



GOVERNANCE AND MANAGEMENT OF THE ROAD SYSTEM

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LATVIA IN EUROPE



General Background of Latvia

- Territory 64589 km²
- Population 2283500
- Population density 35.4 per 1 km²
- Number of registered vehicles 1070319
- Number of registered cars 828250
- Number cars per 1000 inhabitants 363

Roads and Streets in Latvia

- **Total recorder length of roads and streets 69 676 km**
 - roads with bituminous pavements 14 096 km
 - roads with gravel pavements 55 579 km
- **Average density of the road network 1.079 km per 1km²**
- State roads in Latvia 20 167 km
- Municipal roads 31 432 km,
 - bituminous 1 019 km
 - gravel 30 413 km
- Municipal streets 7 581 km,
 - bituminous 4 419 km
 - gravel 3 162 km
- Forest roads 6 995 km
- Private roads 3 500 km

State Road Network

Pavements Roads	Total, km	Including pavements, km	
		Bituminous	Gravel
Main Roads (A)	1622	1622	0
1st class roads (P)	5320	3997	1323
2nd class roads (V)	13225	2519	10706
Total	20167	8138	12029

<u>Bridges:</u>	922
reinforced concrete	866
stone masonry	15
steel	33
timber	8
Total length of bridges	32 192 m

Latvian State Road Network



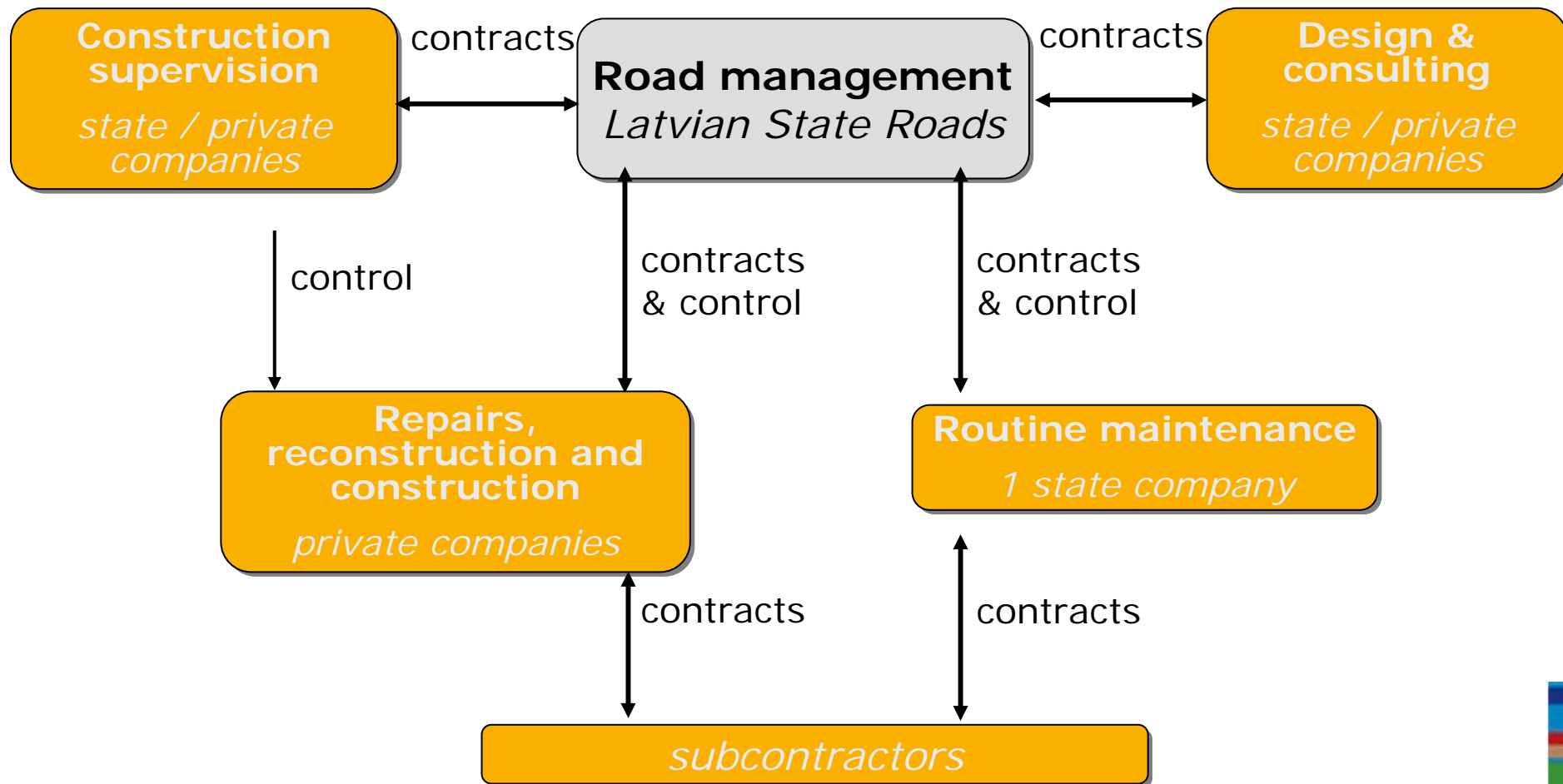
Four Steps of Reorganization between 1991 and 1997

1. Autumn 1991. Separation of state road administration institutions from production companies. Transfer of state maintenance and construction companies directly under the Ministry. Establishment of 26 district road management units of road administration.
2. 1992 – 1994. Privatization of state road construction companies and implementation of tenders for state procurement of road construction works. Establishment of State Road Fund.
3. 1996 – 1997. Establishment of 4 regional state joint stock companies as routine maintenance contractors.
4. 1997. Reorganization of state road administration and establishment of state joint stock company for road management.

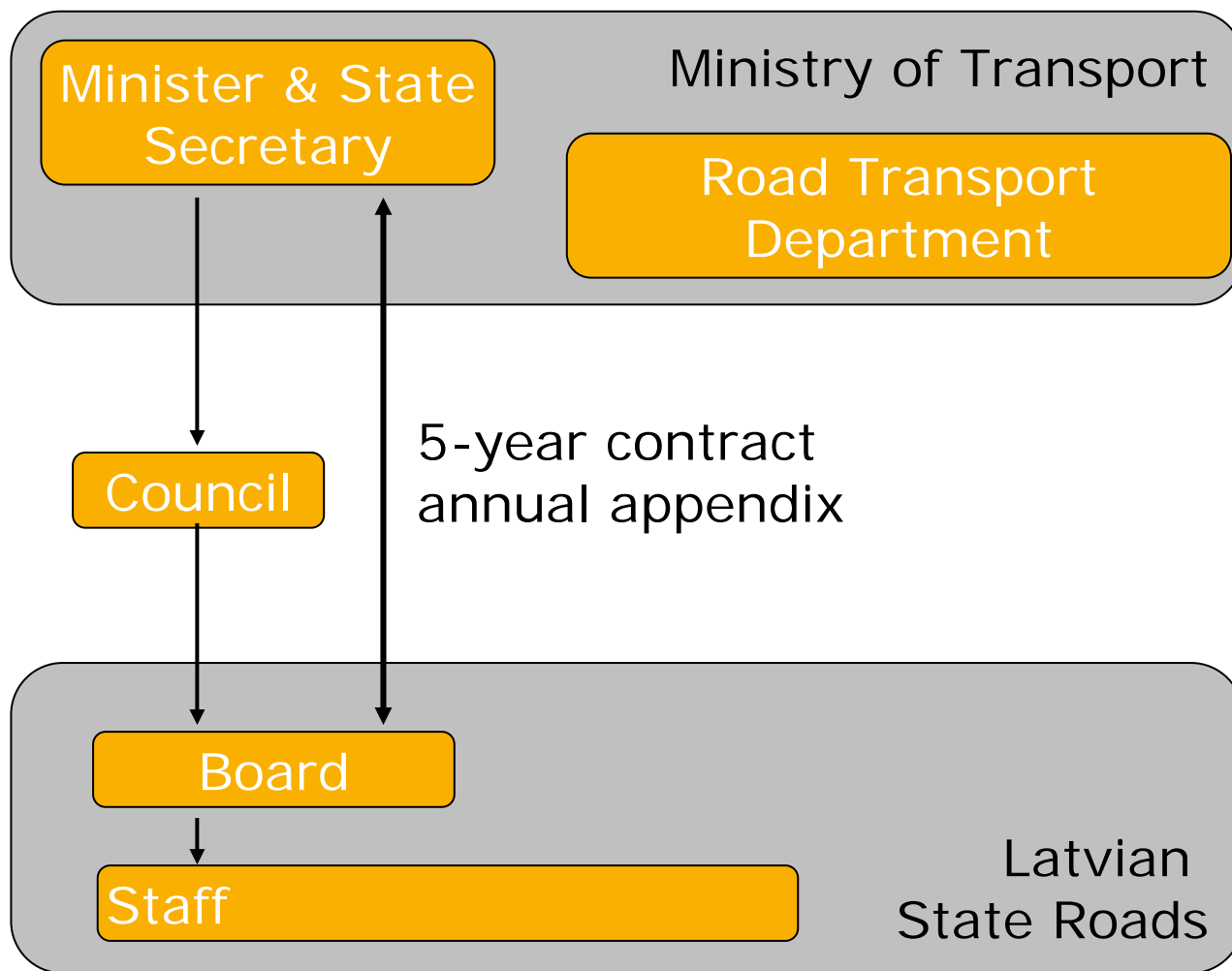
Why exactly a Commercial Company?

- Main approach was to commercialize road administration by implementing techniques approved in business, meaning there will be clearly defined goals and effective administration;
- Effective administration meant that less bureaucracy, less limitation in recourses and personal, less coordination with Ministry, more own decisions in planing and management processes, more new possibilities and advantages for staff, more benefits but also more own risks in results;
- Agreement "On Road Sector Management" signed with the Ministry of Transport became the basic document for 5 years period, including annual work tasks for administration and development of the state road network.

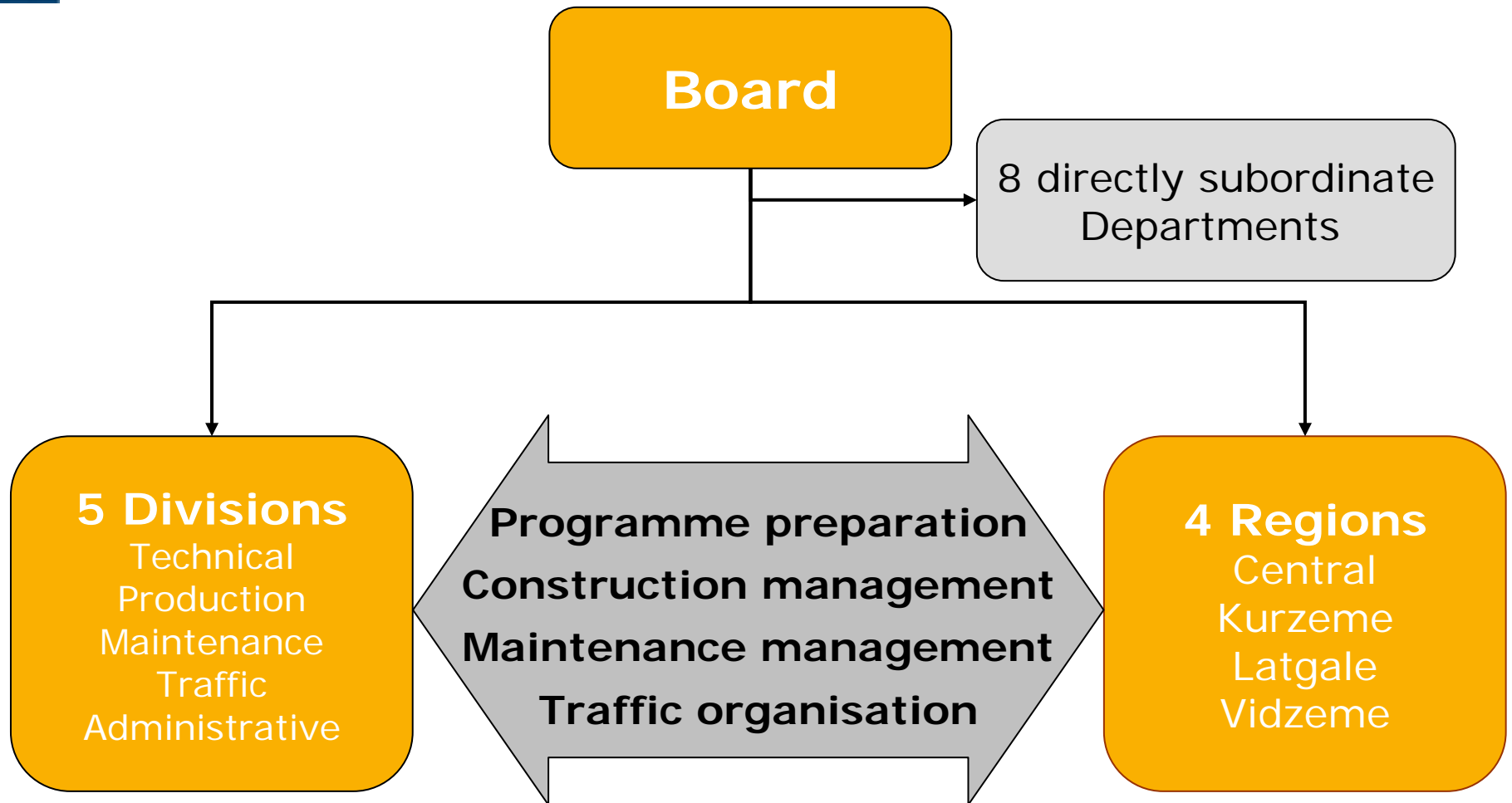
Management of Road Sector



"Latvian State Roads" and Ministry of Transport



Managerial Structure of "Latvian State Roads"



Conclusions (1)

- The road sector and its administration are transformed in accordance to the requirements of market economy.
- Reorganization of road sector and road administration was made gradually in 4 steps in advised and successshul manner.
- In ten years the chosen form of commercial company has proved its viability and ability to work.
- In the process of transformation we followed all the experience gathered by administrations of other countries, including recommendations of PIARC, and adapted them to specific requirements of our country.

Conclusions (2)

- The commercial company has good working mechanisms that open possibilities to perform future functions under conditions of rapidly growing financing.
- In the previous 10 years the state road network has remarkably outworn due to absence of political will to finance and improve it. It creates additional problems for the road administrator. Only recently we have had a chance to improve the situation.
- At the same time we should look optimistically to the role of directives of the EU that define the responsibility of the state for the condition of road infrastructure and traffic safety.
- I see a possibility that Latvian experience can awake international interest. We are open to every inquiry.



Thank you for your attention!