pabaži. From environment protection point of view Alternative II A should be preferred, as less damage

would be caused to biotopes with great and very great ecology and fauna value, and the loss of forest land will be smaller. However, the drawbacks of this Alternative are greater loss of forests with substantial air clearing and hygiene function and considerably greater influence of noise and air pollution to populated areas. In this Alternative the existing corridor of linear infrastructure (railway) with considerable barrier effect will be used in longer section. The existing barrier in Inčupe valley (railway corridor) will be widened without forming a new barrier in a new place.

Alternative II B causes less damage to human environment, and the total conflict density in the case of road construction and operation according to Alternative II B will be a little greater. In this case noise and air pollution impact to populated areas and housing environment is smaller, and no additional barrier is formed between





Pabaži populated areas in the west and east from the railway. This alternative, however, has several disadvantages, as greater damage would be caused to biotopes with great and very great ecology and fauna value, new barrier in Inčupe valley with long and high embankment will be created, which would lead to changes in river biotopes and obstacles to wild animal migration. Greater damage will be caused to areas with important soil functions. Considerably greater damage will be caused to valuable landscapes in Inčupe valley and Pumpuri/ Zeltiņi area.

► **Latgale highway section from road P32 Līgatne (Vidzeme highway) – Skrīveri to Koknese**

Environmental impact assessment was conducted for three alternatives of connecting the constructed road section to the road A6 Rīga – Daugavpils – Byelorussian border (Pāternieki) in Koknese. The analysis of results shows that all three proposed alternatives are quite similar, however, the smallest impact on the environment would be caused if the third alternative were chosen. Any of the alternatives would contribute to the reduction of noise level, air pollution and energy consumption in comparison with the existing road A6.

In case of the third alternative the area needed for the construction and the area of calculated protection zone are the smallest. From landscape point of view the third alternative should be preferred, as well. In this case the smallest amount of forests will be cut, and state

forests practically will not be touched, however, a problem exists, that the road alignment will be designed through pine tree seed production plantation.

In implementing this alternative the smallest number of melioration ditches will be crossed, therefore the intensity of bogging-up of the area will not be accelerated. Number of cuts in terrain in road alignment is average.

In case the third alternative is implemented the road would mostly cross agricultural land, and changes in biological diversity practically are not caused, as the biotopes in the area – meadows and pasture grounds are greatly influenced by human activities and from the biological diversity point of view are less valuable. At least eight households will be located in direct vicinity of the road, and the quality of water in wells may be endangered in case of potential pollution.

In autumn, 2002, the public hearing for construction including environmental impact assessment will be conducted for the Latgale highway section Krape – Pļaviņas (Koknese).

In August, 2002, the application will be submitted to the EIA State Bureau for the preparation of the programme to order the environmental impact assessment for road A12 Jēkabpils – Rēzekne – Ludza – Russian border (Terehova) (V544 Ludza – Nirza – Vecsloboda and V512 Ploski – Nirza), section Ludza – Ploski. Environmental impact assessment will be conducted in 2003–2004.

Section 8. International co-operation

The Latvian Road Administration in 2001 actively involved in the activities of the Baltic Road Association (BRA), as well as, co-operated with World Road Association (PIARC) and Nordic Road Association (NRA).

Baltic Road Association activities

- ▶ In 2001 the Administrative committee of the Baltic Road Association prepared a report on road cadastres in the Baltic States;
- ▶ On May 9–10 the spring meeting of the Baltic Road Association Council was held in Jodkrante, Lithuania, where such issues as the situation in the road sector in each country, differences of road financing, including insufficient financing in Latvia, report on road cadastre,

BRA Internet homepage and co-operation memorandum between BRA and NRA were discussed.

Seminars and conferences:

- ▶ On March 8–9 BRA in co-operation with NRA organised a mutual seminar on road traffic safety issues.
- ▶ In co-operation with PIARC Technical Committee C6 «Road Management» a seminar «Priorities in Road Management» was held on May 17–18 in Tallinn where 2 Latvian reports on road periodic maintenance and routine maintenance were presented.
- ▶ BRA seminar in education and training in co-operation with NRA was held on September 20–21 in Kaunas, which gathered personnel





and training managers from the road administrations of the Baltic States.

► Conference «Traffic safety days of the Baltic sea region countries» was held on September 27–28 in Parnu, which was organised by the Nordic Council of Ministers and BRA.

Mutual projects:

► On November 29 in Copenhagen a Memorandum of Co-operation between BRA and NRA was signed which envisaged permanent and close co-operation mostly in organising several mutual seminars in 2002 on summer road maintenance, changes in road administrations and related experience, road sector management.

► BRA also contributed to such projects as the Internet project www.balticroads.net – road user information system created by the Baltic States and Finland.

► LRA specialists were invited by several international organisations to international events in order to present the Latvian road financing model – State Road Fund.

► In the scope of Technology Transfer system the co-operation of the Latvia Road Administration, company «Road Research», Finnish Transport Research Institute VT and Finnish Road Administration in

preparing the asphalt pavement research and experimental work project LatvASTO has to be mentioned. In spring and autumn recurrent seminars of Technology Transfer Centres of the Baltic States, Finland and USA were held.

Co-operation agreements:

► In 2001 the implementation of the Latvian Bridge Management system LATBRUTUS in close co-operation between the specialists of the LRA's Bridge Department and experts of the Norwegian Public Roads Administration continued.

► On September 14, 2001, a new co-operation agreement between the Ministry of Transport and the Province of Overijssel, the Netherlands, was signed which envisaged the strengthening of further co-operation in road management, road pavement technology, traffic organisation and road maintenance fields. According to this agreement Mr. Piet van Stek in October, 2001, repeated the inspection of asphalt plants and laboratories of Latvian road building companies, prepared their evaluations and held a seminar for road laboratory managers and assistants on work organisation in road contractor's laboratories.

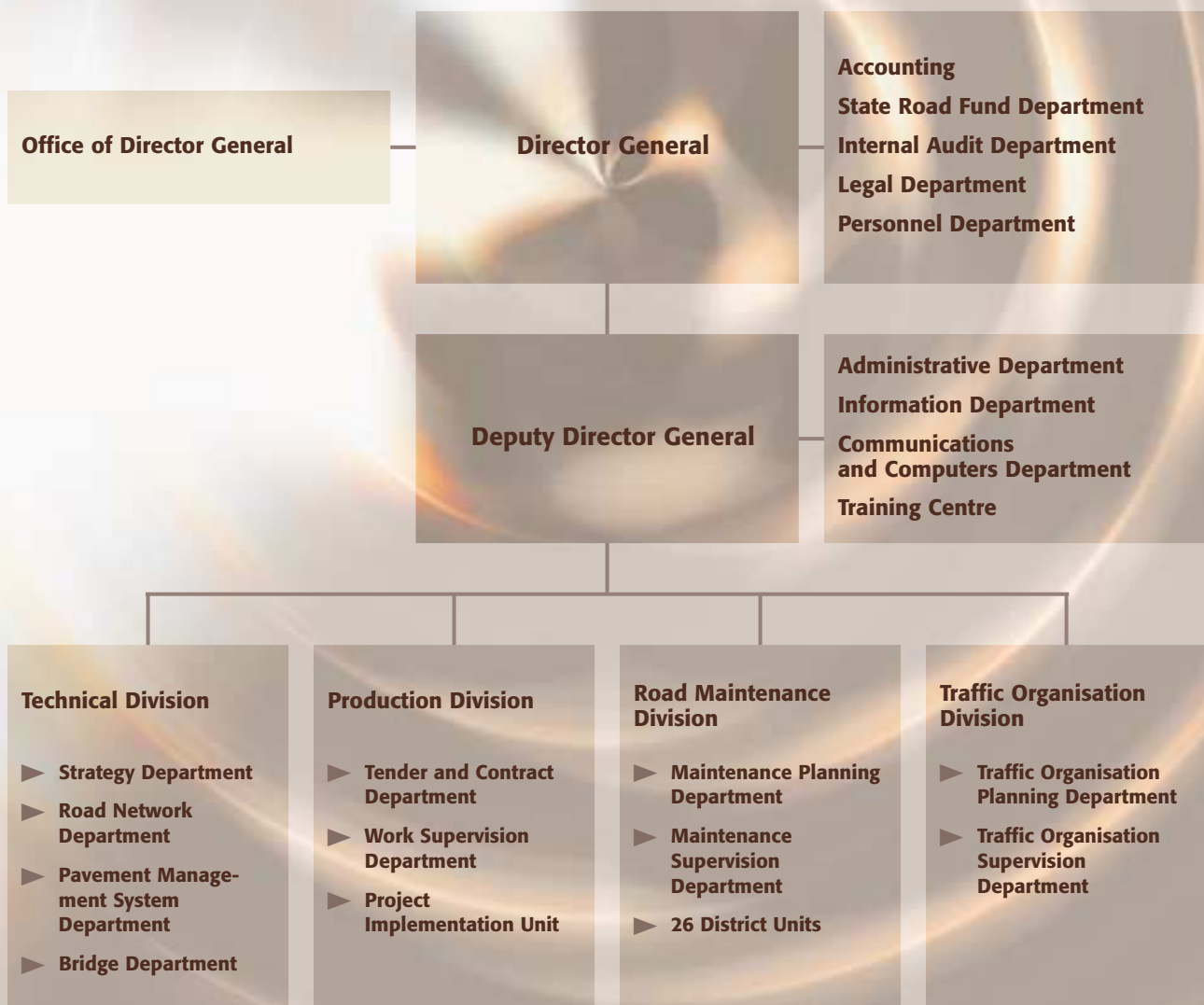


Section 9. Structure of the Latvian Road Administration

Since January 1, 2001, a new structural unit operates in the LRA – Office of Director General, and the position of Advisor in Technical Issues was eliminated. Office of Director General is directly subordi-

nate to the Director General and provides the co-ordination and control of the LRA's activity programmes, activity plans and tasks, as well as, organising of meetings, office work and international co-operation.

Structure of Non-profit State Joint Stock Company «Latvian Road Administration»





Section 10. Personnel

The total number of employees of the Latvian Road Administration in 2001 was 240 persons, out of them 197 are permanent employees.

149 employees out of 197 permanent employees of the Latvian Road Administration have higher education, 2 employees acquired Bachelor's and 1 – higher professional education, 24 employees con-

tinued studies in higher educational establishments, 19 employees received compensations for study fee.

According to personnel training strategy of the Latvian Road Administration and personnel development and motivation programme the improvement of personnel professional qualification continued with the aim to improve professional, technical, management and communication skills of the personnel.

In co-operation with Finnish Road Administration and IHME training courses «Environmental aspects in road maintenance» and «Operation of Road Weather Information system» were held in Finland. Training course on traffic safety was held in Latvia. In the result of long and successful co-operation with the Province of Overijssel, the Netherlands, a seminar «Asphalt production» was held. Danish consulting company «COWI» provided support to a seminar on asphalt technologies.

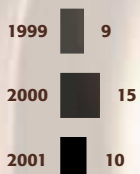
LRA's employees had an opportunity to improve their professional skills in different conferences and seminars in foreign countries. In 2001 a study tour to Sweden on traffic safety and organisation issues was organised where employees from district units participated.

LRA's Training Centre in co-operation with SIA «DOKA Latvia» and SIA «OK Būvmateriāli» held several training courses on the newest road and bridge construction technologies and materials.

In the scope of international co-operation the Training Centre organised BRA/NRA seminar on road traffic safety and technology transfer seminar where representatives of the Japanese Ministry of Land, Infrastructure and Transport participated.

37 thousand Lats were used for training in 2001, including 5 783 Lats to compensate partly the study fee for those employees who both worked and studied in Latvian universities and 10 975 Lats to financially support those civil engineers who studied abroad.

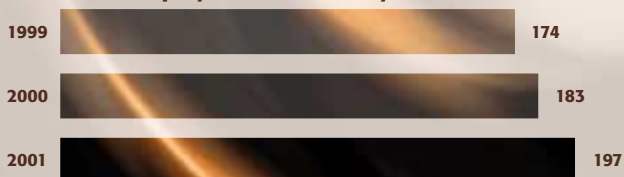
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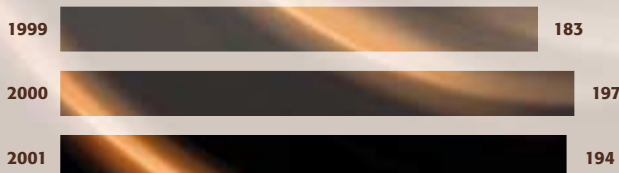
Employed



Number of employees as at January 1



Number of employees as at December 31





Overview on the personnel

Number of employees

Number of permanent and temporary employees in 2001	240
Number of permanent employees as at January 1	197
Employed	7
Fired	10
Number of permanent employees as at December 31	194

Employees by age

From 18 to 29	22
From 30 to 49	110
From 50 to 70 and more	62

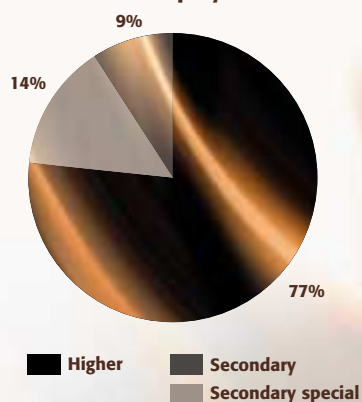
Education of employees

Higher	149
Secondary special	27
Secondary	20
Students in universities	24
Compensations of study fees	19
Employees having acquired Bachelor's degree	2
Employees having acquired higher professional education	1

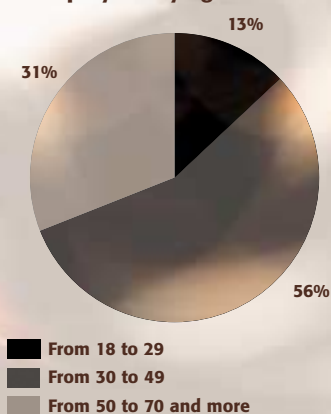
Employees by gender

Women	68
Men	126

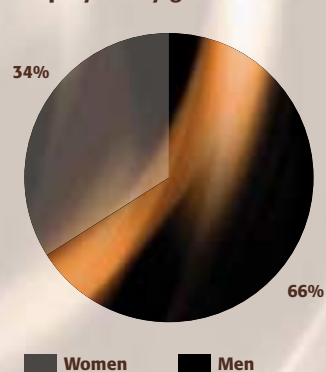
Education of employees in 2000



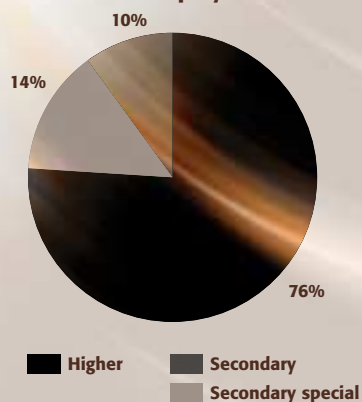
Employees by age in 2000



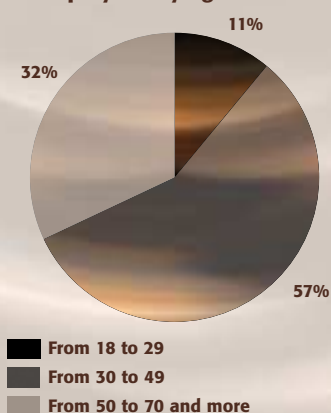
Employees by gender in 2000



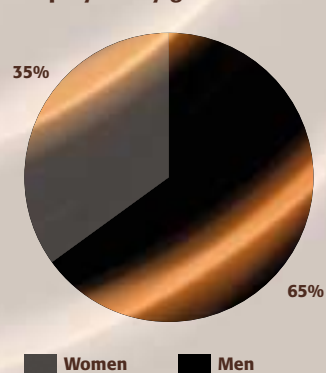
Education of employees in 2001



Employees by age in 2001



Employees by gender in 2001





Section 11. Report of the management of the Latvian Road Administration

Main activities of Non-profit State Joint Stock Company «Latvian Road Administration» are the registration, recording and management of the state road network, administration of the State Road Fund, organisation of public procurement in the road sector, work supervision and quality control.

Operational goals set for the year 2001 in principle are achieved.

Several development measures of the company were implemented. In order to fulfil the orders better a project planning and management system was implemented which contributed to the quality of works and ensured the observation of work deadlines.

Personnel training programme was implemented.

Material and technical base by renewing capital assets was strengthened.

Implementation of quality management system according to the standard ISO 9001 was commenced.

Main conditions for stabile work of the company are optimal amount of works, purchasing ability of the clients, stability of the legislation and foreseen road sector development, as well as, the interest of the owner in normal functioning and development of the company.

Olafs Kronlaks

Chairman of the Board – Director General
February 18, 2002



Section 12. Resolution of auditor

I have done the audit of the financial report of the Non-profit State Joint Stock Company «Latvian Road Administration» completed on December 31, 2001. The management of the company is fully responsible for the submitted financial reports. I am responsible for providing an independent resolution on these financial reports, basing on the conducted audit.

The audit was done basing on the Laws of the Republic of Latvia «On Accounting», «On Annual Enterprise Reports», «On Transformation of State and Municipal Enterprises into Statutory Enterprises», «On Non-profit Organisation», «On Joint Stock Companies», as well as, international auditing standards and other legislative acts in order to obtain sufficient evidence that the information provided in financial

reports does not differ substantially from true facts. During the audit the review of financial documents attesting amounts shown in the financial reports was done. In addition to that during the audit financial reports in general were evaluated. Management of the company has provided the requested information and clarifications. In my opinion the conducted audit provides sufficient substantiation for my resolution.

In my opinion the balance on December 31, 2001, reserve fund calculation for 2001, money flow schedule and review on changes in equities, appendix and management report of the Non-profit State Joint Stock Company «Latvian Road Administration» provide true and clear review on the resources, liabilities and the financial situation of the company.

V. Dzijuma, Sworn Auditor
Certificate No. 86, Identity number 260242-10527
February 15, 2002



Section 13. Balance

Assets

Long-term investments	At the beginning of report period as at December 31, 2000, Lats	At the end of report period as at December 31, 2001, Lats
I. Intangible investments		
2. Concessions, patents, licenses and similar rights	46 627	74 850
4. Advance payments for intangible investments	3 414	
Intangible investments, total	50 041	74 850
II. Fixed assets		
1. Land, buildings, perennial plantations	85 983	188 020
3. Technologic equipment and machinery	558 142	449 763
4. Other fixed assets and inventory	465 665	438 307
6. Advance payments for fixed assets	18 628	
Fixed assets, total	1 128 418	1 076 090
Long-term investments, total	1 178 459	1 150 940
Current assets		
I. Stock		
1. Raw materials, basic materials and auxiliary materials	4 164	12 432
Stock, total	4 164	12 432
II. Debtors		
1. Debts of purchasers and customers	107 037	
4. Other debtors	57 318	96 156
incl. overpayment of social tax	3 133	
7. Costs of further periods	8 948	41 044
Debtors, total	173 303	137 200
IV. Money funds, total	305 893	510 764
Current assets, total	483 360	660 396
Assets, total	1 661 819	1 811 336



Liabilities

	At the beginning of report period as at December 31, 2000, Lats	At the end of report period as at December 31, 2001, Lats
I. Owner's equity		
1. Bonds and shares in capitals (fixed capital)	1 361 395	1 455 395
3. Reserve of re-evaluation of long-term investments	31 253	75 412
4. Reserves		
b) reserves defined in Company Statutes	178 517	185 455
Owner's equity, total	1 571 165	1 716 262
II. Accumulation		
3. Other accumulation	9 851	9 194
Accumulation, total	9 851	9 194
III. Creditors		
2. Short-term creditors		
10. Tax and social security payments	34 886	53 031
11. Other creditors	45 917	32 849
Short-term creditors, total	80 803	85 880
Creditors, total	80 803	85 880
Liabilities, total	1 661 819	1 811 336



Section 14. Review on changes in equities

		Share capital	Reserve of re-evaluation of long-term investments	Reserves defined in Company Statutes	Owner's equity, total
Remnant	01.01.2000	1 361 395	31 253	171 223	1 563 871
	01.01.2001	1 361 395	31 253	178 517	1 571 165
Building in Torņa Street re-evaluated	2000				
	2001		44 159		44 159
Resolution of the Cabinet of Ministers No. 34 of 18.01.2002, Minutes No. 3	2000				
	2001	94 000			94 000
Surplus of income over expenditures	2000			7 294	7 294
	2001			6 938	6 938
Remnant	01.01.2001	1 361 395	31 253	178 517	1 563 871
	01.01.2002	1 455 395	75 412	185 455	1 716 262

Basing on the Resolution of the Cabinet of Ministers No. 34 of 18.01.2002 (Minutes No. 3) and the decision of the Register of Enterprises of the Ministry of Justice of the Republic of Latvia in 2001 the share capital of the Non-profit State Joint Stock Company «Latvian Road Administration» was changed from 1 361 395 Lats with the total number of shares of 0 to 1 455 395 Lats with the total number

of shares of 1 455 395. In 2001 basing on the calculation statement of technical inventory act of the Lielrīga Regional Division of State Land Service of the Republic of Latvia No. 01000080093001-02 the building of the Non-profit State Joint Stock Company «Latvian Road Administration» in 7/9 Torņa Street was re-evaluated for 44 159 Lats.

Section 15. Tax and social security payments

Tax	Debt to budget as at January 1, 2001	Calculated	Transferred to budget	Debt to budget as at January 1, 2002
Income tax		314 520.50	314 520.50	
Value Added Tax	34 886.04	371 478.26	353 333.49	53 030.81
Social tax	-3 132.87	485 036.74	481 903.87	
Land tax		1 394.80	1 394.80	
Real estate tax	20.87	1 035.29	1 289.60	-233.44
Total	31 774.04	1 172 070.79	1 151 047.46	52 797.37





3, Gogoļa Str., Rīga, LV 1050, Latvia
Phone +371 7028168, fax +371 7028171
E-mail lad@lad.lv, home page <http://www.lad.lv>