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I. Project description and objectives	
Title:	**Installation of a military/ civilian loading bay in Palemonas**
Number:	**101079587 / 21-LT-TM-MCLP**
Owner:	AB LTG Infra
Brief presentation:	Kaunas is currently the furthest (northernmost) point in Lithuania connected to the TEN-T North Sea-Baltic Corridor, a European rail line (1435 mm). The North Sea-Baltic Corridor carries freight traffic including military cargo from NATO countries, which is vital for the common security and training of NATO forces. Currently, the Šeštokai railway terminal on the Polish border handles military vehicles, oversized and bulk cargo, which is then transported to destinations in Lithuania only by road. Such transport is inefficient, especially for large, tracked vehicles. Despite its connection to the European rail network, Kaunas does not have the capacity to unload bulk and oversized cargo, as the Kaunas Intermodal Terminal is equipped to handle semi-trailers and containerised cargo. All other types of freight are currently handled (until the project is implemented) at the loading terminal at Šeštokai station.
Objective and results:	To provide civil-military loading/unloading capacity at Kaunas Palemonas Railway Station, as well as a 1435 mm gauge loading and unloading point for bulk cargo transported on the railway lines. By the end of 2028, it is planned to: Extend the capacity of the Palemonas railway yard adjacent to the planned loading terminal by constructing three additional railway tracks, which will enable 1435 mm gauge rolling stock to access the loading area and perform the shunting operations required for a smooth loading process. The loading area will be equipped with dual-purpose ramps enabling loading operations from both sides of the railway track, while a storage area with a specially designed surface for accommodating up to 300 units of heavy machinery will be constructed adjacent to the ramps. For convenient integration with the road network, a 1.5 km section of Palemono Street will be reconstructed. Up to three trains will be able to access the loading terminal simultaneously. The facility will be developed in accordance with high security and environmental standards,

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	including perimeter fencing, video surveillance and, where necessary, noise barriers. The applicant will be responsible for the technical design and for the proper use of the reconstructed infrastructure. The assets created or reconstructed by the project will be maintained and operated at the applicant's expense. The assets will not be transferred, mortgaged or otherwise encumbered for at least five years from the end of the project for which the financing is provided.
Benefits for society:	Internal: AB Lietuvos geležinkeliai group of companies, Kaunas City Municipality. External: carriers, consigners and consignees, Republic of Lithuania, NATO.

II. Project phases and implementation plan

Estimated implementation period:	2022-2028
Implementing measures and phases:	1. Design services 2. General expertise services for technical design 3. Contract works for the project 4. Technical supervision of the project 5. Supervision of the execution of the construction project
Progress status:	Contract works in progress

III. Project financial information and costs

Sources of financing: The project is partially financed by the EU Connecting Europe Facility (CEF) under the CEF-T-2021-MILMOB call for proposals, by the Lithuanian State Defence Fund, and other financing sources are also planned:

PROJECT VALUE	
EU CEF funds	EUR 13 276 500.00
State Defence Fund funds	EUR 8 758 500.00
Other financing sources	EUR 15 334 966.43
TOTAL	**EUR 37,369,966.43**

The Project Grant Agreement was signed on 13 September 2022, under which the Project Promoter was awarded up to EUR 13,276,500.00 of EU CEF funding for the implementation of the project.



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The agreement on the allocation of State Defence Fund financing is planned to be signed in June 2026.

Budget changes:	YES
Actual costs:	EUR 2,377,00.

IV. Project risks and their management

Risks, their assessment and management tools:

Risks	Causes and assessment	Risk-mitigation measures
1. Procurement procedures take longer than the planned standard duration	The risk factor is present when tenders are subject to a large number of enquiries from suppliers, or when suppliers are irresponsible in the preparation of their bids and need to ask for clarification more than once. The occurrence of a risk factor refers to the potential delay in the start and completion of a delayed activity compared to the planned ones.	Procurement will aim to respond promptly to enquiries and to clearly identify any inaccuracies in tenders, so that suppliers can properly revise their tenders the first time.
2. Risk to the implementation of project activities due to possible delays by the supplier	Project activities may be delayed when supplier delays (delivery delays, adverse weather conditions, etc.) prevent the timely delivery of works or materials.	Periodic meetings with suppliers are planned to manage the risks, and preventive measures such as fines and later payment interest are being considered. In case of delays, additional resources may be called in.