



I. Description and objectives of the project

Title: Development of the railway connection Rail Baltica

Number: CH52

Implementor: LTG Infra AB

Brief presentation: Rail Baltica is a strategic project of the LTG Group and the European Union, and the largest railway infrastructure project in the history of the Baltic States, which will provide an electrified European-standard railway linking Lithuania, Latvia and Estonia with Central and Western Europe, ensuring regional integration, civil and military mobility. Rail Baltica is an integral part of the European Union's trans-European transport network and the total length of the line in the Baltic States will reach 870 km: 392 km in Lithuania, 265 km in Latvia and 213 km in Estonia.

The idea of restoring direct rail links to Western Europe has its origin in the 1990s, after the restoration of the independence of the Baltic States and became possible after the Baltic States joined the EU.

Objective and results: Integration into the European rail network: to integrate the Baltic States into the European rail network and thus improve connections with other EU countries;

Improving passenger and freight services: to provide efficient services and thus improve rail connectivity between the participating countries, Central and Northern Europe;

Sustainability: the construction of a new electrified railway line is aimed at reducing emissions and contributing to the objectives of the European Green Deal policy;

Economic development: by improving transport infrastructure, Rail Baltica will boost the region's economic development and facilitate trade and mobility;

Safety and modernization: the latest safety standards and technologies, including the European Rail Traffic Management System (ERTMS), will ensure safe and efficient train operations;

Military mobility and strategic geopolitical importance: the Rail Baltica is recognized as an important military logistics infrastructure which is a North-South railway axis connecting the Baltic States to Western Europe, using the European standard 1435 mm gauge.

**Benefits for society:**

The socio-economic impact of the project is estimated at EUR 6.6 billion, according to a cost-benefit analysis study carried out by independent evaluator Boston Consulting Group. The wider economic impact broader economic impact is expected to range from 16.5 to 22.5 billion EUR over its lifecycle.

Strategic integration into the European rail network will indirectly boost the Baltic region's GDP growth by 0.5-0.7 percentage point per year.

Switching from fossil fuels to renewable energy will increase energy security and reduce emissions by 1.5-3.3% in the Baltic States.

Rail Baltica will improve environmental and traffic safety, reducing the risk of pollution and accidents.

The project will not only have an impact on the habitants of the Baltic States and travel security, but also on national economies and national security, including optimizing military mobility.

High-speed rail will make journeys even more convenient, halving the time it takes to get to Riga from the current 4 hours, reaching Tallinn and Warsaw in 4 hours. Better connections will widen the geography of residents' study and work.

Many new jobs will be created in the infrastructure sector. During the lifetime of the railway infrastructure, new jobs will be created in the fields of infrastructure management and maintenance, station and terminal management, and in all types of passengers and freight management in the districts on both sides of the Rail Baltica route.

Other drivers of growth in the area include real estate value, tourism, new business and urban development.

II. Project phases and implementation plan

Estimated implementation period: 2016-2030

Implementation measures and phases:

The Rail Baltica project in Lithuania covers several parts (geographical sections):

- 1) Kaunas-Lithuanian/Latvian state border;
 - 2) Kaunas Railway Node;
 - 3) Kaunas (Jiesia)-Lithuanian/Polish state border;
 - 4) Kaunas-Vilnius
-



At the end of 2024, a review of the Rail Baltica project implementation was carried out between the Baltic States and the European Commission, setting out the phasing of the implementation works and highlighting the project phase I, which is due to be completed by 2030.

Phase I of the project will prioritize the construction of the main railway line from Tallinn (via Pärnu, Panevėžys and Kaunas) to Warsaw.

The project implementation measures include spatial planning, land acquisition for public use and design procedures, and construction works.

Progress status:

Rail Baltica contracts worth more than €800 million (including VAT) have been signed in Lithuania for construction works on a 114 km section between Kaunas and Panevėžys. On the most mature section, Šveicarija–Žeimiai, 8.8 km of European standard track has already been laid.

A public tender has been announced for design services for the Panevėžys–Lithuanian–Latvian border section (54 km), with works planned to start this year.

From the Lithuanian–Polish border to Kaunas (almost 100 km), the design of the Rail Baltica railway line is underway, and land acquisition procedures for public needs are being finalized. Design contracts for Jonava and Gustonys regional stations have already been signed, while tenders are ongoing for the design of infrastructure maintenance depots in Panevėžys and Kaunas. Additional public procurements for the design of separate point objects are planned for 2026.

In addition, design activities have been officially launched by the dedicated Rail Baltica Design Unit of LTG Infra.

III. Project financial information and costs**Sources of funding:**

The project is co-funded by the European Union Connecting Europe Facility (CEF) and the national budgets of Lithuania (as well as Latvia and Estonia).

Budget changes:

–

Actual costs:

Financing granted for all activities over the period 2014-2027: 1,6 billion EUR (total from CEF1 to CEF10) for already implemented,



currently ongoing and planned services, construction works, and land acquisition for public needs, of which **1,2 billion** EUR was allocated for construction activities.

Financing used for all activities: about 373,01 million EUR spent to date. Financing used for construction activities: about 291,00 million EUR spent on construction.

Total length (km) of mainline embankment covered with financing: ~114 km.

IV. Project risks and their management

Risks, their assessment and management tools:

Risks	Causes and assessment	Measures to reduce risks
1. Delays in design activities	Large design volumes. Limited resources of market suppliers.	Prioritizing activities. Attracting and mobilizing suppliers. Proactive communication with suppliers. Reviewing the strategy for implementing activities.
2. Delays in construction activities	Delays in design activities. Resource constraints of contractors. Construction activities are carried out in parallel on all sections.	Prioritizing activities. Attracting and mobilizing suppliers. Proactive communication with contractors. Reviewing the strategy for implementing activities. Acceleration of works.
3. Delay in pre-commissioning/ Failure to grant authorization to operate infrastructure in time	Delays in testing infrastructure elements and obtaining authorizations to operate. AsBo/NoBo requirements.	Monitoring of implementation progress and readiness for timely adjustments to commissioning. Developing training programs and monitoring the level of readiness. Early involvement of regulatory authorities, direct and clear communication.
4. Delays in public procurement	Limited resources of market suppliers. Suppliers' complaints, disputes.	Attracting and mobilizing suppliers. Reviewing requirements. Preliminary market consultation. Prioritization of activities.