

Comments made by Auditor General Janar Holm on 12 June 2024 after the publication of the joint Rail Baltic review of the three Baltic States:

We've already seen enough deliberately given false hopes, beautiful images of terminals that look like space stations, video animations of trains rushing by at several hundred kilometres per hour and other similar things in the case of Rail Baltic. But we haven't seen the railway yet. Nobody is in a position to say when we'll actually see Rail Baltic in operation, because we don't know where the money needed to bring these animations and images to life will come from or when we'll get it. The Estonian National Audit Office has been cooperating, preparing audits and writing reviews with its colleagues from Latvia and Lithuania for eight years now to support the biggest ever joint project of the Baltic States – the construction and launch of a railway connecting the three countries with Poland and the rest of Europe – by auditing and analysing different aspects and to warn about possible risks and pitfalls at the right time.

Looking at the management of the Rail Baltic project, we got the impression that instead of the action plan, the people involved have started implementing the table of risks highlighted at the start of the project. Deadlines are becoming longer, the cost is increasing, procurements are failing or falling significantly behind schedule and so on. At the same time, the public has been and is still being misled by empty promises about the deadlines when Rail Baltic will be taken into use or informing the public of the actual status of the project – the cost and the launch deadline – has been delayed. Examples of this are the promise to launch passenger train traffic in 2031 or even in December 2030 – in a situation where the source of the money needed to build the railway is not known. Or that the necessary amounts of money have actually not been planned for 2027 and 2028, when active construction work should be underway (according to the explanatory memorandum of the 2024 state budget, €37 million is planned for 2027 versus the €399 million planned for 2026). Not to mention the fact that the procurement of trains has not started in 2024, although it is estimated that it will take 8 years to procure the trains and put them in use. No money for buying the trains has been planned either. The purchase of the trains, which according to estimates will cost €300 million, must be financed by the three Baltic States themselves.

The Ministry of Climate and OÜ Rail Baltic Eesti must improve the clarity and openness of the process. In order to proceed with the project, the public and the Riigikogu should be given clear and well-founded information on the year by which the construction of the railway is technically and financially realistic, how the financing will be spread across the years and the sources from which the money will be obtained, the deadline for the procurement of the trains and how this will be financed, the scale of the railway operation and maintenance costs and the part of these that must be covered from the state budget.

Involving the Riigikogu in making decisions about Rail Baltic is important, as the financial scale of the railway project has increased significantly and may increase even further in the future, and this affects and limits considerably the budgetary choices in all other areas of life in the coming years. Therefore, it would be important for the Riigikogu to also take a position on whether the railway must be built at any cost or whether there is a point from which the construction of the railway becomes unreasonable.

For Estonia, it's not enough that the construction of the part that concerns Estonia is successful. In order to take a train from Estonia to Warsaw and Berlin, we need Latvia, Lithuania and Poland to also meet their targets. They don't need the Estonian section of the railway to travel to Berlin. We need their sections. The Government of the Republic must protect our national interests in these countries with great attention and at a high level.

Otherwise, there is an increasing risk that in the future, the Rail Baltic project, which has been going on for years and years, may be given this theatrical description in history books: at first, it was all song and dance, which at some point turned into a melodramatic village play. This was followed by a heroic performance of the propagandist agitation brigade, then laughter through tears, dramatic Finno-Ugric contemplation and then a tragedy drowning in floods of tears. And at some point, an announcer appeared on the stage and said: “The performance will not continue, the tickets will not be refunded to the audience.”