Performance Plan

Lithuania

Third Reference Period (2020-2024)

Status: Draft performance plan containing revised RP3 targets (Art. 3 of IR 2020/1627 & Art. 12 of IR 2019/317)

Date of issue: September 30, 2021

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Signatories

Performance plan details	
State name	Lithuania
Status of the Performance Plan	Draft performance plan containing revised RP3 targets (Art. 3 of IR 2020/1627 & Art. 12 of IR 2019/317)
Date of issue	2021-08-26
Date of adoption of Draft Performance Plan	2021-10-04
Date of adoption of Final Performance Plan	

We hereby confirm that the present performance plan is consistent with the scope of Regulation (EU) No 2019/317 pursuant to Article 1 of Regulation (EU) No 2019/317 and Article 7 of Regulation (EC) No 549/2004.

Name, title and signature of representative	
	Mantas KERDOKAS, Acting Director of Transport Competence Agency (National Supervisory Authority)

Additional comments	Latvia's CAA is responsible for delegated ANS services to LGS data provision for NINTA-ADAXA, in line with NSA's agreement of 2019.

Document change record		
Version	Date	Reason for change
1	2021-08-26	draft for consultation on 9SEP2021
1.1	2021-09-16	Update after consultation of 9 SEP2021
1.2	2021-09-30	Update of ON costs, adjustments of costs of delegated services to Latvia, adjustment of SUs on NINTA-ADAXA (2014; 2019)
2	2021-11-17	Update of TSUs 2021-2024, CEF section, Latvia's costs provided by LV CAA, some other clarified data as disclosed in Annexes T and V.

SECTION 1: INTRODUCTION

1.1 The situation

- 1.1.1 - List of ANSPs and geographical coverage of services
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- ANNEX C. CONSULTATION
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1 - INTRODUCTION

1.1 - The situation

NSA(s) responsible for drawing up the Performance Plan	Transporto kompetencijų agentūra (Transport Competence Agency)

1.1.1 - List of ANSPs and geographical coverage and services

Number of ANSPs	3

ANSP name	Services	Geographical scope
SE Oro Navigacija	ATS, ASM, ATFM, CNS, AIS, SAR	SE Oro Navigacija is responsible for provision of en-route air navigation services in Vilnius Flight Information Region (FIR)/Upper Airspace Information Region (UIR) and terminal air navigation services at 4 Lithuania's international airports: Vilnius (EYVI), Kaunas (EYKA), Palanga (EYPA), and Siauliai (EYSA).
Lietuvos hidrometeorologijos tarnyba (Lithuanian Hydrometeorological Service, LHMS)	MET services	Vilnius Flight Information Region (FIR)/Upper Airspace Information Region (UIR)
Latvijas Gaisa Satiksme, LGS (Latvian ANSP)	ATM, ATS (FIS, Alerting, ATC), ATFM, CNS (COM, NAV, SUR), AIS, SAR	LGS provides these services on the segment NINTA - ADAXA (area "NINTA") within airspace of Vilnius FIR/UIR.

Cross-border arrangements for the provision of ANS services

Number CB arrangements where national ANSPs provide services in an other State	0

Number CB arrangements where ANSPs from another State provide services in the State	1

ANSPs established in another Member State providing services in one or more of the State's FIRs	
ANSP Name	Description and scope of the cross-border arrangement
Latvijas Gaisa Satiksme, LGS (Latvian ANSP)	LGS provides the following air navigation services in the segment NINTA - ADAXA (area "NINTA") within airspace of Vilnius FIR/UIR (560707N 0180349E, then along the FIR boundary 562043N 0183023E, then along the FIR boundary 561510N 0191537E - 560707N 0180349E): ATM, ATS (FIS, Alerting, ATC), ASM, ATFM, CNS (COM, NAV, SUR), AIS, SAR.

1.1.2 - Other entities in the scope of the Performance and Charging Regulation as per Article 1(2) last para.

Number of other entities	3

Entity name	Domain of activity	Rationale for inclusion in the Performance Plan
Transporto kompetencijų agentūra (Transport Competence Agency)	National supervisory Authority/ National Competent Authority	NSA is responsible for elaboration of PP and monitoring of PP implementation, reporting, it is also the National Competent Authority(NCA) in terms of oversight of ATM-ANS.
Latvia's Civil Aviation Agency	National supervisory Authority/ National Competent Authority	LV CAA is responsible for safety oversight of services provided by LGS in Vilnius FIR in the part of route NINTA-ADAXA, as well NSA functions in respect of Performance and Charging scheme and these data (including reporting) provision.
EUROCONTROL	Network functions, operation of multilateral route charges system	State costs considered as "Other State Costs" - of an international inter-governmental organisation

1.1.3 - Charging zones (see also 1.4-List of Airports)

En-route	Number of en-route charging zones	1

En-route charging zone 1	Lithuania

Terminal	Number of terminal charging zones	0

1.1.4 - Other general information relevant to the plan

Total number of IFR movements at 4 Lithuania's international airports never exceeded 80 000, even at the peak reached in 2019 total number of serviced arrivals and departures was 63 338. A decision was taken in 2019 to not apply IR 2019/317 to terminal air navigation services in Lithuania. TNS unit rates are set at bilateral consultations with AU's applying in general the same principes and level of transparency while setting determined costs, traffic and later reporting actuals and making adjustments to the nominal chargeable unit rates.
Latvia's costs and investments data related with service provision on part of the route NINTA-ADAXA, as well LV-NSA attributed costs in Lithuania's CZ (modification of LT-LV CZs as from 2020), are being provided by LV NSA-CAA. The EC was notified in 2019 on modification of respective charging zones from start of RP3.

Relevant local circumstances with high significance for performance target setting and updated view on the impact of the COVID-19 crisis on the operational and financial situation of ANSPs covered in the performance plan

European Council has issued a formal decision and regulation to prohibit Belarusian flights to/from/over EU territory due to e**nforced landing FR4978** in MSQ which operated flight ATH->VNO/23MAY2021, what has been applicable since 5 JUN 2021. EASA issued Safety Directives 2021-02 and 2021-03 on 2nd JUN 2021 with immediate effect requesting EASA Member States' NCAs and Aircraft Operators, not to conduct operations in FIR Minsk, unless the use of that airspace is deemed necessary to ensure safe operation in case of unforeseen circumstances. Such situation could influence increase of IFR movements, SUs, as well impact environment KPIs (KEA, KEP, KES). None is aware, at the stage of revision of the draft RP3 PP revision, how long this situation could last and how traffic could shift due to optimal flight trajectory, especially on long-haul flights.
Achievement in RP2: Lithuania's en-route service unit rate at real prices in RP2 was maintained much lower (at below 80%) than Union-Wide average, and gap even increased during RP2 as Lithuania has dealt with much higher than anticipated traffic whereas costs in real terms remained almost unchanged while en route capacity was ensured – 0 minutes / flight of delays throughout the entire 5 years period.
Lithuania's geographic location – Eastern frontier of European Single Sky – and neighbourhood (country is surrounded by non-SES airspace of BY and RF), heavy dependence on flights to/from RF (~47% 2021 YTD, ~36% in FY 2019 from total en-route traffic) and on flights of Russian airlines (currently YTD almost ~37% from total en-route traffic) and current political-tensions situation (FR4978 forced-landing incident and following sanctions) is a very important factor to be considered and taken into account. **As forecasts and later actual traffic might be unexpectedly affected and fluctuate** significantly **due to political decisions, sanctions,** etc. and this might impact not only cost efficiency KPI targets achievement, but also environmental KPI targets - as we had already noticed additional influx of flights in June due to European airlines avoiding BY airspace – HEF indicator worsened to worst reading in 5 years – 3.5%, when usually it fluctuates between 1.5-2%).
Lithuania's economy is on a rapid convergence path towards EU average levels as its economy showed resiliance during pandemic year of 2020 (GDP just -0,9% vs. 2019) and in recent years saw rapid growth of salaries level (+10.1% in 2020 and by +8-10% each year in previous 4 years). Economy is expected to continue growing at a much higher rate (+4.4% in 2021 and by at least +3% in next few years) than EU average. Salaries growth is expected to cont**inue at strong-rates of +7.9% this year and +5.2-5.5%** in next coming years. Labor market and especially skilled-workforce is lacking and competition among employers for young talents and is increasing salary-growth further.
Salaries growth is also creating additional inflationary pressures in the economy – latest reading indicated **4.7% inflation rate vs. LY Jul**y. **Lithuania's economy is very open-type one**, **importing inflation quickly** if it is felt in commodities-markets, which is happening now, and along with very rapid salaries growth in recent years inflation is expected to be high in upcoming years. Inflation rate in SEP is foreseen to reach 6,3%. Therefore, these two inflationary forces combined points to the fact that inflation is expected to be much higher than ECB's target rate of 2% in the forthcoming years. In the latest IMF report after the mission in June, for Lithuania it is forecasted that inflation will be 3.2% for 2021, 2.8% for 2022 and 2.7% for 2023. Services' prices in Lithuania are increasing even faster than those of goods, thus this will be inevitably impacting other operational costs increase undoubtedly and has to be included into the projected costs.
The described economic environment forces **all Lithuania's entities to envision staff-costs increase at least to partly catch-up with the racing** labor-**market trends** and thus be able to attract and retain specialists needed for providing safe and quality services in short and long-term perspective.
New generation ATM system (Oro Navigacija is a part of ITec consortium and in FEB this year commissioned into use new ATM system for en-route traffic management) are much more complicated systems than they used to be in the past and their maintenance costs are projected to be much higher once the warranty-period ends as well.

Additional comments

According to the plans of the Government (MoT is the owner of state enterprise Oro Navigacija), **SE Oro Navigacija's legal status is planned to be changed** to Stock Company from 2023. Though this seems challenging and more realistic date probably would be 2024. There might be changes in equity size (asset re-evaluation) that will be transferred to the assets owned by the company as well as other changes (real estate taxes – additional new costs), thus if these changes appear to be significant, there might be a need to revise draft 2021 RP3 Performance Plan, or to align the dates of status change in line to RP4 in order to avoid this situation.
The pandemic made ON to revaluate the priorities and in both short-term and long-term perspective to set continuity of the activity maintaining the highest level of safety and ATM service quality, compliance with the legal acts as the main goals. Thus, the enterprise focused only on the key projects and investments, reviewing and rescheduling others.

1.2 - Traffic Forecasts

1.2.1 - En route

En route Charging zone 1 | **Lithuania**

En route traffic forecast | STATFOR Base forecast MAY 2021 (Flight Plan 2017-19, Actual Route 2020-2024)

STATFOR Base forecast MAY 2021 (Flight Plan 2017-19, Actual Route 2020-2024)	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	277	301	303	139	161	220	255	291	-0,8%
IFR movements (yearly variation in %)		8,6%	0,8%	-54,0%	15,5%	36,6%	16,1%	14,0%	
En route service units (thousands)	541	603	619	333	390	477	547	622	0,1%
En route service units (yearly variation in %)		11,4%	2,7%	-46,3%	17,3%	22,3%	14,7%	13,7%	

Traffic forecast is the Base STATFOR for 2022-2024. 2021 numbers are revised locally upwards as it is evident that number of provided services in Vilnius FIR will be much higher than STATFOR's MAY2021 base/Sc2 and even optimistic scenario forecast for full year. 7 months YTD actual data indicated that Lithuania was one of the least-affected countries in the Network with +7,3% SU's growth vs. 2020 and -39,7% vs. 2019 (to compare to CRCO Total of -69,2%). June and July saw SU's numbers at +100% vs. 2020 and just -30% vs. 2019 as along intra-Europe traffic recovery Russian airlines were even more actively increasing number of flights and additional transit-traffic (~+10%) was gained as flights are diverted through Lithuania's airspace while European airlines are avoiding Belarus airspace.

Estimating even the most pessimistic scenario - if pandemic situation worsens from September, Belarus effect fades and as a result SU's recovery ends and gradually drops back to -43% level (vs 2019) in December - LT would still end-up with 390k SU's for FY 2021. Thus, to give a better and closer-to-reality estimates for amounts to be reimbursed for the unrecovered costs of 2020-2021 and what impact on nominal chargeable unit rates they will make this local (higher) estimate for 2021 is used.

LT plans to update PP with the revised STATFOR forecast Sc2/base-scenario when it is released in mid October. With 2021 numbers revised upwards we also expect forecast of SU's will be increased for 2022-2023 consequently.

PESIMISTIC SCENARIO - TRAFFIC SET-BACK IN AUTUMN								
EN-ROUTE, SU's	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	
2019	43439	37753	43410	48364	55720	58074	62824	6
2020	48820	42306	32517	13140	17184	17522	24792	2
2021	24276	20201	24192	26004	31291	38776	45933	*4*
20 vs 19	12,4%	12,1%	-25,1%	-72,8%	-69,2%	-69,8%	-60,5%	-5
21 vs 19	-44,1%	-46,5%	-44,3%	-46,2%	-43,8%	-33,2%	-26,9%	-2

1.2.2 - Terminal

Not applicable for RP3

1.3 - Stakeholder consultation

1.3.1 - Overall outcome of the consultation of stakeholders on the performance plan

Description of main points raised by stakeholders and explanation of how they were taken into account in developing the performance plan
Level of the determined costs and not achievement of DUC 2017 decrease in compliance to the union wide on annual basis. Staff costs, staff and ATCOs numbers remained the same after consultations and discussions while other costs by nature were revised by 2,5 mln down through the whole RP3. ON - for the future - to carry on consultations with airspace users on new and major investments before taking any decisions, together with the costs-benefit analysis.

1.3.2 - Specific consultation requirements of ANSPs and airspace users on the performance plan

Topic of consultation	Applicable	Results of consultation
Where applicable, decision to diverge from the STATFOR base forecast	Yes	Traffic trend2021 was upwards and reached trend of numbers -35% AUG vs 2019 and -37% at the beginning of SEP, therefore number Sus 2021 was revised up to 390 th. That could be caused not only by sesasonality but also by BY case. Traffic will be revised with the latest STATFOR forecast of mid OCT. AUs were not against, thus SUs 2021 applied is 390 th.
Charging policy	No	
Maximum financial advantages and disadvantages for the mandatory incentive scheme on capacity	Yes	NSA set max values for +1,9% / -2%, AUs pointed to the never historically generated en route delays and proposed +1%. NSA agreed and corrected in the draft revised RP3 PP.
Where applicable, decision to modulate performance targets for the purpose of pivot values to be used for the mandatory incentive scheme on capacity	No	
Symmetric range ("dead band") for the purpose of the mandatory incentive scheme on capacity	NO	
Establishment or modification of charging zones	No	
Establishment of determined costs included in the cost base for charges	Yes	AUs' disappointment on the DUC2017 yearly growth and request to see the reduction year by year in nominal values. After consultation ON move out CoC from 2020 and reduced actuals 2021 closer to actual situation, in total by 2,5 mln.
Where applicable, values of the modulated parameters for the traffic risk sharing mechanism	No	
Where applicable, decision to apply the simplified charging scheme	No	
New and existing investments, and in particular new major investments, including their expected benefits	NO	ON did not planned major investments above 5 mln, but AUs stressed to an advanced cooperation with AUs on planned investments necessity and poor delivery of new ATM system as additional ATCOs required.

1.3.3 - Consultation of stakeholder groups on the performance plan

#1 - ANSPs	
Stakeholder group composition	Oro Navigacija, MET Service Provider LHMT
Dates of main meetings / correspondence	5 AUG, 9 SEP, letters to ON of 16AUG, 2SEP, 28 SEP, letter of 24SEP to the owner MoT, in addition to direct discussions with ON and MoT.
Main issues discussed	Numbers of staff and ATCOs, national environment targets, lack of ambition to comply with the union wide targets in CEF KPA, request to decrease costs and exclude consideration of 36 working hours at the end of RP3.
Actions agreed upon	Environment targets equal to the national reference values. NSA would apply to NM for possible measures and apply them if the structural issues in service provision is notified.
Points of disagreement and reasons	Numbers of ATCOs, their stress and fatigue while numbers of ATCOs in operation were much lower in 2019 comparing with numbersplanned in revised PP.
Final outcome of the consultation	Numbers ofplanned staff and ATCOS, staff costs level remained the same. Environment targets revised as set in EUROCONTROL ERNIP plan.

Additional comments
As NSA don’t have proper skills to evaluate optimised number of ATCOs attributable to different level of traffic, required in addition to the new ATM iTEC system, as well analyse possible ATCOs stress and fatigue, NSA will aply for the external support from the qualified entity. Costs detailed by nature were revised down by 2,5 mln Eur (excluded CoC 2020 + revised down costs of 2021 and 2024).

#2 - Airspace Users	
Stakeholder group composition	IATA, LH Group
Dates of main meetings / correspondence	5 AUG, 9 SEP.
Main issues discussed	AUs were disappointed with the level of costs, costs efficiency and wanted to see % reduction year after year and not only 2024/2014 which is compliant with the long term UW trend. Another issue - the numbers of staff and staffing costs, not seen efficiency effects on investments (mainly re new ATM system put into operation in FEB 2021) as it leads to ATCOs No's increase, and not only due to this but also possibly due to poor ASM and not proper rostering. Disappointment re investments expressed and ATCOs no's increase at the same time. Questionable issue of ATCOs stress and fatigue as in 2019 the only one safety incident was reported. Question of proper costs and benefit analysis was carried before making decision in investing. Maintenance costs are increasing, issue with the warranty - possibly not proper level negotiations were hold with INDRA.
Actions agreed upon	ON to revise costs, communicate to INDRA, analyse rostering and ASM while not operdising the safety.
Points of disagreement and reasons	No's of ATCOs to work with new ATM system and questionable presence of stress and fatigue under traffic lower than 2019.
Final outcome of the consultation	ON to review level of costs, required no's of ATCOs and negotiate with INDRA on warranty price.

Additional comments
NSA will apply to the external qualified entity regarding assistance in calculations of optimised ATCOs numbers adjustable to different traffic levels, ATCOs stress and fatigue, and probably to PRB which was supported to allocate MSs to the Comparators Group with the "similar operational and economic" conditions.

#3 - Professional staff representative bodies	
Stakeholder group composition	ON's Trade Union representatives, TKA Trade Union representative.
Dates of main meetings / correspondence	9 SEP
Main issues discussed	questions were not raised at the consultation.
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#4 - Airport operators	
Stakeholder group composition	Not applicable as ANS terminal services excluded from Perf-Chrg Scheme
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#5 - Airport coordinator	
Stakeholder group composition	Not applicable as ANS terminal services excluded from Perf-Chrg Scheme
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#6 - Other (specify)	
Stakeholder group composition	
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

1.4 - List of airports subject to the performance and charging Regulation

1.4.1 - Airports as per Article 1(3) (IFR movements ≥ 80 000)

ICAO code	Airport name	Charging Zone	IFR air transport movements			
			2016	2017	2018	Average

1.4.2 Other airports added on a voluntary basis as per Article 1(4)

Number of airports	0		
ICAO code	Airport name	Charging Zone	Additional information

Additional comments
Not applicable for RP3

1.5 - Services under market conditions

Number of services under market conditions	Click to select

Services	Charging zone	Geographical scope of the services	State decision and assessment report	Reference to the agreement of the European Commission

Additional comments
Not applicable for RP3

1.6 - Process followed to develop and adopt a FAB Performance Plan

Description of the process
Not applicable for RP3

1.7 - Establishment and application of a simplified charging scheme

Is the State intending to establish and apply a simplified charging scheme for any charging zone/ANSP?	No

SECTION 2: INVESTMENTS

2.1 - Investments - SE Oro Navigacija

2.1.1 - Summary of investments

2.1.2 - Detail of new major investments

2.1.3 - Other new and existing investments

2.2 - Investments - Lietuvos hidrometeorologijos tarnyba (Lithuanian Hydrometeorological Service, LHMS)

2.2.1 - Summary of investments

2.2.2 - Detail of new major investments

2.2.3 - Other new and existing investments

2.3 - Investments - Latvijas Gaisa Satiksme, LGS (Latvian ANSP)

2.3.1 - Summary of investments

2.3.2 - Detail of new major investments

2.3.3 - Other new and existing investments

Annexes of relevance to this section

ANNEX E. INVESTMENTS

NOTE: The requirements as per Annex II, 2.2.(c) are addressed in item 4.1.2

2.1 - Investments - SE Oro Navigacija

2.1.1 - Summary of investments

Number of new major investments	3

#	Name of new major investment (i.e. above 5 M€)	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope of the PP	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Lifecycle (Amortisation period in years)	Allocation (%)*		Planned date of entry into operation
				2020	2021	2022	2023	2024		Enroute	Terminal	
1	PSR-MSSR radar renewal in Vilnius	3 500	3 056	-	-	-	-	7	15	87%	13%	2025-07-01
2	WAM/ADS-B implementation	4 000	3 492	-	-	1	28	137	15	87%	13%	2024.10.01
3	Aeuronautical data management system - digitalization	1 100	960	-	-	5	63	186	10;5	87%	13%	2023-07-01
Sub-total of **new major investments** above (1)		8 600	7 509	0	0	7	90	329				
Sub-total **other new investments** (2)		10 917	7 158	26	56	364	543	645		78%	23%	
Sub-total **existing investments** (3)				2 555	3 797	3 609	3 519	3 143		75%	25%	
Total new and existing investments (1) + (2) + (3)		19 517	14 667	2 581	3 853	3 979	4 152	4 117				

** The total % enroute+terminal should be equal to 100%.*

2.1.2 - Detail of new major investments

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives on new major investments.

Name of new major investment 1	***PSR-MSSR radar renewal in Vilnius***	Total value of the asset	***3 500 €***
Description of the asset	PSR/MSSR radars replacement in all 3 aerodromes (Vilnius, Kaunas, Palanga) - due to ongoing sector crisis this initiative has been moved towards the end of RP3 period and will not impact costs before RP4. These radars are already old and will be serving more than 15 years, lately requiring more and more maintenance costs, some spare parts are not even available anymore. Also, there is an issue with national security as these were produced by Russian origin manufacturer and ON has a strict recommendation from local national security institutions to replace these radars as soon as possible. Project starts with Vilnius radar replacement, costs associated with other two will be felt fully in RP4. Lithuania's geopolitical situation, neighbourhood (Russia's Kaliningrand enclave in the West and Belarus in the East) and airspace structure requires 3 radars to ensure coverage standards.		
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No	The investment project is not mandated by a SES Regulation. However, this project is directly related to requirements of COMMISSION IMPLEMENTING REGULATION (EU) No 1207/2011 of 22 November 2011 laying down requirements for the performance and the interoperability of surveillance for the Single European Sky. EUROCONTROL's Specification for ATM Surveillance System Performance (ESASSP) encompasses the whole surveillance system, including all the different current surveillance technologies, whereas the initial EUROCONTROL Radar Surveillance Standard focuses on radar systems. This specification lays down performance requirements for air traffic management (ATM) surveillance systems when they support 3-NM and 5-NM horizontal separation applications. It can be used by civil and military air navigation service providers to define the minimum performance which their surveillance systems must provide, as required by European Commission Implementing Regulation (EU) No 1207/2011 of 22 November 2011. This Specification also defines how the associated conformity assessment must be performed. Currently the next version of the ESASSP is being produced. In view of the security and safety requirements described in this specification, the need for a minimum layer of independent, or non-cooperative surveillance systems is again being considered by the civil air traffic management (ATM) authorities. In this connection, the sharing of civil and military surveillance data could potentially enable security and safety requirements to be met. This specification superseeds our radar surveillance standard, which identified that the radar coverage needs to support both terminal and en-route air traffic services must be double SSR coverage for en-route airspace, or double SSR coverage and single PSR cover for major terminal areas.	
Level of impact of the investment	Network		
	Local	x	

	Non-performance	
Quantitative impact per KPA	Safety	Ensuring uninterupted provision of services and safety standards.
	Environment	None
	Capacity	None
	Cost Efficiency	Radars have been demanding more and more spare parts replacements and repairs in recent years. Supplier is slow to react. New radars acquired through a transparent competitive and innovative procurement tender could potentially generate around -50% lower maintenance costs in upcoming years.
Results of the consultation of airspace users' representatives	Question on possible of life-time extention of current radars; as well question on necessity to implement investment No 2 if the radars are being replaced. Explanation was that necessity of replacement of radars directly impacts safety. Investment No2 would complement to new radars performance and ensure higher safety level. AUs stressed to an advanced cooperation with AUs on planned investments necessity.	
Joint investment / partnership	No	
Investment in ATM systems	No	
If investment in ATM system, type?	Click to select	
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select	

Name of new major investment 2	***WAM/ADS-B implementation***	Total value of the asset	***4 000 €***
Description of the asset	Installation of this multisensory WAM system with ADS-B - adding additional layer of coverage at the frontier of European Single-Sky and enabling improved Network performance and interoperability increase employing space-based surveillance technologies.		
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No		
Level of impact of the investment	Network	x	
	Local	x	
	Non-performance		
Quantitative impact per KPA	Safety	Installation of multisensory WAM system will improve safety and quality of surveillance services (ensuring adequate coverage in controlled airspace) and ensure a reservation of existing equipment.	
	Environment	No impact	
	Capacity	No impact	
	Cost Efficiency	Market consultations indicated that ADS-B functionallity installation together with WAM multisensory system would result in cost-efficiency compared to implementing it in two different projects with a time-lag.	
Results of the consultation of airspace users' representatives	Question on necessity of this investment if radars are going to be replaced; explanation was provided by ON to the quality of services and safety.		
Joint investment / partnership	No		
Investment in ATM systems	No		
If investment in ATM system, type?	Click to select		
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select		

Name of new major investment 3	***Aeuronautical data management system - digitalization***	Total value of the asset	***1 100 €***
Description of the asset	Aeuronautical information and data digitalization initiative is aimed at complying with regulatory requirements for air navigation information data accessibility and sharing for all users, improving processes of information management and briefing services. Project involves investments into the creation of dynamic database for aeuronautical data and briefing services digitalization.		

The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No	The investment is not mandated directly by CP1, however, it is considered as enabler to implement requirements of CP1 Family AF5 (SWIM), sub-family 5.3.1 – Aeronautical Information Exchange service. System-wide information management (SWIM) allows seamless information access and interchange between all providers and users of ATM information and services. The AF5 Family aims at upgrading or implementing systems to support the Aeronautical Information Exchange as service provider and/or service consumer. Note: as it is stated in the SESAR DEployment Programme 2021, The synchronisation in AF5 shall involve all ATM stakeholders, such as the civil/military air navigation service providers, airspace users for AOC systems, airport operators, MET Service Providers and the Network Manager. Furthermore, synchronisation during the related industrialisation phase shall start as soon as possible, in particular among the industry, including the manufacturer and the standardisation organisations. A deployment of the other AFs not using SWIM services in a harmonised way, could result in a costly duplication in implementation and/or result in implementations that are not interoperable. System will achieve interoperability by using standard data models and enable seamless information access and interchange between all providers and users.
Level of impact of the investment	Network	x
	Local	x
	Non-performance	
Quantitative impact per KPA	Safety	Indirect impact, as integration of different information systems with SWIM will lower the complexity with a reduced risk of system outages during operations and make information more easily available thus providing air traffic controllers with more accurate information, leading to better situational awareness.
	Environment	No impact
	Capacity	No impact
	Cost Efficiency	Negative as new costs appear for development and maintenance
Results of the consultation of airspace users' representatives	No specific comments or questions.	
Joint investment / partnership	No	
Investment in ATM systems	No	
If investment in ATM system, type?	Click to select	
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select	

2.1.3 - Other new and existing investments

2.1.3.1 - Overall description and justification of the costs nature and benefits of other new and existing investments in fixed assets planned over the reference period

In fact, Lithuania has no >5 mEur investment projects that would impact costs in RP3, but still report its 3 biggest investment projects of nearest years for transparency reasons.

Out of remaining other investments - the biggest items to be mentioned: oldest navaids (DVOR/DME) in Vilnius and Palanga replacements (0,8m and 0,4m respectively), air-ground radio equipment
renewal and radio coverage improvement project continuation (0,6m), green-energy solar-plant construction (0,5m) - energy-efficiency initiative to reduce utilities costs and reduce carbon-footprint of the company.

Remaining investments are smaller items - various different small investments and renewals of IT systems (e.g. HR management, roster management), hardware, software and licences, optimization of ageing, inefficient car-fleet, improvement and repairs of facilities, communications infrastructure and technical facilities, other equipment and systems replacements due to obsolescence, spare-parts, small office gear, etc.

2.1.3.2 - Details of the main other new investments in fixed assets planned over the reference period

Number of new other investments	Click to select number of new other investments

#	Name of investment	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope of the PP	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Description
				2020	2021	2022	2023	2024	

2.2 - Investments - Lietuvos hidrometeorologijos tarnyba (Lithuanian Hydrometeorological Service, LHMS)

2.2.1 - Summary of investments

Number of new major investments	0

2.2.3 - Other new and existing investments

2.2.3.1 - Overall description and justification of the costs nature and benefits of other new and existing investments in fixed assets planned over the reference period

LHMS will receive EU funds for the automatisation of the meteorological stations at Vilnius and Palanga airports, therefore these investment projects were excluded from the draft 2021 RP3 PP as initially planned in the draft 2019 RP3 PP. Depreciation costs of these projects were excluded from the costbase.

2.2.3.2 - Details of the main other new investments in fixed assets planned over the reference period

Number of new other investments	0

2.3 - Investments - Latvijas Gaisa Satiksme, LGS (Latvian ANSP)

2.3.1 - Summary of investments

Number of new major investments	4

#	Name of new major investment (i.e. above 5 M€)	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Lifecycle (Amortisation period in years)	Allocation (%)*		Planned date of entry into operation
				2020	2021	2022	2023	2024		Enroute	Terminal	
1	New technical, ACC and tower building	34 100 000	333 258	1 852	2 549	2 461	5 693	10 712	30	100%	0%	2027
2	Integration of new systems in Tech & TWR buildings	8 000 000	78 184	0	0	0	0	362	10	100%	0%	2027
3	ATC System modernization	9 485 300	92 699	412	1 212	1 305	1 736	1 928	10	100%	0%	2027
4	Radar modernization and WAM	10 730 900	104 873	0	521	1 843	2 835	1 906	10	100%	0%	2026-2029
Sub-total of **new major investments** above (1)		62 316 200	609 014	2 264	4 282	5 608	10 264	14 909				
Sub-total **other new investments** (2)		9 508 141	92 923	4 188	15 650	21 441	44 064	35 112		100%	0%	
Sub-total **existing investments** (3)				34 303	28 844	26 251	14 763	13 244		100%	0%	
Total new and existing investments (1) + (2) + (3)		71 824 341	701 937	40 755	48 776	53 300	69 091	63 265				

** The total % enroute+terminal should be equal to 100%.*

DATA were provided by Latvia's CAA, the full scope of investments for Lithuania's NSA is not known.

2.3.2 - Detail of new major investments

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives on new major investments.

Name of new major investment 1	***New technical, ACC and tower building***		Total value of the asset	***34 100 000 €***
Description of the asset	Current ATC tower was built in 1970s. During that time Riga Airport underwent major improvements, such as extension of runway, new terminal building which impair the visibility of the ATCOs and subsequently impair the safety at Riga Airport. In order to mitigate the risks, several new systems have been deployed. In addition, the current configuration of the ATC Tower at Riga airport prevents the introduction of remote TWR technologies. Further expansion of Riga Airport may be affected due to limited ATC Tower capacity in longer term. The construction works will be started at the end of the 2022. Currently, due to pandemic, there are no major capacity issues, however, in 2019 there were some delays associated with ATC Capacity. In order to solve the situation, re-design of the Latvian airspace was made. The before mentioned re-design asks for more ATCO working positions that physically can not be placed in current ACC. Whenver the traffic will reach FY2019 levels the ATC_CAP code can return.			
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No			
Level of impact of the investment	Network	Whenever maximum capacity of the current ACC will be reached - the investment will allow to increase it.		
	Local	N/A		
	Non-performance	N/A		

Quantitative impact per KPA	Safety	Indirect.
	Environment	Investment must be completed in order to implement rTWR technology.
	Capacity	Increased capacity of both route and terminal services.
	Cost Efficiency	Will increase the UR for the life span of the investment.
Results of the consultation of airspace users' representatives	Airspace users inquired further about the increase in the asset base and ANSP responded that all existing active agreements were honored by ANSP and therefore some of the projects were put into operations and started to depreciate in 2020. The project of the new TWR, ACC and technical buildings were finished in late 2020.	
Joint investment / partnership	No	
Investment in ATM systems	No	
If investment in ATM system, type?	Click to select	
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select	

Name of new major investment 2	***Integration of new systems in Tech & TWR buildings***		Total value of the asset	***8 000 000 €***
Description of the asset	The investment assumes deployment of new TWR working positions integrating air traffic data and other advanced tower systems. The new systems will be devolped and implemented in line with new ATC Tower configuration. Tower Integrated Working position consists of the set of different special TWR systems, which are integrated either technically or procedurally. The major aim of those systems is provide the safe and efficient control of take-offs, landings and movements of aircrafts on Riga aerodrome. Systems modernization will introduce the new tecnologies, which will help to improve the capacity and reduce the waiting and taxi time. Those measures will impact on fuel consumption and reduce CO2 emmision. The new technical building will allow to introduce the enlarged data-center that is important in the light of future digitalisation.			
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No			
Level of impact of the investment	Network	N/A		
	Local	X		
	Non-performance	N/A		
Quantitative impact per KPA	Safety	Indirect.		
	Environment	Investment must be completed in order to implement rTWR technology.		
	Capacity	Increased efficiency and thus capacity in terminal area.		
	Cost Efficiency	Will decrease the UR later due to increased efficiency.		
Results of the consultation of airspace users' representatives	No questions were received.			
Joint investment / partnership	No			
Investment in ATM systems	Yes			
If investment in ATM system, type?	Overhaul of existing system	This will be the "mix" of the new systems and system's upgrades, which is required to equip the new ATM infrastructure		
If investment in ATM system, Reference to European ATM Master Plan / PCP	Master Plan (non-PCP)	This investment directly relates to the number of ATM MasterPlan Objectives		

Name of new major investment 3	***ATC System modernization***	Total value of the asset	***9 485 300 €***

Description of the asset	Currently LGS operates air traffic control system named "ATRACC". According to ICAO practices ANSP should operate so called "fall-back"system in order to minimize the possible risks of system's outage. Several scenarios have been developed and Cost benefit analysis show that the most preferred option is to buy a new "dual" ATC system. Furthermore systems that are bought from biggest suppliers are easier and cheaper to maintain.	
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No	
Level of impact of the investment	Network	N/A
	Local	LGS considers it as local impact of the investment
	Non-performance	N/A
Quantitative impact per KPA	Safety	Indirect
	Environment	N/A
	Capacity	Indirect
	Cost Efficiency	N/A
Results of the consultation of airspace users' representatives	No questions were received.	
Joint investment / partnership	No	
Investment in ATM systems	Yes	
If investment in ATM system, type?	New system	
If investment in ATM system, Reference to European ATM Master Plan / PCP	Master Plan (non-PCP)	Such investment is partly related to CP-1 too, mostly because of necessity to foreseen the future TBO operations and SWIM

Name of new major investment 4	***Radar modernization and WAM***	Total value of the asset	***10 730 900 €***
Description of the asset	Routine replacement of the SUR systems with systems capability improvements based on the evolution of surveillance technology		
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No		
Level of impact of the investment	Network	N/A	
	Local	LGS considers it as local impact of the investment	
	Non-performance	N/A	
Quantitative impact per KPA	Safety	Indirect	
	Environment	N/A	
	Capacity	N/A	
	Cost Efficiency	N/A	
Results of the consultation of airspace users' representatives	No questions were received.		
Joint investment / partnership	No		
Investment in ATM systems	No		
If investment in ATM system, type?	Click to select		

If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select	

2.3.3 - Other new and existing investments

2.3.3.1 - Overall description and justification of the costs nature and benefits of other new and existing investments in fixed assets planned over the reference period

2% of ATS, COM, SUR and NAV enroute are allocated to NINTA. It excludes Terminal and AIS and MET services.

2.3.3.2 - Details of the main other new investments in fixed assets planned over the reference period

Number of new other investments	0

SECTION 3: PERFORMANCE TARGETS AND MEASURES FOR THEIR ACHIEVEMENT

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #x

3.4.2 - Cost efficiency KPI #2: Determined unit cost (DUC) for terminal ANS

Terminal Charging Zone #x

3.4.3 - Pension assumptions

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

3.4.5 - Restructuring costs

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

3.5 - Additional KPIs / Targets

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

3.6.1 - Interdependencies and trade-offs between safety and other KPAs

3.6.2 - Interdependencies and trade-offs between capacity and environment

3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity

3.6.4 - Other interdependencies and trade-offs

Annexes of relevance to this section

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)
ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)
ANNEX F. BASELINE VALUES (COST-EFFICIENCY)
ANNEX H. RESTRUCTURING MEASURES AND COSTS
ANNEX M. COST ALLOCATION
ANNEX J. OPTIONAL KPIs AND TARGETS
ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS
ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS
ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS
ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS
ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE

SECTION 3.1: SAFETY KPA

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

a) Safety national performance targets

b) Detailed justifications in case of inconsistency between local and Union-wide safety targets

c) Main measures put in place to achieve the safety performance targets

Annexes of relevance to this section

ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS

3 - PERFORMANCE TARGETS AT LOCAL LEVEL

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

a) Safety performance targets

Number of Air Traffic Service Providers	1

		2020A	2020	2021	2022	2023	2024
		Actual	Target	Target	Target	Target	Target
Oro Navigacija	Safety policy and objectives	*D*	C	C	C	C	C
	Safety risk management	*D*	C	D	D	D	D
	Safety assurance	*C*	C	C	C	C	C
	Safety promotion	*D*	C	C	C	C	C
	Safety culture	*C*	B	C	C	C	C
	Additional comments						

b) Detailed justifications in case of inconsistency between local and Union-wide safety targets

None

** Refer to Annex O, if necessary.*

c) Main measures put in place to achieve the safety performance targets

A set of different measures have helped to achieve the targets. The commitment of the management is essential and ensures the success of the effectiveness of the whole system. Good cooperation with the supervising authority helped to dvelope proper procedures. Cooperation with other entities working in the field, let Oro Navigacija share examples and and apply the best practices.
During the analysed period the maturity level of SMS overreached the targets required by the regulation.
Cooperation agreements in the field of SMS were signed with the operator Lithuanian Airports and MET service provider, allowing to share best practices among the companies. Meetings with military organisations were held in order to promote benefits of safety management system therefore ensure better coordination during civil and military operations.
Safety training modules for all staff were updated and trainings has taken part.
Safety policy was regularly reviewed and developed. Implementation of other SMS related requirements, documents and procedures, compliant with national and international law.
New ATM system with additional safety functions was deployed.

** Refer to Annex O, if necessary.*

SECTION 3.2: ENVIRONMENT KPA

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

a) Environment national performance targets

b) Detailed justifications in case of inconsistency between national targets and national reference values

c) Main measures put in place to achieve the environment performance targets

Annexes of relevance to this section

ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

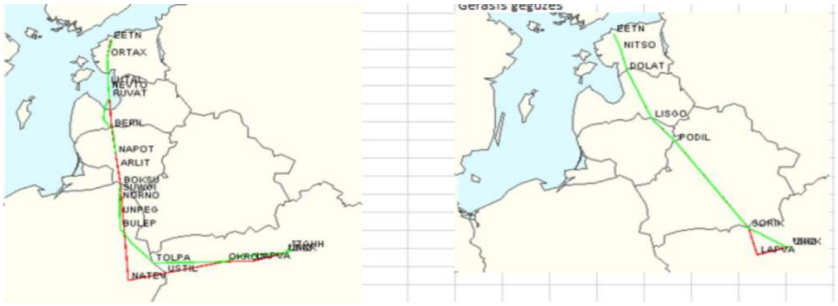
a) National environment performance targets

	2020A	2020	2021	2022	2023	2024
National reference values	*1,90%*	n/a	1,93%	1,92%	1,92%	1,92%

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	1,90%	1,93%	1,92%	1,92%	1,92%

b) Detailed justifications in case of inconsistency between national targets and national reference values

Though national targets for 2021-2023 do not differ from the national reference values but circumstances being influenced by case of Ryanair FR 4978 incident of May 23, 2021 and avoidance of Belarus (BY) airspace had resulted in the need to shift trajectories. Lithuania's geographical location (neighbouring Kaliningrad (RF) and Belarus (BY)) has been historically identified as potential barrier in achieving HFE KPI. In June 2021 BY-related risk became even higher reality as the traffic flow shifted which caused longer trajectories, at the same time - number and frequency of military mission flights was increased (often with only 1-2 hour notice). In addition, Russia-Russia traffic (Kaliningrad-main Russia routes) grew up significantly meaning that trajectories in Lithuanian airspace depends on ATC performance and respective actions outside Lithuanian airspace.
Historically, KEA (actual trajectories in Lithuanian airspace) are better achieved than KEP (flight plans), what allows for assumption on the effective ATC actions at the tactical level.
According to analysis recently performed by Oro Navigacija on actual data of last months, and based on experts' judgment, the expected HFE KPI value expected to deviate up by 20%. KPI values of JUN and JUL (months following EASA safety directives to limit flights to/from/over BY) are by 60% higher than historical average of the respective months.
There is no certainity how long the restrictions would last and there is a risk for new constraints which could affect traffic flow and trajectories.
Operated flight IEV-TLL,
before and after.



** Refer to Annex P, if necessary.*

c) Main measures put in place to achieve the environment performance targets

FRA: Free route airspace was implemented in Vilnius FIR in 2015. The Baltic FAB FRA project is being implemented, ensuring the concept of Free Routes in the entire Baltic FAB airspace (covering the Warsaw FIR and the Vilnius FIR). The Baltic FAB FRA is planned to be completed in February 2022. Based on InterFAB cooperation and cooperation with other EU and non-EU member states, the FRA concept is to be extended by 2025.
ATM systems: in February, 2021, new ATM system (iTEC 2.1) was launched in Vilnius ACC integrating it with the lower and Vilnius tower airspace for a seamless air traffic management. The system enables management of Lithuanian sky in a much safer, efficient and cleaner way, enabling users to reduce unnecessary CO2 emissions. The systems allows airlines to choose shorter and more direct routes to save fuel and costs. This technological achievement will enable cross-border free routing operations in the country in coordination with neighboring countries, currently in development process. The next step – development by iTEC of a new common air traffic management system (iTEC OneSky), which will cover all measures to be defined by the SESAR program to contribute to environmental improvements: SWIM, IOP, dynamic airspace management, etc. (planned implementation date - 2028).
PBN: The PBN transition plan is prepared and approved in 2020. LPV procedures are implmenented in Vilnius (2020), Kaunas and Palanga (2021) airports. Full PBN completion is expected in 2030, or even earlier, ensuring more precise, accurate and shorter flight paths (en-route and approach phase). Implementation of provisions of this plan will enable CO2 emission reduction.
Continuous Descent (CDO) and Continuous Climb (CCO) procedures to the most extent (about 80 %) implemented and applied in Vilnius FIR international airports, which allow to reduce the fuel consumption during these flight phases. It is planned to complete this measure on 31.12.2023.
Civil-military coordination and A-FUA:
--airspace management system LARA v. 3.2 implemented and in March 2021 directly connected with new ATC system iTEC. The development allows provision of ASM services (including airspace planning and actual usage) in a more effective way and enables to reduce the negative environmental impact of aviation.
--Close cooperation with Lithuanian Military Air Force (LT MIL AF) responsible unit - staffs from ON supported LARA version 3.2 implementation at LT MIL AF and the innitiative was extremely successful - responsible unit started to use LARA and the data is provided into system directly from LT MIL AF. It guarantees effectiveness of ASM provision and pre-tactical possible de-confliction on MIL side;
--ON staff are constantly improving the provision and effectiveness of ASM by analysing tendencies and trends, including Temporary Established Segregated Area - TESA, RSA monitoring and implementation of relevant imrovements to ensure effectiveness of services and airspace availability to all interested parties.
--Implementation of LARA also allows ON to actively participate in SESAR 2020 projects which aims at ensuring the implementation of environmental requirements in the European air traffic management system: PJ05, PJ10, PJ13, PJ19, PJ20.

** Refer to Annex P, if necessary.*

SECTION 3.3: CAPACITY KPA

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

a) Capacity national performance targets

b) Detailed justifications in case of inconsistency between national targets and national reference values

c) Main measures put in place to achieve the target for en-route ATFM delay per flight

d) ATCO planning

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

a) Capacity national performance targets

b) Contribution to the improvement of the European ATM network performance

c) Main measures put in place to achieve the target for terminal and airport ANS ATFM arrival delay per flight

Annexes of relevance to this section

ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

a) National capacity performance targets

	2020A	2020	2021	2022	2023	2024
National reference values	*0,00*	n/a	0,01	0,03	0,03	0,03

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	0,05	0,01	0,03	0,03	0,03

b) Detailed justifications in case of inconsistency between national targets and national reference values

National targets are consistent with the national reference values.

** Refer to Annex Q, if necessary.*

c) Main measures put in place to achieve the target for en-route ATFM delay per flight

Main measures put in place to achieve the target for en-route ATFM delay per flight in RP3 are the following:
- introduction of 1 additional sector in 2019;
- assessment of en-route capacity, for each of sectors under Vilnius ACC control by using EUROCONTROL Airspace Model/CAPAN (2021). Based on the results, necessary modifications are planned to be implemented in order to ensure an optimal Lithuanian airspace structure;
- deployment of new ATM system (iTEC version 2.1) in February 2021 ;
- an improved cooperation between ATFM, ATM divisions and operational units (Vilnius ACC).

Planned: introduction of new ATCOs rostering system (2022).
Keeping optimum minimum number of ATCOs ready to serve gradually rebounding traffic to 2019 peak-levels and ensure safety while mitigating stress & fatigue risks - over-cutting ATCOs on other duties and difficulties with recruitment in RP2 situation has to be resolved and number of ATCO's planned to increase. New ATM system (iTEC) deployed in a new Ops room (built in 2019) in the begining of 2021 is ensuring long-term capacity for even higher traffic than 2019 with gradually increasing ATCOs team if and when needed based on traffic development.

** Refer to Annex Q, if necessary.*

d) ATCO planning

	Actual			Planning			
Vilnius (EYVC ACC)	2018	2019	2020	2021	2022	2023	2024
Number of additional ATCOs in OPS planned to start working in the OPS room (FTEs)		1	1	2	3	5	0
Number of ATCOs in OPS planned to stop working in the OPS room (FTEs)		0	0	2	1	1	0
Number of ATCOs in OPS planned to be operational **at year-end (FTEs)**	34	35	36	36	38	42	42

Additional comments
Number of ATCOs in OPS planned to be operational at year-end (FTEs) is based on current ON's ATCOs rostering system and ATM system functionalities. However, potential modifications of Lithuanian airspace structure, development of new ATM system (iTEC) functionalities and need of ATCO's participation in this project as additional effort, introduction of new ATCOs rostering/shift system and, most importantly, measures to deal withs stress and fatigue issues requires additional 2 ATCOs in 2022 and 4 in 2023 to ensure safe and quality services and capacity when traffic recovers to pre-pandemic levels.

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

a) National capacity performance targets

	2020A	2020	2021	2022	2023	2024
	Actual	Target	Target	Target	Target	Target
National targets	*N/A*	N/A				
Additional comments						

b) Contribution to the improvement of the European ATM network performance

Not applicable for RP3

** Refer to Annex Q, if necessary.*

c) Main measures put in place to achieve the target for terminal and airport ANS ATFM arrival delay per flight

Not applicable for RP3

** Refer to Annex Q, if necessary.*

SECTION 3.4: COST-EFFICIENCY KPA

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #x

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

b) Information on the baseline values for the determined costs and the determined unit costs

c) Detailed justifications for the adjustments to the baseline values

d) Where a deviation from the Union-wide performance targets is observed, please indicate if the NSA considers those deviations to be necessary and proportionate

e) Main measures put in place to achieve the targets for determined unit cost (DUC) for en route ANS

f) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of

3.4.2 - Cost efficiency KPI #2: Determined unit cost (DUC) for terminal ANS

Terminal Charging Zone #x

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

b) Information on the baseline values for the determined costs and the determined unit costs

c) Detailed justifications for the adjustments to the baseline values

d) Main measures put in place to achieve the targets for determined unit cost (DUC) for terminal ANS

e) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of

3.4.3 - Pension assumptions

3.4.3.1 Total pension costs

3.4.3.2 Assumptions for the "State" pension scheme

3.4.3.3 Assumptions for the occupational "Defined contributions" pension scheme

3.4.3.4 Assumptions for the occupational "Defined benefits" pension scheme

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

3.4.5 - Restructuring costs

3.4.5.1 Restructuring costs from previous reference periods to be recovered in RP3

3.4.5.2 Restructuring costs planned for RP3

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

a) Overall description of the measures necessary to achieve the en-route capacity targets for RP3, which induce additional costs

b) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3

c) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3 by nature by ANSP

d) Demonstration that the deviation from the Union-wide targets is exclusively due to the additional determined costs related to measures necessary to achieve the performance targets in capacity

Annexes of relevance to this section

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)
ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)
ANNEX F. BASELINE VALUES (COST-EFFICIENCY)
ANNEX H. RESTRUCTURING MEASURES AND COSTS
ANNEX M. COST ALLOCATION
ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS
ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE

NOTE: The following requirements as per Annex II, 3.3 are addressed in the Annexes A and B:

Point 3.3 (d) on cost-allocation;
Point 3.3 (e) on the return on equity and cost of capital;

Point 3.3 (f) on assumptions for pension costs and interest on debt for other entities, inflation forecast and adjustments beyong IFRS;
Point 3.3 (g) on adjustments to the unit rates carried over from previous reference periods;
Point 3.3 (h) on costs exempt from cost-sharing;
Point 3.3 (k) reporting tables and additional informations.

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #1 - Lithuania

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

En route charging zone Lithuania	Baseline 2014 2014 B	Baseline 2019 2019 B	RP3 revised cost-efficiency targets (determined 2020-2024) 2020/2021 D	 2022 D	 2023 D	 2024 D	2024 D vs. 2014 B	2024 D vs. 2019 B
Total en route costs in nominal terms (in national currency)	22 269 257	24 993 106	40 414 248	24 494 602	27 956 051	28 632 942	28,6%	14,6%
Total en route costs in real terms (in national currency at 2017 prices)	**22 896 595**	**24 146 564**	**38 284 152**	**22 466 160**	**25 065 668**	**25 251 545**	10,3%	4,6%
Total en route costs in real terms (in EUR2017) [1]	22 896 595	24 146 564	38 284 152	22 466 160	25 065 668	25 251 545	10,3%	4,6%
YoY variation			58,5%	-41,3%	11,6%	0,7%		
Total en route Service Units (TSU)	507 513	641 477	757 934	506 000	611 000	673 000	32,6%	4,9%
YoY variation			18,2%	-33,2%	20,8%	10,1%		
Real en route unit costs (in national currency at 2017 prices)	**45,12**	**37,64**	**50,51**	**44,40**	**41,02**	**37,52**	-16,8%	-0,3%
Real en route unit costs (in EUR2017) [1]	**45,12**	**37,64**	**50,51**	**44,40**	**41,02**	**37,52**	-16,8%	-0,3%
YoY variation			34,2%	-12,1%	-7,6%	-8,5%		

National currency	**EUR**
[1] Average exchange rate 2017 (1 EUR=)	**1,00**

b) Information on the baseline values for the determined costs and the determined unit costs

En route charging zone Lithuania	Baseline 2014 2014 B	Baseline 2019 2019 B	Actuals 2014 2014 A	Actuals 2019 2019 A	2014 Baseline adjustments	2019 Baseline adjustments
Total en route costs in nominal terms (in national currency)	22 269 257	24 993 106	22 268 867	23 929 209	390	1 063 897
Total en route costs in real terms (in national currency at 2017 prices)	22 896 595	24 146 564	22 896 195	23 097 882	400	1 048 683
Total en route costs in real terms (in EUR2017) [1]	22 896 595	24 146 564	22 896 195	23 097 882	400	1 048 683
Total en route Service Units (TSU)	507 513	641 477	487 218	618 822	20 295	22 655

c) Detailed justifications for the adjustments to the baseline values

c.1) Adjustments to the 2014 baseline value for the determined costs

Number of adjustments	2

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Latvia's delegated services on NINTA-ADAXA in Vilnius FIR costs	LGS	ANSP	Click to select	358	368	368
Description and justification of the adjustment						
Reinstated Lithuania's Charging Zone from RP3 (modification in the route charges system). Costs included to apply fair assessment of impact of modified CZ from 2020 (the same for LV). Calculation explanation provided in Annex F. From RP3 Latvia's delegated services costs on part of the route NINTA-ADAXA were included in Lithuania's national cost base, reflected in a separate sheet of reporting tables.						

Adjustment #2	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Latvia's delegated services on NINTA-ADAXA in Vilnius FIR costs	LV CAA	NSA/EUROCONTROL	Click to select	32	32	32

Description and justification of the adjustment
Reinstated Lithuania's Charging Zone (modification) from RP3, included to apply fair assessment of impact of modified CZ from 2020. Calculation explanation in Annex F. From RP3 delegated services costs on part of the route NINTA-ADAXA included in Lithuania's national cost base, reflected in a separate sheet of reporting tables. Costs exclude EUROCONTROL costs.

Total adjustments to the 2014 baseline value for the determined costs	**Costs nominal NC**	**Costs real NC**	**Costs EUR2017**
	390	**400**	**400**

c.2) Adjustments to the 2014 service units

Impact of transition to actual route flown	Coefficient M2/M3	Source	Service units
	0,28%	CRCO correction factor May 2019 (on 12 months)	1 364

Other adjustment to the 2014 service units	Yes				
Latvia's delegated services on NINTA-ADAXA in Vilnius FIR in RP2, costs	Adjusted NINTA-ADAXA SU's x 0,28%	53	Service units	18 878
Description and justification of the adjustment				
See above and Annex F.				

Total adjustments to the 2014 service units	20 295

c.3) Adjustments to the 2019 baseline value for the determined costs

Number of adjustments	4

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
New HQ and ATC building construction and commissioning delayed by 8 months	Oro Navigacija	ANSP	Depreciation	296 011	296 011	296 011
Description and justification of the adjustment						
Delayed by 8 months into 2019 (originally planned in Q4 2018), commissioned in September 2019, due to legal disputes with construction companies over contractual commitments and quality of works.						

Adjustment #2	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
New ATM system (ITec) delivery, integration and commissioning	Oro Navigacija	ANSP	Depreciation	359 296	359 296	359 296
Description and justification of the adjustment						
Delayed by over a year by supplier, commissioned only in February 2021 (originally planned along with new HQ in Q4 2018)						

Adjustment #3	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Servise provision by LV entity on NINTA-ADAXA in Vilnius FIR in RP2	LV LGS	ANSP	Click to select	408 571	393 356	393 356
Description and justification of the adjustment						
Costs of all type by nature of delegated services on NINTA-ADAXA in Vilnius FIR. In RP2, part of LT CZ on route NINTA-ADAXA were included in LV CZ in the CRCO operated system. LV received income from CRCO directly. Calculations are provided in Annex F.						

Adjustment #4	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
LV NSA activities costs re delegated services on NINTA-ADAXA	LV CAA	NSA/EUROCONTROL	Click to select	20	20	20
Description and justification of the adjustment						
Costs of delegated services (all type by nature) of supervision in Vilnius FIR. In RP2, part of LT CZ on route NINTA-ADAXA was included in LV CZ in the CRCO operated system. LV received income from CRCO directly. Calculations are provided in Annex F.						

Total adjustments to the 2019 baseline value for the determined costs - ORO Navigacija + Latvia's costs generated on NINTA-ADAXA	**Costs nominal NC**	**Costs real NC**	**Costs EUR2017**

(LGS + NSA)	**1 063 897**	**1 048 683**	**1 048 683**

c.4) Adjustments to the 2019 service units

Impact of transition to actual route flown	Coefficient M2/M3	Source	Service units
	0,28%	CRCO correction factor May 2019 (on 12 months)	1 733

Other adjustment to the 2019 service units	Yes				
NINTA-ADAXA SU's numbers, retrieved with support of EUROCONTROL	Adjusted NINTA-ADAXA SU's x 0,28%	58	Service units	20 864
Description and justification of the adjustment				
Airspace volume around of the route NINTA-ADAXA (Vilnius FIR) is back to LT CZ from 2020, before it was included into LV CZ in the system operated by CRCO. EC was notified in 2019 about modification/ reinstatement of LT and LV CZs in the system, to be in line to the coordinates described in legal documents and shared responsiblities of MSs.				

Total adjustments to the 2019 service units	22 655

d) Description and justification of the consistency between local and Union-wide cost-efficiency targets

	2014*	2019*	2020/2021	2022	2023	2024	2024/2014	2024/2019
LT DUC 2017 price	45,12	37,64	53,06	47,16	45,86	40,63	**-9,9%**	**7,9%**
			40,9%	-11,1%	-2,8%	-11,4%		
UW DUC 2017 price	**55,37**	**50,23**	**110,55**	**67,99**	**59,02**	**52,23**	**-5,7%**	**4,0%**
* Adjusted			**120,1%**	**-38,5%**	**-13,2%**	**-11,5%**		

It is worth to highlight that the national DUC2017 growth 2020/2021 was just 40,9% while the UW - +120,1% therefore further years rate of DUC2017 decrease was impossible at the same pace.

Note 1: It is important to note that from 2020 after the modification of LT and LV charging zones (EC was notified in 2019), En Route cost-base included additional costs of LV ANSP and LV NSA for certain services provision on the part of route Ninta-Adaxa (Vilnius FIR, LT CZ) that were not in Lithuania's cost-base through RP2 (base line value 2019 and 2014), thus in order to not distort comparison, adjustment to RP2 costs and SUs was done in relation to delegated services provision on NINTA-ADAXA.

Note 2: LT ANSP Oro Navigacija had two uncontrollable situations at the base-year 2019 that lowered actual costs. These costs should've been there already if those third-party related issues would not have materialised and costs of big-value long-term investments were already accounted. In NSA's consideration, these two issues have to be taken into account when measuring cost efficiency in RP3 vs. base-year.

If measured 2024 vs 2019 Lithuania's Unit Cost in real terms is not fully consistent with the Union-Wide target. This is due to a significantly strong Lithuania's economy development, over-heated labor-market resulting in a rapid growth of salaries and all entities need to plan higher staff costs to attract and retain skillful employees and answer market-pressure and to maintain high quality of services in the short and long-term perspective.

Oro navigacija also has to deal with increasing costs of other operational expenses due to high inflation forecasted in Lithuania, especially services segment, provision of new services (DLS) according to regulatatory requirements, new-generation ATM systems' post-warranty maintenance and further functionalities development costs will be significantly higher compared to previous decade.

While measured 2024 vs 2014 Lithuania's unit cost in real terms is consistent with the Union-wide target and decrease of unit rate in real terms it is even higher. It is important to note, that despite the fact, that Lithuania is on a path of rapid convergence towards European averages in terms of GDP, salaries and pricing-levels, Lithuania's unit cost in real terms remains at or below 80% level from Union-wide unit rate average and at the end of 2024 this will mean it has not moved up for a decade.

** Refer to Annex R, if necessary.*

e) Where a deviation from the Union-wide performance targets is observed, please indicate if the NSA considers those deviations to be necessary and proportionate under:

Additional costs of measures necessary to achieve the capacity targets for RP3	No	

Restructuring costs planned for RP3	Yes	Governmental decision was taken to change Oro Navigacija's legal status into a Stock Company from 2023, therefore the state enterprise will bear additional operational and administration staff costs and the value of equity could be re-evaluated. At the end, airspace users could expect more flexibility from the service provider in the process of decision making.

f) Main measures put in place to achieve the targets for determined unit cost (DUC) for en route ANS

Oro Navigacija (ON) Costs of Capital 2020 (1176 th. Eur) were excluded from the actual cost-base after consultation of 9th September.
ON costs of 2021 were revised down once more (965 th Eur).
ON costs 2024 were revised down (336 th Eur). In total - by 2,5 mln Eur decrease during RP3.
EUROCONTROL costs 2022-2024 were adjusted to the latest available information (annualy down by almost 90 th Eur)
NSA put big efforts to decrease number of ATCOs (FTEs) inteded to add into operation during 2022-2024 (see in Capacity section) but ON referred to the stress and fatigue management and the new ATM system requiring additional FTEs. As NSA have no proper skills to evaluate this demand and to decide on the optimised ATCOs (FTEs) resources attributable to the different traffic levels and sectors to keep the same quality and safety of services, it will initiate outsourced services to evaluate ANSP's demand by a qualified entity.

ON has achieved significant savings in other operating expenses in RP2 that have helped to deliver higher cost efficiency and made space for amortizing inevitable increase of future costs as new services have to be provided (DLS) and modern-ATM systems post-warranty period begins and maintenance costs add-up.
ON's investments into solar-powerplant in ON's HQ area and other energy-efficiency smaller inititaives are expected to outweigh or decrease ever-rising costs for electricity as company uses more equipment, while the electricity prices in the country are increasing each year due to virtual market of electricity supplyers exists as the main stream of supply comes from the Nordic auction NORDPOOL. Purchase of Envirenmentally friendly energy is very costly. However, overall investment programme for RP3 was revised to just essential and must-do replacements of old or obsolete equipment and needed-investments into smooth daily operations and delivering capacity and safety in the future. Most of the biggest investments are delayed as much as possible towards the end of RP3 so that depreciation costs would mostly impact already years of RP4.

ON's staff costs increase is to cover current and future vacancies and needed roles and skilled employees for company development and not loos competitiveness as an employer and be able to attract talents as due to very strong economy and drained labor-market salaries in the market are increasing by 8-10% yoy lately in order to continue safe and quality services provision. Currently collective-agreement benefits are temporarily significantly cut, no variable-part of salaries paid-out, and these are significant deterioration of employees remuneration package. Staff remuneration strategy is aimed at reinstation of previous system gradually in 2022-2023, postponed agreed salaries-increase of +4% to be implemented in 2023 and another +2% in 2024. Salaries in the market during 2021-2024 period are forecasted to increase significantly faster - by +20% or even more, thus these planned increases would be just minimum needed to cover employees and candidates expectations.
Introduction of shorter working-week is strongly considered as alternative way or trade-off for slower-than-market remuneration growth, but this is a subject for negotiations at Q4 in 2022.
LHMS made huge efforts to receive EU funds for the planned in the draft 2019 RP3 PP equipment replacement, therefore depreciation costs were excluded in the revised PP.

g) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of corrections applied to the cost base as a result of this verification

Not identified.

** Refer to Annex U, if necessary.*

3.4.3 - Pension assumptions

SE Oro Navigacija

3.4.3.1 Total pension costs (in nominal terms in '000 national currency)

Pension costs	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pension costs	-	-	-	-	-	-
En-route activity			-			
Terminal activity			-			
Other activities			-			

3.4.3.2 Assumptions for the "State" pension scheme (in nominal terms in '000 national currency)

Are there different contribution rates for different staff categories? If yes, how many?	Select

<Staff category name>	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Employer % contribution rate to this scheme						
Total pension costs in respect of this scheme			-			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3
Lithuania has PAYG pension system scheme in which no contributions from the employer are required as all taxes for social insurance system are made from employees bruto salary (system has been reformed like that since 2019). Therefore all changes to the pension tax rates has no additional risk to costs associated with pensions. There are no information from the Government on planned possible changes for the system in the foreseeable future.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users

3.4.3.3 Assumptions for the occupational "Defined contributions" pension scheme (in nominal terms in '000 national currency)

Are there different contribution rates for different staff categories? If yes, how many?	Select

<Staff category name>	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Employer % contribution rate to this scheme						
Total pension costs in respect of this scheme			-			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users

3.4.3.4 Assumptions for the occupational "Defined benefits" pension scheme (in nominal terms in '000 national currency)

Does the ANSP assume liability for meeting future obligations for the occupational "Defined benefits" scheme?	Select
Is the occupational "Defined benefits" pension scheme funded?	Select

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Total pension costs in respect of this scheme			-			
- in respect of regular pension costs			-			
- in respect of non-recurring deficit repair			-			
- reported as staff costs (in reporting tables)			-			

- not reported as staff costs (in reporting tables): please use comment box			-			
Actuarial assumptions						
% discount rate						
% projected increase in benefits						
% annual increase in salaries						
% expected return on plan assets						
Net funding surplus / deficit			-			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs

Where, in the Reporting Tables, some occupational "defined benefits" costs (e.g. interest expense related to pensions) are reported in other cost item(s) than staff costs, the cost item(s) should be indicated here below along with corresponding explanations.

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

SE Oro Navigacija

Select number of loans	Select

Interest rate assumptions for loans financing the provision of air navigation services
(Amounts in nominal terms in '000 national currency)

Other loans	2020D	2021D	2020/2021D	2022D	2023D	2024D
Description						
Remaining balance						
Average weighted interest rate %	-	-		-	-	-
Interest amount			-			

Total loans	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total remaining balance	-	-		-	-	-
Average weighted interest rate %	-	-		-	-	-
Interest amount	-	-	-	-	-	-

3.4.5 - Restructuring costs

3.4.5.1 Restructuring costs from previous reference periods to be recovered in RP3

Restructuring costs from previous reference periods approved by the European Commission?	Select
If yes, number of charging zones concerned	Select

Restructuring costs from previous reference periods to be recovered in RP3 (nominal terms in '000 national currency)

Restructuring costs recovery plan from previous RPs	2020D	2021D	2020/2021D	2022D	2023D	2024D

Additional comments

3.4.5.2 Restructuring costs planned for RP3

Restructuring costs foreseen for RP3?	Select
If yes, number of charging zones concerned	1

SE Oro Navigacija

a) Overall description of the restructuring measures planned for RP3

No plans

b) Where applicable, information on how the restructuring measures make use of shared services, ATM data services and/or how the measures contribute to infrastructure rationalisation

c) Detailed information on the restructuring measures planned for RP3

Number of restructuring measures	Select

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total restructuring costs by measures ('000 national currency)	-	-	-	-	-	-

d) Detailed information on the restructuring costs by nature by charging zone

Restructuring costs planned for RP3 by nature and by charging zone (nominal terms in '000 national currency)

Click to select	2020D	2021D	2020/2021D	2022D	2023D	2024D
Staff			-			
of which, pension costs			-			
Other operating costs			-			
Depreciation			-			
Cost of capital			-			
Exceptional items			-			
Total restructuring costs	-	-	-	-	-	-

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total restructuring costs by charging zone ('000 national currency)	-	-	-	-	-	-

Additional comments

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

Additional costs of measures necessary to achieve the capacity targets for RP3?	Select
If yes, number of **en route** charging zones concerned	1

SE Oro Navigacija

a) Overall description of the measures necessary to achieve the en-route capacity targets for RP3, which induce additional costs

Not applicable for RP3

b) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3

Number of capacity measures, which induce additional costs	Select

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total additional costs of measures ('000 national currency)	-	-	-	-	-	-

c) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3 by nature by ANSP

Additional costs of measures necessary to achieve the capacity targets for RP3 (nominal terms in '000 national currency)

Click to select	2020D	2021D	2020/2021D	2022D	2023D	2024D
Staff			-			
of which, pension costs			-			
Other operating costs			-			
Depreciation			-			
Cost of capital			-			
Exceptional items			-			
Total additional costs of measures	-	-	-	-	-	-

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total additional costs of measures ('000 national currency)	-	-	-	-	-	-

Additional comments

d) Demonstration that the deviation from the Union-wide targets is exclusively due to the additional determined costs related to measures necessary to achieve the performance targets in capacity

SECTION 3.5: ADDITIONAL KPIS / TARGETS

3.5 Additional KPIs / Targets

Annexes of relevance to this section

ANNEX J. OPTIONAL KPIs AND TARGETS

SECTION 3.6: DESCRIPTION OF KPAS INTERDEPENDENCIES AND TRADE-OFFS INCLUDING THE ASSUMPTIONS USED TO ASSESS THOSE TRADE-OFFS

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

- 3.6.1 - Interdependencies and trade-offs between safety and other KPAs
- 3.6.2 - Interdependencies and trade-offs between capacity and environment
- 3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity
- 3.6.4 - Other interdependencies and trade-offs

AR ON planuoja

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

3.6.1 - Interdependencies and trade-offs between safety and other KPAs

a) Do the measures to reach the targets in the different KPAs require changes in the ANSP functional system that have safety implications? If yes, which mitigation measures are put in place?
No changes to functional system that would have safety implications. When changes are proposed to functional system, every time safety assessment is carried out and safety criteria are defined, based on safety targets. Mitigation measures vary depending on the change. It may include specific technical means, training of the staff, specific coordination procedures, specific time for introduction of the change. I.e. the segregation of airspace (SGZ) for specific operations (sport events, military, etc.) have impact on flight trajectories therefore influence environmental KPI, nevertheless the close coordination with users of SGZ allows to ensure the optimal use of SGZs and timely removal of the restrictions in order to have as minimum impact on environmental indicators as possible.

b) What are the main assumptions used to assess the interdependencies between safety and other KPAs?
When the change is proposed, cost benefit analysis is performed. Taking into acount the costs needed to achieve specific target, priority is given for changes which are needed to comply with particular requirements (must have investments), also, changes that improve safety are considered therefore some trade offs may be agreed in favor of safety instead of cost efficiency. In any case safety targets always have priority.

c) What metrics, other than those indicators described in the Regulation, are you monitoring during RP3 to ensure targets in the KPAs of capacity , environment, and cost-efficiency are not degrading safety?
Safety levels set for the RP3 by NCA: Accidents (AA)- 0, safety level 1 (counting per flight) Total inability to provide ATM service -(AA)- 0 (counting per flight hour) Dangerous incidents (A)- not more than 1 incident per period and safety level not lower than 0,999999 (counting per flight) A situation where the unsafe provision of ATM services poses a threat (A) - 0, therefore safety level 1 (counting per flight hour) A major incident (B) - not more than 6 per period and safety level not lower thant 0,999995 (counting per flight) A situation where some ATM services are not provided in full (B) - safety level not lower than 0,999932 (counting per flight hour) Major incidents (C) - not more than 8 per period and safety level not lower than 0,999993 (counting per flight) Situation where the safety of ATM services has slightly decreased (C) - safety level not lower than 0,999384 (counting per flight hour) During investigation of occurrences the number of particular events may alarm the necessity to review specific areas (i.e capacity management).

d) Do targets allow trade-offs in operational decision making to managing resource shortfalls in order to preserve safety performance? Do targets restrict the release of staff for safety activities, such as training?
During the analysed period, particular example may be given when the decline of flights was faced. The number of ATCOs was not reduced in order to ensure continuity of safe operations and improve fatigue management, also participation of ATCOs in projects related to introduction of new ATM systems was ensured. The staff was available for trainings that were performed according to requirements, also operational and technical personnel is always available and participate in safety assesments. The trade-offs in operational decisions are sometimes necessary, but SE Oro Navigacija is aware that safety should never be compromised. The training for operational staff regarding areas relevant to safety KPA is never part of organisational restrictions.

e) Has the State reviewed the ANSP financial and personnel resources that are needed to support safe ATC service provision through safety promotion, safety improvement, safety assurance and safety risk management after changes introduced to achieve targets in other KPAs? Please, explain.
The State, represented by the MoT and which is the owner of SE Oro Navigacija, approve the strategic plans and budgets of SE ON after having hearings with ON's Management Board. In fact, such changes were not foreseen. Implementation of the projects foreseen in ERNIP (ENV KPA), as well the investment plan, will be reflected in the strategic plan 2022-2026 to be elaborated and presented to the MoT by the end of 2021. The latest draft of SE ON's strategic plan has to contribute and echo to the signed draft RP3 PP 2021. The NSA-NCA Transport Competence Agency regularly monitor SE Oro Navigacija's compliance and continuity to fulfil both the essential requirements of regulation (EU) 2018/1139 and requirements of Regulation (EU) 2017/373.

3.6.2 - Interdependencies and trade-offs between capacity and environment

In 2020, with the significantly dropped traffic, both capacity and environment (HFE) KPIs targets were achieved. Now, because of the case of Belarus as well as increased traffic Russia-Russia (Kaliningrad-main Russia routes) these KPIs are quite vulnerable because of ATC performance and respective actions outside Lithuanian airspace or advanced decisions taken by the EU and non-EU airlines. In Lithuania, number of ATCOs was not reduced in 2020 at the pandemic, the capacity was and is managed both in 2020 and after 2020 (with recovering traffic) and the ATC-related delays are not highly probable. In addition, with implementation of the new ATM system, PIs like ATCO situational awareness, workload, predictability and, less directly, capacity and environmental performance are expected to improve. However, shifted routings and longer trajectories create inefficiencies and may have the negative impact to the KPIs. Cooperation between ANSPs and implementation of the projects foreseen in ERNIP demand additional human and financial resources.

3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity

New ATM system (put in operations in February 2021) is enabler for more efficient flights, enhanced safety, thanks to more precise and automatic calculations, better ATCO situational awareness and workload which affect capacity (in direct and less direct ways). However, the new system and capacity thanks to imposes new requirements to number of ATCOs: with former ATM system, it was possible to have 1 ATCO at each CWP, **while now it is mandarory to have 2 ATCOs at CWP. It means potential need of more ATCOs when the traffic level is expected to be close to 2019 level (increase in staff costs).**

3.6.4 - Other interdependencies and trade-offs

SECTION 4: CROSS-BORDER INITIATIVES AND SESAR IMPLEMENTATION

4.1 - Cross-border initiatives and synergies

4.1.1 - Planned or implemented cross-border initiatives at the level of ANSPs

4.1.2 - Investment synergies achieved at FAB level or through other cross-border initiatives

4.2 - Deployment of SESAR Common Projects

4.3 - Change management

Annexes of relevance to this section

ANNEX N. CROSS-BORDER INITIATIVES

4.1 - Cross-border initiatives and synergies

4.1.1 - Planned or implemented cross-border initiatives at the level of ANSPs

Number of cross-border initiatives	2

Initiative #1	
Name	Cross-boarder FRA at Baltic FAB level and beyond
Description	Free route airspace is operational in Vilnius FIR from 2015. Currently, FRA at BalticFAB level is in implementation process (completion is expected in 2022). The next step is implementation of cross-boarder FRA between Baltic FAB and NEFAB (targeted implementation in 2024) and respective activities with non-EU countries
Expected performance benefits	FRA at FAB level is to bring positive impact the shortest constrained route indicator and HFE overall.

Initiative #2	
Name	iTEC-linked initiatives
Description	**iTEC/Convergence of ATM systems in the Baltic FAB ACCs and Cross-Borders Service provision with Joint Contingency Service Provision** (Baltic FAB strategy). Objective of this project is to achieve ATM system convergence, which will be an enabler for several solutions aiming at achieving the optimal use of technical and human resources resulting in lower provision costs and improved operational performance in the Baltic FAB. It will be then possible, for two ANSP operating the same ATM system, to provide contingency ATM services for themselves. Implementation of Virtual Centre services concept within Baltic FAB **(Baltic FAB strategy)**. Implementation of Virtual Centre concept within Baltic FAB will focus on provision a set of services that deliver the capability for an ATSU to act as contingency for another ATSU in a safe and efficient manner in the event of a catastrophic failure and a set of services that deliver the capability to delegate a volume of airspace from one ATSU to another in a safe and efficient manner. **iTEC V3 (One Sky) definition and implementation** (activity started in 2021, targeted completion in 2028). The system shall implement the most up-to-date SESAR technological functionalities (interoperability, virtual centers, dynamic airspace management and etc.). The future product development will be based on data service provision (or data center) approach, ensuring smooth and real-time flight data exchange.
Expected performance benefits	**iTEC/Convergence of ATM systems in the Baltic FAB ACCs and Cross-Borders Service provision w**ith Joint Contingency Service Provision: improved safety and controllers confidence thanks to enhanced Safety Nets, Conflict detection and monitoring aids; indirect impact to environment thanks to capability to support cross-border FRA contributing to ENV KPIs for horizontal fuel savings and corresponding and potential upgrade to future XMAN (thus contributing to vertical fuel savings and noise reduction); improved capacity thanks to dynamic sectorization capabilities as well as efficient Air-Ground and Ground-Ground data exchange for seamless ATC coordination, interoperable with the airport systems to support A-CDM. In addition, it will reduce equipment maintenance costs (other operating costs) and minimise the required installation of new upgrades and functions in existing ATC system. Virtual Centre services concept implementation: overcoming low flexibility in managing traffic flows, Virtual Centre services will support load-balancing between ATSUs, Delegation of Airspace or manage contingency situations; allows to reduce costs for Air Navigation Service Providers (PANSA and SE Oro Navigacija) and improve flight efficiency for Airspace Users. **iTEC V3 OneSky system** (at first defined by all iTEC alliance partners, then deployed) will be amongst the most advanced in the market, it is to enable the new architecture proposed by the Airspace Architecture Study (AAS) and will allow the development of new business models, such as ATM Data Services (ADSP), to reduce costs, provide further resilience and deliver greater scalability of the European Network. It is to bring in the following years the most advanced interoperability between control centres across Europe to facilitate smoother and more accurate air traffic management saving fuel and CO2 emissions through a common air traffic management system that.

Additional comments

4.1.2 - Investment synergies achieved at FAB level or through other cross-border initiatives

Details of synergies in terms of common infrastructure and common procurement

As mentioned above, there are numbers of activities at the Baltic FAB level that positively impact on synergies in the region. The activities are driven by the Baltic FAB Development Strategy 2025. Baltic FAB coordinates their planning with respect to implementation of CP1 and SESAR Deployment Programme.
Other recent and ongoing projects include the following activities:
- Development of iTEC ATM systems together with iTEC partners;
- iTEC/Convergence of ATM systems in the Baltic FAB ACCs and Cross Borders Service provision with Joint Contingency Service Provision;
- Joint CNS infrastructure planning process in order to ensure optimal CNS infrastructure network within Baltic FAB.

4.2 - Deployment of SESAR Common Projects

4.2.1 - Common Project One (CP1)

CP1 ATM Functionality (CP1-AF) / Sub functionality (CP1-s-AF)	Recent and expected progress
CP1-AF1 - Extended AMAN and Integrated AMAN/DMAN in High-Density TMAs	
CP1-s-AF1.1 AMAN extended to en-route airspace	
CP1-s-AF1.2 AMAN/DMAN Integration	
CP1-AF2 - Airport Integration and Throughput	
CP1-s-AF2.1 DMAN synchronised with predeparture sequencing	
CP1-s-AF2.2.1 Initial airport operations plan (iAOP)	
CP1-s-AF2.2.2 Airport operations plan (AOP)	
CP1-s-AF2.3 Airport safety nets	
CP1-AF3 - Flexible Airspace Management and Free Route Airspace	
CP1-s-AF3.1 Airspace management and advanced flexible use of airspace	ON deployed airspace management tool (LARA). With this tool, necessary data is provided to the Network Manager. After deployment of the new ATM sistem (iTEC) in February 2021, many functionalities related to real time data provision got possible, too. Planned: dynamic sectorisation functionalities deployment in line with CP1 deadlines (December 2022)
CP1-s-AF3.2 Free route airspace	Free route airspace is deployed in Lithuania's airspace. Plan: Baltic FAB cross-boarder FRA (including definitions of CONOPS and other operations-related topics, necessary technical modification, validations, staff training), in line with CP1 deadlines (December 2022)
CP1-AF4 - Network Collaborative Management	
CP1-s-AF4.1 Enhanced short-term ATFCM measures	ATFCM measures (including short-term ATFCM measures, STAM) are already applied and coordinated between ON and Network Manager
CP1-s-AF4.2 Collaborative NOP	The activity is linked to NM systems in use. ATFCM for interaction with NOP measures are deployed and applied, with the current NM tools. Upon deployment of a new NM tool (or its version), relevant ON/NM procedures will be amended, staff trained.
CP1-s-AF4.3 Automated support for traffic complexity assessment	The regulation allows trafic complexity management through NM tools or own tools. Inital ide+D21:D26a was to deploy the own tool and ON provided request for partial funding. However, after performing CBA as well as additional evaluation of LT traffic complexity it was decided that NM tool is more relevant for ON. In 2021 – 2022 respective procedures/steps are to be taken in order to use NM's TCT functionalities
CP1-s-AF4.4 AOP/NOP integration	
CP1-AF5 - SWIM	
CP1-s-AF5.1 Common infrastructure components	Common infrastructure components are SWIM registry (NM task) and Common public key infrastructure, PKI). ON, together with multiple partners is implementing in CEF-funded project on the common PKI.
CP1-s-AF5.2 SWIM yellow profile technical infrastructure and specifications	The task is known. In 2021, internal concept of SWIM family implementation will be prepared and respective steps and interactions planed. Implementation is foreseen in line with CP1 deadline.

CP1-s-AF5.3 Aeronautical information exchange	Main part of the data defined in CP1 is already provided through SWIM services or SWIM-compliant tools. The remaining part is to be implemented in line with CP1 schedules.
CP1-s-AF5.4 Meteorological information exchange	Task leader is LHMT. ANSP/METEO system interfaces are to established, in line with CP1 regulation.
CP1-s-AF5.5 Cooperative network information exchange	Main part of the data defined in CP1 is already provided through SWIM services or SWIM-compliant tools. The remaining part is to be implemented in line with CP1 schedules.
CP1-s-AF5.6 Flight information exchange (yellow profile)	The task is known (this functionality is more airspace-user related). In 2021, internal concept of SWIM family implementation will be prepared and respective steps and interactions planed. Implementation is foreseen in line with CP1 deadline.
CP1-AF6 - Initial Trajectory Information Sharing	
CP1-s-AF6.1 Initial air-ground trajectory information sharing	ON is about to perform market environment evaluation/feasibility study, to define the scope and plan the implementation steps (all sub tasks of AF6).
CP1-s-AF6.2 Network Manager trajectory information enhancement	
CP1-s-AF6.3 Initial trajectory information sharing ground distribution	

4.3 - Change management

Change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements, aimed at minimising any negative impact on the network performance
ANSP's change management procedures are approved and registered by NSA-Transport Competence agency (TCA) as required per Regulation (EU) 2017/373 ATM/ANS.OR.B.010 and ATM/ANS.AR.C.030, accordingly. Any notified change is registered by TCA and decision on whether to review the change or not is made according to review criteria documented in TCA change management procedure. If case a change is reviewed, formal approval of the argument is required before implementation of that change as required by ATM/ANS.AR.C.040. In 2021 the change notification for Aeronautical data management system – digitalization was received by TCA, the change was selected for review and the argument was formally approved. Change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements are provided in the following SE "Oro Navigacija" safety management documents: - "Change management guide", 3rd edition, 2021; - Safety procedure SP401 "Functional systems' safety risk assessment, analysis and mitigation process management", 4th edition, July 2021. The practices cover: • Definittion of a clear change management programme for the ANSP(s) and all stakeholders affected; • Assessing the changes and impacts to functional systems and considering any formal evaluation and risk assessment that may be required; • Ensuring that a safety support assessment is carried out for the equipment, procedural and human elements being changed, and the interfaces and interactions being changed; • Ensuring that training support is provided for all affected parties, to prepare the workforce for handling new types of tools and working methods; • Ensuring that the change process is being continuously measured and monitored.

SECTION 5: TRAFFIC RISK SHARING ARRANGEMENTS AND INCENTIVE SCHEMES

5.1 - Traffic risk sharing parameters

- 5.1.1 Traffic risk sharing - En route charging zones
- 5.1.2 Traffic risk sharing - Terminal charging zones

5.2 - Capacity incentive schemes

- 5.2.1 - Capacity incentive scheme - Enroute
  - 5.2.1.1 Parameters for the calculation of financial advantages or disadvantages - Enroute
  - 5.2.1.2 Rationale and justification - Enroute
- 5.2.2 - Capacity incentive scheme - Terminal
  - 5.2.2.1 Parameters for the calculation of financial advantages or disadvantages - Terminal
  - 5.2.2.2 Rationale and justification - Terminal

5.3 - Optional incentives

Annexes of relevance to this section

- ANNEX G. PARAMETERS FOR THE TRAFFIC RISK SHARING
- ANNEX I. PARAMETERS FOR THE MANDATORY CAPACITY INCENTIVES
- ANNEX K. OPTIONAL INCENTIVE SCHEMES

5.1 - Traffic risk sharing

5.1.1 Traffic risk sharing - En route charging zone

Lithuania			Traffic risk-sharing parameters adapted?			no
			Service units lower than plan		Service units higher than plan	
	Dead band	Risk sharing band	% loss to be recovered	Max. charged if SUs 10% < plan	% additional revenue returned	Min. returned if SUs 10% > plan
Standard parameters	±2,00%	±10,0%	70,0%	5,6%	70,0%	5,6%

5.1.2 Traffic risk sharing - Terminal charging zones

5.2 - Capacity incentive schemes

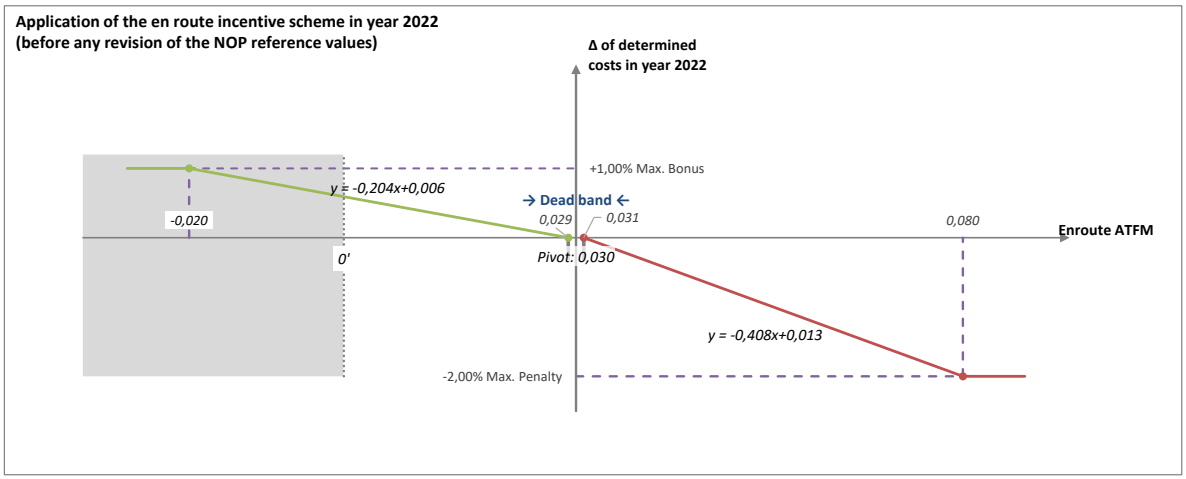
5.2.1 - Capacity incentive scheme - Enroute

5.2.1.1 Parameters for the calculation of financial advantages or disadvantages - Enroute

Enroute	Expressed in	Value
Dead band Δ	fraction of min	±0,001 min
Max bonus (≤2%)	*% of DC*	1,00%
Max penalty (≥ Max bonus)	*% of DC*	2,00%
The pivot values for RP3 are	fixed	

SE Oro Navigacija

		2020	2021	2022	2023	2024
NOP reference values (mins of ATFM delay per flight)				0,03	0,03	0,03
Alert threshold (Δ Ref. value in fraction of min)				±0,050	±0,050	±0,050
Performance Plan targets (mins of ATFM delay per flight)				0,03	0,03	0,03
Pivot values for RP3 (mins of ATFM delay per flight)				0,03	0,03	0,03
Financial advantages / disadvantages	Dead band range			[0,029-0,031]	[0,029-0,031]	[0,029-0,031]
	Bonus sliding range			[0-0,029]	[0-0,029]	[0-0,029]
	Penalty sliding range			[0,031-0,08]	[0,031-0,08]	[0,031-0,08]



5.2.1.2 Rationale and justification - Enroute

Pivot values chosen are the same as the capacity values indicated in the NOP.
ON has never generated en route delays in RP1 and RP2, therefore 1% max financial advantage (bonus) from the determined costs is set to motivate directly related staff to operate proactively in order to achieve the best value (0 min delay/flight) in capacity and to produce maximum contribution to the union wide capacity target. In the same way of thinking, - to motivate Oro Navigacija to operate properly to avoid the financial disadvantage amounting to maximum 2% of determined costs what would have significant material impact on the revenue. Dead band selected is the range of values between 0,029-0,031 delay of min/flight what are the closest to the NOP values and fair in respect of Oro Navigacija's actual operational achiement and what does to not lead to any amounts of bonuses or penalties.

*** Refer to Annex I, if necessary.*

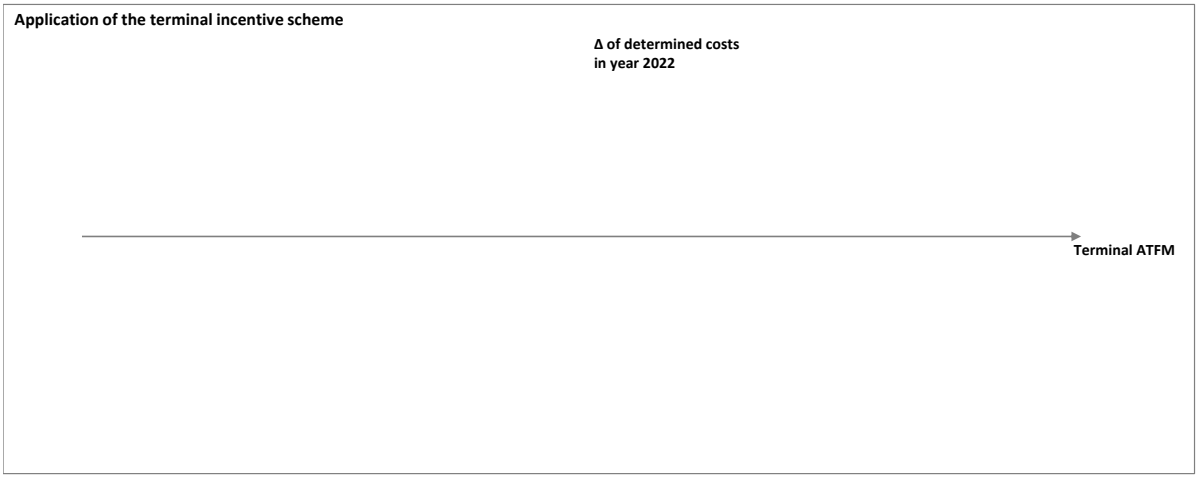
5.2.2 - Capacity incentive scheme - Terminal

5.2.2.1 Parameters for the calculation of financial advantages or disadvantages - Terminal

Terminal	Expressed in	Value
Dead band Δ	Select	
Bonus/penalty range (% of pivot value)	*%*	±50%
Max bonus	*% of DC*	
Max penalty	*% of DC*	
The pivot values for RP3 are	Select	

		2020	2021	2022	2023	2024
Performance Plan targets (mins of ATFM delay per flight)				-	-	-
Bonus/penalty range Δ (in fraction of min)				±0,000	±0,000	±0,000
Pivot values for RP3 (mins of ATFM delay per flight)						
Financial advantages / disadvantages	Dead band range			-	-	-
	Bonus sliding range			-	-	-
	Penalty sliding range			-	-	-

Application of the terminal incentive scheme



5.2.2.2 Rationale and justification - Terminal

Explain how the bonus and penalties are going to be apportioned between the different terminal charging zones and ANSPs providing services in each of them**

*** Refer to Annex I, if necessary.*

SECTION 6: IMPLEMENTATION OF THE PERFORMANCE PLAN

6.1 Monitoring of the implementation plan

6.2 Non-compliance with targets during the reference period

6 - IMPLEMENTATION OF THE PERFORMANCE PLAN

6.1 Monitoring of the implementation plan

Description of the processes put in place by the NSA to monitor the implementation of the Performance Plan including the yearly monitoring of all KPIs and PIs defined in Annex I of the Regulation and a description of the data sources
NSA (NCA) of Lithuania (Transport Competence Agency) is the authority responsible for the drawing of performance plans, performance oversight using different sources, evaluation of performance targets achievement, overall implementation at the national level and the reporting the outcome of monitoring and implementation to the EC on annual basis. For RP2 there were set procedures for the monitoring of the Baltic FAB PP implementation, therefore some procedures have been changed in regard to RP3 at the national level. Data are collected using different sources (EUROCONTROL statistics, AI dashboards, CRCO billing data, ANSPs' service provision data, strategic plans and reports), data assessment and data validation. Monitoring at national level includes but not limited to monthly monitoring of traffic evolution (IFR movements and SUs), comparison with the latest traffic forecasts (IFR movements and SUs), consideration of actual generated delays (ATFM en route) and achieved figures in KEA. Consultation with the stakeholders is part of the whole process and their outcome is to be highlighted in the reports. Procedures shall be efficient in resources consumption in order to avoid additional administrative burden on ANSPs and additional costs in the annual performance cycle both for the stakeholders and NSA itself. Monitoring of reaching of the alert treshholds is part of the whole monitoring process, the same as other obligatory requirements determined within Annex VI, Regulation (EU) 2019/317 and other relevant legislation (Regulation (EU) 2017/373). Cooperation with neighbouring LV NSA in respect of service provision by LV ANSP LGS on Ninta-Adaxa area in Vilnius FIR has already established by the NSAs Cooperation Agreement (including performance and charging scheme).

6.2 Non-compliance with targets during the reference period

Description of the processes put in place and measures to be applied by the NSA to address the situation where targets are not reached during the reference period
In case that any targets is under risk of meeting at the national level, the NSA/TCA shall contact ANSP for clarification and identify potential issues, if necessary apply to NM and establish corrective measures designed to rectify the situation if such situation is under the local control. In any way, NSA will inform the EC in accordance with Art. 37 of IR 2019/317 with the proposal how the situation could be improved or, if influenced by the activities of third parties having impact to local performance, will justify them what is out of control by the national authority and ANSPs. Where LV ANSP underperforms, TKA will contact LV CAA (NSA) for clarification and measures to be applied. Close cooperation with the NM, CRCO, EUROCONTROL, other NSAs (like NSA's Coordination Platform) is to be set in place for the monitoring purpose and exchange of good and the best practices.

7 - ANNEXES

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)
- ANNEX A.x - En route Charging Zone #x

ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)
- ANNEX B.x - Terminal Charging Zone #x

ANNEX C. CONSULTATION
ANNEX D. LOCAL TRAFFIC FORECASTS
ANNEX E. INVESTMENTS
ANNEX F. BASELINE VALUES (COST-EFFICIENCY)
ANNEX G. PARAMETERS FOR THE TRAFFIC RISK SHARING
ANNEX H. RESTRUCTURING MEASURES AND COSTS
ANNEX I. PARAMETERS FOR THE MANDATORY CAPACITY INCENTIVES
ANNEX J. OPTIONAL KPIs AND TARGETS
ANNEX K. OPTIONAL INCENTIVE SCHEMES
ANNEX L. JUSTIFICATION FOR SIMPLIFIED CHARGING SCHEME
ANNEX M. COST ALLOCATION
ANNEX N. CROSS-BORDER INITIATIVES
ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS
ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS
ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS
ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS
ANNEX S. INTERDEPENDENCIES
ANNEX T. OTHER MATERIAL
ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE
ANNEX Z. CORRECTIVE MEASURES*

** Only as per Article 15(6) of the Regulation*

ANNEX F. BASELINE VALUES (COST-EFFICIENCY)

Due to technical adjustment of LT and LV charging zones (CZ) in CRCO operated system these costs (forecast and actuals) were included in LV cost base and LV received all revenue for some delegated services on the part of route NINTA-ADAXA in LT CZ. Latvia's costs for delegated services provision in Vilnius FIR and NSA-NCA acticivities from RP3 are included in LT CZ and presented in a separate sheet. The EC was notified accordingly in 2019 on reinstatement of these coordinates in CRCO operated system from RP3 ("modification of LT and LV charging zones").

NINTA-ADAXA data provided by EUROCONTROL CRCO

	Flights	'00 KM	Weight Factor	**SUs**
2014	31638	12338,82	1,53	**18 878**
2019	34965	13636,35	1,53	**20 864**

Avg w. factor of 8 months 2021	1,54
Avg w. factor of OCT 2019	1,41
Avg w. factor of OCT 2020 (CARGO	1,63
Average	**1,53** Chosen by NSA to eliminate deviations

Actual 2019 LV ANSP costs for delegated services, kEur

Published on ETNA		NINTA-ADAXA
2. Detail by service (in nominal terms)		
2.1 Air Traffic Management	13 961	304,20
2.2 Communication	2 112	46,02
2.3 Navigation	1 593	34,71
2.4 Surveillance	1 085	23,64
TTL costs	18 751,29	**408,57**
TTL SU's	957,532	
3. Actual costs/SU	19,58	
4. TTL SU's NINTA-ADAXA	20,86	
5. TTL costs NINTA-ADAXA	408,57	
6. SUs NINTA-ADAXA/TTLSUs	**2,18%**	

1. Detail by nature (in nominal terms)		Allocation	NINTA-ADAXA		**Act costs real 2017**
1.1 Staff	13 659	12 146	264,66	5.1 Infl %	2,20%
1.2 Other operating costs	3 640	3 237	70,53	5.2 Infl index	104,8
1.3 Depreciation	2 568	2 284	49,76		
1.4 Cost of capital	1 219	1 084	23,63		
TTL costs	21 086	18 751	**408,57**		**393,36**
Exclusion AIS and MET	-2 335				
TTL COSTS	18 751				

Actual 2019 LV NSA costs for delegated services, kEur

Published on ETNA		NINTA-ADAXA
2.8 Supervision costs	906	19,74
1.1 Staff	636	13,86
1.2 Other operating costs (1)	270	5,88
TTL costs		**19,74**

Actual 2014 LV ANSP costs for delegated services, kEur

Published on ETNA		NINTA-ADAXA
2. Detail by service (in nominal terms)		
2.1 Air Traffic Management	10 115	229,49
2.2 Communication	1 984	45,02
2.3 Navigation	1 516	34,39
2.4 Surveillance	2 173	49,29
TTL costs	15 787,97	**358,18**
TTL SU's	766,861	
3. Actual costs/SU	20,59	
4. TTL SU's NINTA-ADAXA	17 397,74	
5. TTL costs NINTA-ADAXA	358 180,83	
6. SUs NINTA-ADAXA/TTLSUs	**2,27%**	

1. Detail by nature (in nominal terms)		Allocation	NINTA-ADAXA		**Act costs real 2017**
1.1 Staff	10 707	9 543	216,49	5.1 Infl %	0,20%
1.2 Other operating costs	2 634	2 348	53,26	5.2 Infl index	96,4
1.3 Depreciation	3 529	3 145	71,35		
1.4 Cost of capital	845	753	17,08		
TTL costs	17 715	15 788	**358,18**		**368,15**
Exclusion AIS and MET	767				
TTL COSTS	1 927				
	15787,96861				

Actual 2014 LV NSA costs for delegated services, kEur

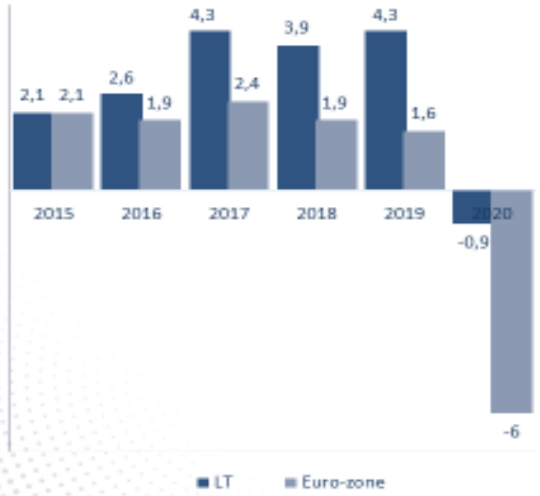
Published on ETNA		NINTA-ADAXA
2.8 Supervision costs	1421	32,24
1.1 Staff	1069	24,25
1.2 Other operating costs (1)	352	7,99
TTL costs	1421	**32,24**

ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS

Economic situation overview - strong economic growth and inflationary pressures in the labor market - Litthuania is on a fast-track to converging with EU averages

Lithuanian economy is incredibly strong, diversified and growing at a stellar rates, latest data for H1 points to 4,8% growth compared to last year, and even during pandemic 2020 showed incredible resilience; future forecasts – it will continue to grow at a much faster rate than EU

Lithuania vs. Euro Zone real GDP development, % yoy



Real GDP growth, %	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actual	2,1	2,6	4,5	3,9	4,3	-0,9				
IMF (2021 April)							3,2	3,2	3,1	2,7
IMF (2021 June visit report)							4,4	4,1	3,1	
Ministry of Finance							4,1	4,4	3,5	3,5
Bank of Lithuania							5,1	4,1		
SEB							4,6	3,8		
Swedbank							5,0	4,9		

Inflation – as LT is an extremely open economy, we tend to "import" inflation instantly as it hits commodities markets, thus it is very hard to forecast in long term, but latest trends and well-propelled economic growth point to high inflation period – most recent IMF projections are used in reporting tables; note the diference for total HCPI and services component inflation

Lithuania Macroeconomic Outlook

	2019	2020	2021	2022	2023
GDP growth	4.3	-0.8	4.4	4.1	3.1
Inflation	2.2	1.1	3.2	2.8	2.7
Core inflation	2.3	2.6	2.9	3.0	2.6
Output gap (percent of potential GDP)	0.8	-0.9	0.3	0.9	0.6
Overall fiscal balance (percent of GDP)	0.5	-7.4	-5.5	-2.9	-1.5
Structural balance (percent of potential GDP)	0.6	-6.3	-5.0	-2.8	-1.4
Public gross debt (percent of GDP)	35.9	47.1	47.8	45.9	44.3
Nominal GDP (billions of euros)	48.8	48.9	52.4	56.0	59.2

Source: IMF staff projections starting 2021

Yearly inflation by month in Lithuania, % vs. LYM

Inflation (HCPI), %	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actual	-0,7	0,7	3,7	2,5	2,2	1,1	1,4			
IMF (2021 April)							1,5	1,9	2,0	2,1
IMF (2021 June visit report)							3,2	2,8	2,7	
Ministry of Finance							2,6	2,2	2,0	2,0
Bank of Lithuania							2,2	2,1		
SEB							2,6	2,6		
Swedbank							2,8	3,3		
Luminor							1,8	3,2		

Services component inflation	5,1	2,4	5,3	4,3	4,8	3,9	3,3			

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Separate pdf file Annex T added

Separate pdf file Annex V added

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