



Ambassador Johann Sattler
Head of Delegation
Delegation of the European Union to Bosnia and Herzegovina
European Union Special Representative in Bosnia and Herzegovina

Mostar, 31.1.2024.

Subject: Update on Corridor Vc South Mostar section - evidence of breaches of EBRD's policy and European standards in Compliance Report by the Bank's Accountability Mechanism

Your Excellency,

We hope this letter finds you well. We feel obligated to update your office on the status and new development of Corridor Vc- South Mostar in Bosnia and Herzegovina, particularly as highlighted in the final compliance report of the EBRD's Independent Project Accountability Mechanism (IPAM). Our representatives had a chance to meet with Ms. Di Sandri in Oct, 2023 when we discussed problems about the route selection that has existed since 2016. The EBRD IPAM's compliance report was completed but still not publicly available for sharing at that time.

At the beginning of this month the IPAM Compliance Review Report and EBRD's Management Action Plan were published. The compliance report found that the Bank has breached its Environmental and Social Policy and performance requirements in the South Mostar Project. In order to bring the project into compliance, **the Bank's accountability mechanism recommended that a new alternative route alignment analysis should be conducted, with new disclosure and public consultation on the alternatives.** In other words, a decision on the route for the South Mostar section needs to be made in a transparent and democratic way, in consideration of comprehensive expert impact assessments, to ensure respect for the land rights of war returnees and the rights to participate, in line with the UNECE Aarhus Convention, EU law and EBRD standards.

The South Mostar project's non-compliance is of material importance, highlighting the need for justice and remedy for affected land-owners, in order for the project to reflect European values, encompassing environmental and social protection, vital elements in the European integration process on which your office has been working for a long time in order to help Bosnia and Herzegovina join the EU.

The EBRD accountability mechanism's report provides valuable insights into the current state and progress of Corridor Vc, shedding light on its environmental and social impacts and violation of standards. As concerned citizens and advocates for sustainable development, we find it crucial that the project is aligned with European standards. The report, we believe, plays a pivotal role in providing evidence of the project's failure to adhere to these standards, and makes important recommendations for fostering transparency and ensuring the well-being of both the local communities and the environment. Briefly we are summarizing the main points of our concerns that exist from the beginning and are subject of our complaint to EBRD and are confirmed in the compliance review:

- Project implementation has not been started and it is still possible and necessary to change the route and expected inevitable harm will not happen and this was recognized in MAP Report;
- A viable alternative exists and has better multicriteria assessment (MCA) in all other aspects than cost which has not properly internalized in the project's bill;
- There is significant inconsistency in MCA route alignment comparison from 2011 and 2016;
- The impact assessment was focused strictly on the impacts on those households that lie directly on the route and whose land should be expropriated, but failed to account for the expected health and economic impact on those who would end up living on the sides in immediate proximity of what is likely to be a busy motorway;
- No public consultations were held on the final adopted route from 2016 and the ESIA study public hearing was restricted to the presence of just a few affected people.
- Significant negative impacts on post Dayton returnees to the area were not addressed at all, as the EBRD only considered economic vulnerability but not the marginalized position of ethnic groups;
- River valley route has significant hydrogeological environmental problems and another European NGO (Riverwatch) is working hard to bring this issue to attention. River Neretva with its tributaries is characterized as Europe Blue Heart and this current route will have a significant effect on biodiversity of the ecosystem of this region.
- In addition to ongoing legal actions of our community members through the BiH judiciary system we also prepared to file a Complaint to the UN Human Rights Council.

In addition, please be aware about JPAC's mishandling of the tender procedure for the section of Corridor Vc next to the South Mostar one, namely OLAF's investigation on fraudulent practices for Tunnel Kvanj financed by the EIB; as well as the cracks this summer on the recently constructed Pocitelj bridge raising questions about the quality of construction works. In addition, the project is already burdened with more than 3 legal processes in the country and additional five active complaints at the EBRD's IPAM.

European integration places a strong emphasis on sustainable infrastructure development, and Corridor Vc is a significant project in this regard. The findings of the IPAM EBRD report will not only contribute to a better understanding of the ongoing initiatives but also serve as a foundation for constructive dialogue and collaboration between Bosnia and Herzegovina and the European Union. We kindly request your esteemed office to actively engage with the relevant stakeholders in Bosnia and Herzegovina, encouraging a thorough review and consideration of the EBRD IPAM report's recommendations. Furthermore, we urge the European Union to continue supporting initiatives that prioritize democratic participation in decision-making, environmental protection, social responsibility, and sustainable development within the framework of Corridor Vc.

In conclusion, we appreciate your dedication to promoting European values in Bosnia and Herzegovina and trust that your involvement will contribute to the realization of a Corridor Vc that aligns with the highest European standards.

Thank you for your attention to this matter, and we remain hopeful for positive developments and support from your office in the near future. We are available for discussion if there are any additional questions or concerns.

Yours sincerely,



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