TRANSPORT INFRASTRUCTURE DEVELOPMENT FOR A WIDER EUROPE

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“Via Baltica: Why did it work?”

BY

MARTTI MIETTINEN
BENGТ DENNIS
Background

The road development project through the Baltic States and Poland, which after 1991 became known as Via Baltica, has already a long history. The recent development effort started already in 1985-86 when three Finnish companies recognised the need of road development on the eastern side of the Baltic Sea following the example set by the Scan-Link proposal in the Scandinavian countries a little earlier.

The ensuing development process can be divided into three phases as follows:

- **1986-1991 (independence).** The project promotion process, as it may be called, was carried out by the three Finnish companies, which paid visits to the countries concerned and held meetings with road officials. Some small-scale project preparations and data collection were carried out as well.

- **1991-1995.** After the new independence of the Baltic States (August 1991) the project was formalised and the Finnish Ministry of Transport and Communications started to support it strongly. A secretariat was established and the first feasibility study was carried out with the backing of the EBRD and NIB. The name Via Baltica was coined. This active phase ended with the establishment of the High-Level Working Party on the initiative of the EU Commission. It produced the first Five-Year Investment Program for Via Baltica. In the program preparation also the International Financing Institutions (IFIs) participated. It must be added that in 1994 Via Baltica became a component of Crete Corridor I lending it the EU-wide recognition. In addition, in 1996 the road was given the Europe Route number E67.

- **1996-2001.** Monitoring Committee was established and the permanent, outside chairman nominated for it with the support from Sweden. The secretariat continued with the support of the Finnish Transport Ministry. The improvement of the Via Baltica road started in earnest in all the countries. This phase ended with the preparation of the second Five-Year Investment Program 2001-2006.

After the approval of the second investment program for Via Baltica in 2001, implementation is well under way. There is no slow down in the implementation process.

However, the role of the Monitoring Committee for Via Baltica has been reduced. The Committee still exists but has not met for quite some time. A major reason is that the Finnish Ministry of Transport and Communications and the Swedish Ministry for Foreign Affairs terminated their financial support for the secretariat and the chairman at the end of 2002. A new arrangement has not been found. Ways and means to carry out the duties under the memoranda of understanding are still being sought. These have to take into account the new financing facilities through EU/ISPA and the structural and cohesion funds made available through the forthcoming membership of the EU for the Via Baltica countries.
“Success” of Via Baltica

Considerable results have been achieved, particularly when considering the starting situation late 1980s. At that time, no direct north-south route existed and there was no road to speak of at the border between Poland and Lithuania. Three barbed wire fences and a wide no-man land cut across the then existing narrow earth path.

The concrete progress made in the Via Baltica development process is embodied in the two investment programs. The First Investment Program 1996-2000 covers investments of a total cost of about EUR 214 million and the following was achieved:

- 110 km of new roads have been built
- 333 km of existing roads have been rehabilitated or resurfaced, corresponding to nearly half of the total length of Via Baltica
- 28 bridges and viaducts have been constructed, repaired or strengthened
- signing of Via Baltica as E 67 has been arranged

The Second Investment Program covers the six-year period 2001-2006. The total cost of the Program is estimated at EUR 553 million. In addition, there is EUR 102 million for investments in access roads to Via Baltica.

More generally the achievements can be listed in the temporal order as follows:

- stopping the deteriorating of the existing infrastructure (roads and bridges)
- establishing the Via Baltica route as a recognized transport route in this part of Europe (pan-European Corridor status and E-route number E67)
- construction of border crossing stations, which was greatly helped by the EU/Phare supported construction program
- eliminating other bottlenecks of the route and constructing new road segments and bypasses to meet the growing traffic demand
- implementing specific programs for road safety and route signing
- involving private sector in an extensive program of roadside services construction
- inducing other interested parties to develop specific activities further, such as tourism development programs and intensified cooperation between national administrations (e.g. border officials, environmental and land-use planners) and the regions (e.g. two Via Baltica Spatial Development Zone programmes financed by the Interreg II C and III B).

Today, Via Baltica is a widely known transport route, which can easily be used by commercial vehicles as well as private cars. Not only the road infrastructure is in decent order, barring one segment in Poland, but also the roadside services have been developed to a high level. This has been a large undertaking by the private sector, which often is forgotten. The development of Via Baltica has also been a priority of many EU programs (Phare and ISPA). Traffic using Via Baltica has grown considerably since the downturn of mid-1990s, indicating clearly the soundness of the concept.
Contributing factors

From the text above the several factors contributing to the successful implementation of the Via Baltica concept in the 1990s flow rather directly. They are first of all:

- Political will to achieve results
- Multilateral commitment
- Flexible and pragmatic working procedures
- IFIs actively involved from the beginning
- An active follow-up mechanism through the Monitoring Committee

In an international undertaking of this nature, one should always stress the importance of political will and commitment to the project by all the parties and at all times. The success rests on everybody's will to deliver. The will and commitment are by no means guaranteed nor evenly distributed between the parties and between different points in time. In the long processes like this the wills and commitments are frequently tested, as the governments change and competing interests and projects emerge. The Via Baltica process has been blessed in this respect, since the project was initially received well at high levels of each country. Furthermore, the transport ministers, prime ministers and even presidents of the Baltic countries took the habit of meeting regularly and Via Baltica was more and more often on the agendas of these meetings. This was an ideal way of assuring frequently the political mandate in this matter for the ministries of transport, road administrations and the individuals participating in the Via Baltica process. Despite Poland being absent from these meetings, Lithuania took the responsibility to maintain constant dialogue with their Polish counterparts making also this political link function in a rather satisfactory manner.

Only during the first half of the 1990s, the Via Baltica process had enough resources to carry out any substantial studies, such as the feasibility study of 1993 and the first investment program of 1995. In the second half of the 1990s not much could be done in this area due to scarce funding. One could rightfully argue that the second investment program could have needed more substantial studies to back it up, but this simply could not be achieved. Nevertheless, the political will and commitment could be maintained through these years, which resulted in real progress and implementation of concrete construction projects during that time using national road budgets first and ISPA grants at the later date. This underscores the importance of building up political support vs. resorting largely to technical corridor and project studies, which the engineers so much like. If one must make a choice between a technical or political support for any corridor, the answer quite clearly is the political support. As with Via Baltica, political acceptance does not cost much but can be difficult to get and maintain. Technical support needs only funding, but funding alone is no guarantee of a successful result after the funds have been expended.

Closely related to the above are the ability and willingness to create coalitions. Most important ones are those with the sources of finance such as the IFIs during the investment program development. Via Baltica has also been successful in obtaining financial grants from the EU sources, but the increasing volume of available EU finance, or the methods allocating it solely on national basis, seems to contribute to weakening of the earlier cooperation to some degree.
In the practical organisation of Via Baltica cooperation one can also find some factors that may have contributed to the success of the project. For Via Baltica it has been typical that the working methods are pragmatic and flexible, but they were also low-cost due to lack of funding. The procedures did not take much time or effort from the partners either. The approach ended up being one of coaxing the process forward and the partners to act rather than a strong push by force of money or political pressure. At times the process may have seemed slow and frustrating, but in the final analysis it appears to have been productive as well. In this respect some of the practical arrangements seem to help, such as:

- Permanent secretariat and permanent outside chairman (focal point) providing continuity and stability for the development process
- Permanent but limited number of members in the Monitoring Committee with power to decide
- Governments willing to provide resources for the development work and eventually able to make budget allocations for implementation

The Via Baltica process has been blessed with the patient support from the Swedish Foreign Ministry and the Finnish Ministry of Transport and Communications, which have provided permanent and long-term chairman and secretariat for the process. These two functionaries in combination have provided an effective focal point for the entire exercise, keep the momentum over the years and show direction when necessary. Another positive feature has been that the chairman has been highly respected by all the members of the Monitoring Committee, as well as the surrounding political and financial community. Rotating chairman and secretary were never tried in the Via Baltica cooperation and the efficiency of rotation cannot be assessed here.

A secretariat working at least part time is the prime factor in providing the necessary continuity and stability for the process. The task of the secretariat is to see to it that momentum is maintained. It will also act as an initiator and prepare the necessary meetings enabling them to be productive. The secretariat of Via Baltica has provided a steady flow of papers in the preparations for the First Investment Program as well as for the Second Program. Without a permanent and professional secretariat, the Investment Programs for Via Baltica, would not have materialised. The upgrading and overall improvement of Via Baltica rests with the Investment Programs and the monitoring of the implementation.

Flexibility in procedures is another point to stress. The Commission had initially some hesitation in accepting the flexible working conditions prevailing in the Monitoring Committee of Via Baltica, but did not object as it saw the results. The Monitoring Committee never saw any need for rules of procedure, all documents have been in English, all our meetings likewise. That may not be possible in all cases, but this kind of flexibility should be encouraged. Furthermore, frequent meetings create the necessary social cohesion among participants. It makes all the difference if people get to know each other well.

One must remember, however, that it is the countries, which must finally implement the program and the projects. Chairman and secretary can sometimes only lend the project a face and provide the process with a spirit. In this respect high credit is due to participating countries, as they have nominated high level and highly qualified individuals to the Monitoring Committee. The members of Via Baltica Monitoring Committee have always been able to deliver within their own organisations and countries as well as been willing and
able to support the work of the Committee even in adverse political circumstances, which inevitably arise at times in every country. Most of the Committee members have been in the Committee from the beginning and for this reason the Committee’s work has become efficient. Moreover, the Committee has been kept small, one member from each country, comprising a total of six members and the secretary. The small size helps again maintain the direction, efficiency and the long-term commitment and welds the Committee into a uniform team with common goals and objectives. Therefore, it is unfortunate that the national representatives in the Monitoring Committee do not get the recognition they deserve, as the whole process will succeed or fail depending on the capacity of each individual member to deliver in their respective countries.

The willingness of the governments to allocate budget finance to road construction and a particular project is an ever present and decisive factor. In case of Via Baltica the will has been there, but more often than not the capacity to do so was not. There are considerable differences in this capacity depending on the geography and economy of each country, as well as the political set-up at any given time. An excellent example is Lithuania, which was able to rebuild almost the entire Via Baltica road on its territory, while some other countries have been much slower. This is partly understandable due to Lithuanian’s dependence on land connections with Poland and countries west of it. In some other countries the controversy between east-west routes and Via Baltica has hindered the investments much more, which naturally was combined with the fact that the road budgets in all the countries were at very low levels in the 1990s.

Last notes

The most important enabling factor has not been mentioned yet. That is that the promoted project or program must be inherently feasible and good, and it is even better if everybody recognises intuitively the benefits. This has been the case to a considerable degree with Via Baltica. Particularly western observers seem to grasp the idea of Via Baltica rather readily and many even became enthusiastic about it immediately. Many in the Baltic countries also understood the concept well, but this was by no means uniformly shared. On one hand and in the early days, some started to talk about a motorway through the Baltics, and as a result we were blamed for a long time for building “white elephants”. On the other hand, competing proposals emerged, which caused at times uncertainty in the process. Also regional controversies arose as many saw their regions being left out. Given the scarce resources they were not exactly wrong. More recent factors have been the allocation of scarce resources between roads and railways. All these points of view are quite understandable. We believe the Via Baltica process has taken due note of them all. In the final analysis and considering all the ups and downs during the course of the development process one might claim that the Via Baltica concept has prevailed in the end, because it simply has been sound.