

The Corridor Vc motorway in Bosnia and Herzegovina

A decisive test for EU standards



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1. Executive summary

The European Union's (EU) flagship project in Bosnia and Herzegovina (BiH), the 330-kilometre Corridor Vc motorway, is at a crossroads. Just over a third has been built and several more sections are under construction,¹ financed by more than EUR 3 billion in loans and grants from the EU,² EIB³ and EBRD.⁴ But the section south of Mostar is at a stalemate, and the most difficult part is yet to come – a tunnel through the iconic Prenj mountain, long planned to be a national park, but currently lacking legal protection.

In the early 2000s, the route south of Mostar was planned to cross residential and agricultural land in the Neretva valley, passing near the tentative Blagaj UNESCO site and crossing the stunning Buna and Bunica rivers. Local people protested, and in 2011 a route on the nearby Podveležje plateau was proposed instead. This option is preferred by many people from the area, but was opposed by Croat politicians for unclear reasons.

In 2016, another, different route was proposed in the valley, but still crossing residential and agricultural land and the two rivers in an increasingly popular tourist area. Local people again objected, but the following year, a project-level spatial plan was adopted.

In 2020, a group of local people submitted a complaint to the EBRD's Independent Project Accountability Mechanism (IPAM), alleging that the route was chosen without consulting local people, that the vulnerable groups were not properly identified, and that the biodiversity assessment for the project was not in line with the EBRD's standards.⁵

After a lengthy investigation, in January 2024, IPAM published its findings.⁶ It confirmed the main allegations, including that the route selection had not been done in line with the EBRD's environmental and social policy, which required the avoidance of impacts where possible, and that local people had not been consulted on the route that was finally chosen.⁷ As a result, IPAM recommended re-examination of the route south of Mostar.⁸

The EBRD's management, however, is not willing to request this, stating that it is not in a position to do this without project promoter JP Autoceste and the Federation of Bosnia and Herzegovina (FBiH) authorities, who have made it clear that no route change is possible.⁹ In fact, it could have been done by now if they had started when people first raised concerns about the new route.

¹ JP Autoceste FBiH, [Autocesta A1](#), *JP Autoceste FBiH*, accessed 20 March 2024.

² Under the Western Balkans Investment Framework

³ The European Investment Bank, the EU's house bank

⁴ The European Bank for Reconstruction and Development, majority owned by the EU and its Member States

⁵ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3](#), *EBRD*, 5 January 2020.

⁶ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#), *EBRD*, 11 January 2024.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Management Response and Action Plan](#), *EBRD*, 11 January 2024.

Meanwhile, in December 2023, the EBRD approved another EUR 220 million loan for the Corridor Vc, this time for the 15-kilometre section bypassing Mostar.¹⁰ And both the EBRD and EIB are currently considering loans for the 10-kilometre-long Prenj tunnel and the sections approaching it. From 12 to 14 March 2024, therefore, Bankwatch carried out a new site visit to the Mostar and Konjic areas to assess the situation.

South of Mostar, some project-affected people are extremely worried about losing their land. But those resisting expropriation are resolute and determined to uphold their rights.

This land is their life, home and roots. Some are dependent on the land and water sources for agriculture. Some have long family ties here. And even for those who moved here more recently, the land provides a sense of stability and security that has been sorely missing for most of their lives due to the 1990s war. Everyone we spoke to had already had to rebuild their lives from scratch at least once.

For this reason, their land cannot be treated as a replaceable commodity to buy and sell, especially when expropriation is being carried out for a project whose routing is both illegal and illegitimate, and where reasonable alternatives exist.

JP Autoceste's approach has not helped, either. The company has, in some cases, refused to pay for complete land parcels, buying only parts of them. It is not compensating people whose land and houses are within a few metres of the route, even though their properties will become worthless and they will lose income from tourism or agriculture. Local people report being pressured to sell up by the company, and its employees have used smear tactics against opponents of the routing.

The EBRD's approach of hiding behind its client instead of enforcing the Bank's standards is unacceptable. The European Commission, EBRD and EIB need to make it clear to the FBiH authorities that the routing south of Mostar must be re-examined.

Unfortunately, there is a strong danger of the same mistakes being repeated with the Konjic – Prenj tunnel – North Mostar section.

The Prenj section was also subject to route changes without public consultation prior to the approval of the project-level spatial plan in 2017. And in 2023, when the FBiH-level environmental assessment was carried out, people attending the public hearings were told that the routing had already been decided and could not be subject to further discussion.

People from Podgorani, north of Mostar, oppose the current routing as it would result in a series of viaducts above their peaceful village. They proposed an alternative which they say is three kilometres shorter overall, but it was not taken into account.

At the other end of the tunnel, the route threatens the stunning Bijela valley nominated candidate Emerald site, and touches another, Zlatar. Yet the study that is supposed to examine whether the motorway would negatively impact on the sites' conservation objectives fails to do so. It does not even mention that Prenj is a potential Natura 2000 site.

¹⁰ EBRD, [Mostar North to Mostar South Motorway](#), EBRD, 23 May 2022.

Local environmental groups such as Zeleni Neretva are also concerned that underground water flows in Prenj are insufficiently well understood to take decisions on the routing.

With such massive amounts of EU financing for the Corridor Vc, it is imperative to ensure close oversight and compliance with EU environmental, social and procurement standards. People's livelihoods, BiH's diverse and unspoilt rivers and mountains, and the EU's credibility are at stake. The European Commission, EIB and EBRD must ensure that the route south of Mostar and via Prenj is re-examined, and that the environmental and social impact of the proposed routings is publicly consulted, if they want to avoid many more years of delay.

2. Introduction: The EU's flagship project in Bosnia and Herzegovina at a crossroads

The Pan-European Corridor Vc motorway is set to run from Budapest to the Adriatic port of Ploče in Croatia, with 330 kilometres of the route passing through Bosnia and Herzegovina (BiH). The majority would pass through the Federation of BiH entity, roughly following the Bosna and Neretva rivers, with just under 46 kilometres in Republika Srpska.¹¹

In theory the Corridor Vc should be multimodal, comprising rail and road connections, but in reality BiH and EU decision makers have promoted the motorway construction as an iconic panacea for BiH's economic development, while the country's railways continue to precipitously decline.

The total cost of the Corridor Vc motorway in BiH has reached EUR 4.5 billion¹² – a massive sum for a country of less than 3.5 million people¹³ – and is set to rise by at least another EUR 600 000 if the 10-kilometre Prenj tunnel is built.¹⁴

The motorway has received more than EUR 3 billion in loans and grants from the European Union's Western Balkans Investment Framework (WBIF), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).¹⁵ And as of late March 2024, the EIB and EBRD are both considering loans for the Prenj tunnel.¹⁶

¹¹ Autoputevi RS, [Corridor Vc in Republika Srpska](#), *Autoputevi RS*, accessed 20 March 2024.

¹² Western Balkans Investment Framework, [Corridor Vc Motorway in Bosnia and Herzegovina](#), *Western Balkans Investment Framework*, accessed 20 March 2024.

¹³ 2018 Provisional data, Eurostat, [demo_gind](#). No more recent Eurostat data is available and no census has been carried out since 2013. However, outward migration has continued and some estimates put the population in 2022 as low as 2.7 million. Hamza Karcic, '[Bosnia is Becoming Depopulated – What to do About it?](#)' *Balkan Insight*, 15 November 2022.

¹⁴ European Investment Bank, [Corridor Vc Tunnel Prenj](#), *European Investment Bank*, 16 March 2021.

¹⁵ Western Balkans Investment Framework, [Corridor Vc Motorway in Bosnia and Herzegovina](#), *Western Balkans Investment Framework*, accessed 20 March 2024.

¹⁶ European Investment Bank, [Corridor Vc Tunnel Prenj](#), *European Investment Bank*, 16 March 2021; European Bank for Reconstruction and Development, [The Tunnel Prenj](#), *European Bank for Reconstruction and Development*, 27 February 2024.

So far, the project sponsor for the Federation of BiH section, JP Autoceste, reports that 126 kilometres of motorway has been built, including sections near the northern and southern borders with Croatia and the parts nearest to Sarajevo.¹⁷ Several more are also under construction.

With such massive amounts of EU financing for the project, it is imperative to ensure close oversight and compliance with EU environmental, social and procurement standards. People's livelihoods, BiH's diverse and unspoilt rivers and mountains, and the EU's credibility are at stake.

Unsurprisingly for a project of this size, especially one which runs partly through populated areas, things have not always gone smoothly. But, as one project-affected person from Malo Polje near Mostar recently put it, *'a motorway is not built every few years, it is built once. It has to be done right, even if it takes a bit longer.'*

In the late 2000s, as explained below, the FBiH authorities appeared to take such an approach, proposing route changes in response to public objections regarding the section south of Mostar. But more recently, during 2016 and 2017, the route was changed back to the valley again, without a clear justification. This was similar, but not identical, to the one that local residents had already rejected, so it is not clear why it is being pushed again.

As a result, people who had already been uprooted by war and rebuilt their lives – in some cases for the second time – are having their houses and agricultural land expropriated for a route that has no legitimacy among local people and, as explained below, was selected illegally, without mandatory public consultations.

In addition, people whose land is not needed for the highway but is as near as one metre from the route have not been consulted about the project routing or its impact on their land and have been offered no compensation. They fear temporary expropriation for the construction phase and have concerns about noise, vibration, pollution, the highway's visual effect on the landscape, and livelihood loss.

Those whose land is being expropriated have reacted in various ways. Many have sold their properties while others are resisting, including in domestic courts and by international complaint mechanisms.

Among other actions taken, in 2020 a group of local people submitted a complaint to the EBRD's Independent Project Accountability Mechanism (IPAM), alleging that the route was chosen without consulting local people, that the identification of vulnerable groups was not done properly, and that the biodiversity assessment for the project was not in line with the EBRD's environmental and social policy.¹⁸ They also contacted Bankwatch for assistance.

¹⁷ JP Autoceste FBiH, [Autocesta A1](#), JP Autoceste FBiH, accessed 20 March 2024.

¹⁸ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3](#), EBRD, 5 January 2020.



View of the affected area at Malo Polje. Photo: CEE Bankwatch Network

From 26 to 31 October 2020, a Bankwatch delegation visited Mostar and the nearby villages of Malo Polje, Carski Vinograd, Ortiješ and Kosor to speak with local people. At that time, the EBRD had not yet approved its EUR 60 million loan for the Mostar South – Tunel Kvanj section of the motorway.¹⁹ Bankwatch's findings, presented in a report entitled *Connecting or Dividing*, were unequivocal: the route must be re-examined before any EBRD financing could be approved.²⁰ Regrettably, the Bank did not heed Bankwatch's warnings and the loan was approved by the EBRD's Board of Directors on 25 February 2021.

Still, the situation on the ground was not resolved. And after a lengthy investigation, in January 2024, IPAM's Compliance Review report was published.²¹ It confirmed the main allegations made by the local people, including that the route selection had not been done in accordance with the EBRD's environmental and social policy, which required the avoidance of impacts where possible, and that local people had not been consulted.²²

As a result, IPAM recommended the re-examination of the route south of Mostar.²³

¹⁹ EBRD, [Project Summary Document, Corridor Vc in FBiH – Part 3 \(Tranche 2\)](#), EBRD, 2 August 2017.

²⁰ CEE Bankwatch Network, [Connecting or Dividing](#), CEE Bankwatch Network, January 2021.

²¹ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#), EBRD, 11 January 2024.

²² Ibid.

²³ Ibid.

The EBRD's management, however, is not willing to push for this, stating that it is not in a position to do this without JP Autoceste and the prime minister of FBiH and that they had made it clear that no route change would be possible.²⁴

The section south of Mostar is now at a crossroads. On one hand, IPAM has confirmed that the route selection was faulty and illegitimate. And some of the local people are defending their rights in court. But on the other hand, the EBRD management, FBiH authorities and JP Autoceste refuse to re-examine the route, despite the fact they could have completed this by now if they had started in 2016 when people first opposed it, or in 2020 when the complaint was submitted to IPAM.

Meanwhile, in December 2023, the EBRD approved another EUR 220 million loan for the Corridor Vc, this time for the 15-kilometre section bypassing Mostar, including a 2-kilometre-long tunnel.²⁵

And both the EBRD and EIB are currently considering loans for the 10-kilometre-long Prenj tunnel and its approach roads. Unfortunately, due to a lack of public consultation about the routing of the Prenj tunnel, there is a strong danger of repeating the mistakes made with the section south of Mostar.

Therefore, from 12 to 14 March 2024, Bankwatch carried out a new site visit to the Mostar and Konjic areas to assess the situation.

This report presents our updated findings and underlines that it is crucial for the European Commission, EIB and EBRD to ensure that the route south of Mostar and via Prenj is re-examined and publicly consulted if they want to avoid many more years of delay.

3. Mostar – Kvanj tunnel

3.1 Route changes so far

In the 2000s, plans to route the motorway through the agricultural Neretva valley south of Mostar, near the tentative UNESCO World Heritage site at Blagaj²⁶ and within sight of the tentative UNESCO site at Počitelj,²⁷ were fiercely opposed by local people. As a result, draft proposals for changes to the route at Blagaj and Počitelj were put forward in 2009.

Instead of dividing the Neretva valley in two and going over private agricultural and residential land, the then proposed route would have passed over the Podveležje plateau above Blagaj. Local people we have spoken to see this as a superior route because it would pass through mostly state-owned scrubland. It would also avoid needing to come down into the valley from the Kvanj tunnel, only to have to go back up to the Prenj tunnel again.

²⁴ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Management Response and Action Plan](#), EBRD, 11 January 2024.

²⁵ EBRD, [Mostar North to Mostar South Motorway](#), EBRD, 23 May 2022.

²⁶ UNESCO World Heritage Convention, [The natural and architectural ensemble of Blagaj](#), UNESCO, accessed 20 March 2024.

²⁷ UNESCO World Heritage Convention, [The historic urban site of Počitelj](#), UNESCO, accessed 20 March 2024.



Počitelj Bridge. Photo: CEE Bankwatch Network

The superiority of the ridge route was confirmed by a 2011 multicriterial analysis,²⁸ which showed that although it was slightly worse than the preliminary project design route in terms of technical/operational criteria due to being 3 kilometres longer, it would be vastly better in terms of spatial-economic and spatial-ecological criteria.

Despite the methodology being heavily weighted towards technical/operational criteria, overall the ridge route was rated superior to – and cheaper than – the originally proposed routing through the valley.²⁹

²⁸ IPSA Institut, [Multikriterijska analiza za dionicu autoputa na Koridoru Vc: Mostar jug - Počitelj – Vrednovanje i upoređenje varijanata i prijedlog za izbor varijante trase](#), Federal Ministry for Spatial Planning, May 2011, 2, 13.

²⁹ Ibid.

Table 1: Main results from 2011 multicriterial analysis³⁰

	Length	Total price	Price per kilometre	Technical – operational score	Spatial – economic score	Spatial – ecological score	Overall score
Preliminary project route (valley)	23.4 km	BAM 548.4 million	BAM 23.4 million	44	0.1	1.51	45.6
New variant (ridge route)	26.5 km	BAM 539 million	BAM 20.4 million	36	9.9	8.48	54.4

Red = unfavourable score for the respective parameter, Green = favourable score

However, the proposals were opposed by several Croat ministers for rather unclear reasons, leading to a political impasse.³¹ Still, attempts were made to move forward, with a project-level spatial plan including the new routing approved by the FBiH government on 7 December 2011 and the House of Representatives on 29 December.³² However, the House of Peoples did not approve the plan³³ and a hiatus of several years followed.

Although it had never been convincingly demonstrated to the public that the ridge route was inappropriate, on 24 June 2016, the FBiH government put forward a new valley route via the Ortiješ airport, resulting in a petition from local residents for the project to be brought back to the previously proposed ridge route which gathered over 3,000 signatures – approximately a third of residents of the affected villages.³⁴

JP Autoceste also commissioned a new multicriterial analysis comparing the ridge route with two different routes in the valley than the one originally proposed.³⁵

³⁰ Ibid.

³¹ For more details, see CEE Bankwatch Network, *Report from CEE Bankwatch, Center for Environment and Ekotim fact-finding mission on Corridor Vc motorway project, Bosnia and Herzegovina, 14-15 September 2009*, CEE Bankwatch Network, September 2009.

³² *Ukaz o proglašenju Odluke o donošenju Prostornog plana područja posebnih obilježja od značaja za Federaciju Bosne i Hercegovine "Autocesta na Koridoru Vc" za razdoblje od 20 godina*, *Službene Novine FBiH*, no.100, 25 December 2017.

³³ Parliament of the Federation of Bosnia and Herzegovina, House of Peoples, *Pregled zakona i drugih akata usvojenih u Domu naroda Parlamenta Federacije BiH (mandatni period 2010-2014.godine) > Akti koje je usvojio Predstavnički Dom, a Dom Naroda nije razmatrao*, *Dom Naroda*, accessed 20 March 2024.

³⁴ For more details, see CEE Bankwatch Network, *Connecting or Dividing*.

³⁵ IPSA Institut, *Multikriterijska analiza za dionicu autoceste na Koridoru Vc: Mostar sjever-Buna – Vrednovanje i upoređenje varijanata i prijedlog za izbor varijante trase*, JP Autoceste, December 2016. A further analysis was carried out in 2017 as well, comparing two valley routes, but it is not clear what the purpose of this was so it is not discussed further here.

Table 2: Main results from 2016 multicriterial analysis³⁶

	Length	Total price	Price per kilometre	Technical – operational score	Spatial – economic score	Spatial – ecological score	Overall score
Route via Ortiješ airport (current route)	27.4 km	BAM 439.8 million	BAM 16 million	67	1	4.75	72.8
Ridge route	30.2	BAM 556.6 million	BAM 18.4 million	8	9.24	6.10	23.3
Alternative valley route	26.6	BAM 549.4 million	BAM 20.6 million	42.47	6.99	2.70	52.2

Red = unfavourable score for the respective parameter, Green = favourable score

This time, the ridge route came out markedly inferior to the currently proposed route via the Ortiješ airport. But it is impossible to compare with the 2011 assessment because, for reasons which remain unknown, the ridge route assessed in the 2016 analysis is nearly four kilometres longer than before.³⁷

Notably, in the 2016 assessment, the Ortiješ airport route also came out almost BAM 110 million (around EUR 55 million) cheaper than the previous route proposed through the same valley, despite the inflation that would have been expected since 2011. It also came out cheaper than the other valley route proposed in 2016, by around the same amount, despite the similar terrain.

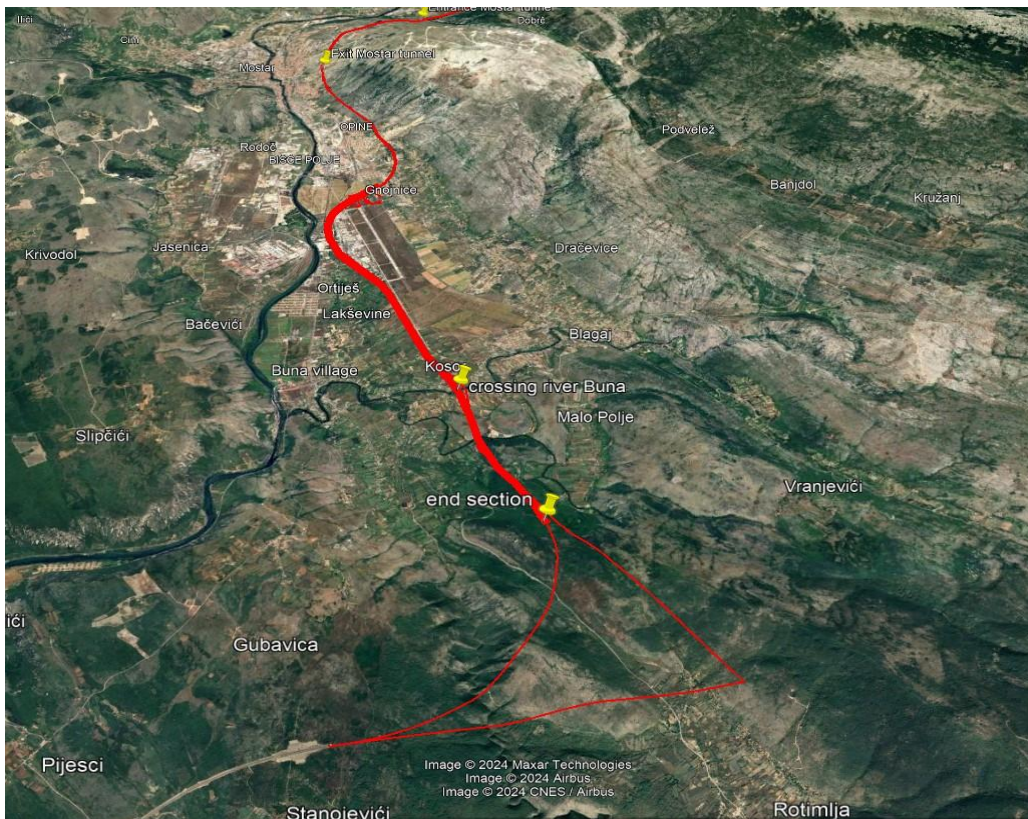
The non-comparability of the analyses, together with these anomalies, raise concerns about their integrity.

Visiting the site, one cannot fail to notice that the currently proposed airport route involves a drop in altitude down from the Kvanj tunnel to the Neretva valley, then goes through a very pricey³⁸ tunnel to bypass Mostar, and then goes back up via a series of tunnels and viaducts to enter the Prenj tunnel. It is incomprehensible how this can be considered the cheapest option.

³⁶ IPSA Institut, [Multikriterijska analiza za dionicu autoceste na Koridoru Vc: Mostar sjever-Buna – Vrednovanje i upoređenje varijanata i prijedlog za izbor varijante trase](#), JP Autoceste, December 2016, 2, 24.

³⁷ According to the analysis, this added BAM 17 million (around EUR 8.5 million) to the cost compared to 2011.

³⁸ The estimated cost of the 15 kilometre North Mostar – South Mostar section is EUR 433 million. Source: EBRD, [North Mostar to South Mostar Motorway](#), EBRD, 23 May 2022.



Currently planned South Mostar - Kvanj Tunnel section of the Corridor Vc. Photo: Google Earth

The traffic forecast figures provided in the 2020 ESIA for this section³⁹ also raise questions about whether a full-profile motorway is really justified and suggest that other less technically demanding alternatives such as a dual carriageway should be examined. They show low current traffic levels on the southern parts of this proposed section, while the projections for 2050 look extremely high.

Traffic from central Europe can already access the Adriatic coast via Croatia's motorways and Bosnia and Herzegovina's population is currently decreasing, not increasing. It is to be hoped that at least some progress with modal shift to rail will be made in the coming decades. So it is not clear where all this traffic will come from.

These concerns are compounded by the fact that no public consultations took place on the project-level spatial plan after 2011, despite the changes in the routing. The above analyses were not even available to the public until Bankwatch obtained them from JP Autoceste on request.

Article 29 of the FBiH Law on Spatial Planning⁴⁰ states that for plans drawn up at the Federal level, the procedure is the same as adopting laws, and that draft spatial plans are to be publicly consulted for a period of not longer than three months, with the exact process to be defined in the decision to start drawing up

³⁹ EBRD, Corridor Vc in FBH Part 3, [ESIA disclosure package Tranche 2, ESIA](#), 5 (English version), accessed 1 April 2024.

⁴⁰ [Zakon o prostornom planiranju i korištenju zemljišta na nivou Federacije Bosne i Hercegovine](#), 'Službene novine Federacije BiH', no 2/06, 72/07, 32/08, 4/10, 13/10, 45/10.

the plan. In this case, it seems such a decision was taken in 2008 but never adjusted after the route was changed.⁴¹

So, the only consultations that took place were in 2011, before the latest route change. The timing of the consultations is mentioned both in the project-level spatial plan⁴² and the 2020 Environmental and Social Impact Assessment for the project,⁴³ so it is not disputed.

3.2 EBRD accountability mechanism confirms lack of public consultations and poor routing

The lack of public consultations on the routing south of Mostar was also confirmed in the Compliance Review report published by the EBRD's accountability mechanism IPAM in January 2024,⁴⁴ which stated that *'there was no consultation with the population directly affected by the selected alignment. The Client only disclosed the alignment after the selection had been made and the one meeting organised [in January 2017⁴⁵] was to inform and not to consult the population.'*⁴⁶

Moreover, when the Environmental and Social Impact Assessment was disclosed in 2020, local people trying to raise concerns on the routing at the public hearing⁴⁷ were told: *'we are moving away from the topic of this public debate. This is not the subject of today's public debate, and all of your questions should have been delegated to the responsible institutions a long time ago'*,⁴⁸ to which IPAM rightly remarked: *'Considering that there was no consultation on the selected alignment, this attitude only highlighted the weaknesses of the consultative process in general for this project.'*⁴⁹

IPAM also found that the multicriterial analyses used in decision-making did not follow good international practice, *'showing discrepancies in the information used to assess the alternatives, inconsistencies in the valuation of criteria, and even including non-feasible alternatives to support the selected alignment.'*⁵⁰

⁴¹ A 2008 decision to start the project-level spatial planning, 'Odluka o pristupanju izradi prostornog plana područja posebnih obilježja od značaja za Federaciju BiH "Autocesta na Koridoru Vc" ("Službene novine Federacije BiH", broj 48/08)' is listed on the [Federal Ministry of Spatial Planning website](#), but no similar subsequent decisions are mentioned.

⁴² [Ukaz o proglašenju Odluke o donošenju Prostornog plana područja posebnih obilježja od značaja za Federaciju Bosne i Hercegovine "Autocesta na Koridoru Vc" za razdoblje od 20 godina](#), *Službene Novine FBiH*, no.100, 25 December 2017.

⁴³ EBRD, Corridor Vc in FBH Part 3, [ESIA disclosure package Tranche 2, ESIA](#), 135 (English version).

⁴⁴ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#), EBRD, 11 January 2024.

⁴⁵ Bljesak.info, ['Revoltirani mještani Burna rasprava u Blagaju: Autocesta će proći samo ako nas pobiju!'](#), *Bljesak.info*, 22 January 2017.

⁴⁶ Ibid.

⁴⁷ Which was itself highly inadequate, as numbers were limited due to COVID-19 and several of those present were employees of JP Autoceste.

⁴⁸ Federal Ministry for Environment and Tourism (FMOIT), Minutes of Public Hearing. Subsections of motorways on Corridor VC Mostar Jug – Kvanj Tunnel in the length of 9.2 kilometres. Date 14 September 2020, Venue: City Hall Mostar, Time: 11.00, cited in EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#), EBRD, 11 January 2024.

⁴⁹ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#).

⁵⁰ Ibid.

As a result, IPAM concluded that the route selection had not followed the principle of prioritising avoidance of impacts, enshrined in the EBRD's environmental and social policy,⁵¹ and recommended a re-examination of the route south of Mostar.⁵²

The EBRD management's reaction to IPAM's findings do not seriously challenge the claim that there were issues with the selection and public consultation on the routing.⁵³ But the main question now is: what action must the EBRD management take to address IPAM's recommendations?



*The EU, EBRD and EIB are proud of their involvement in the Corridor Vc. But will it live up to EU standards?
Photo: CEE Bankwatch Network*

⁵¹ Ibid.

⁵² Ibid.

⁵³ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3, Management Response and Action Plan](#).

3.3 The EU, EBRD and EIB must stand up for the rule of law

The EBRD management's formal response to IPAM indicates that it is unwilling to push for a change of route; that JP Autoceste and the prime minister of FBiH had made it clear that the route would not be changed and that they would pursue other financing options if the EBRD insisted on it.⁵⁴ Instead, the EBRD management proposes to carry out more studies on the flawed routing.

This abdication of responsibility is unacceptable and conflicts with the EU's frequent claims to be promoting the rule of law in the Western Balkans.

Practically, it also seems quite unlikely that JP Autoceste would easily find another financier. The withdrawal of the EBRD would be a strong sign to other lenders, and few would still be willing to back the project. Chinese banks, sometimes candidates in such cases, are not likely to step in due to the relatively unsuccessful cooperation so far between FBiH and Chinese companies and financiers on projects such as the Tuzla 7 coal power plant⁵⁵ and the Počitelj bridge on the Corridor Vc, which was hit by a scandal in 2023 when cracks appeared in the newly-completed structure.⁵⁶

The Corridor Vc South Mostar – Kvanj Tunnel section is now at a crossroads, and the EU and EBRD need to take a joint decision to defend the rule of law and insist on a properly publicly consulted re-examination of the route. This will take time, but likely not as long as continuing with the current impasse.

3.4 Project-affected people: Worried but resolute

JP Autoceste has on several occasions tried to present a *fait accompli* and play down the controversy around the routing by stating that 88 per cent of the land required for this section has been expropriated.⁵⁷ However, this reflects a very partial picture of the local project-affected people, who are in a variety of situations, including those whose properties:

- are subject to expropriation but refuse to sell their properties to JP Autoceste
- have been expropriated but who have now filed legal claims for annulment – allowed under the FBiH law on expropriation if, after three years from the expropriation, no significant works have been carried out on the construction⁵⁸
- would be right next to the motorway but have not been offered any kind of compensation despite likely health and property damage
- are further away from the route, but whose tourism and agricultural activities would be devalued by the motorway cutting across the valley

⁵⁴ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3, Management Response and Action Plan](#).

⁵⁵ CEE Bankwatch Network, [Tuzla 7 lignite power plant, Bosnia and Herzegovina](#), last updated January 2024.

⁵⁶ Sarajevo Times, '[The Cause of the Cracking of the largest Bridge in BiH was discovered](#)', *Sarajevo Times*, 5 February 2024.

⁵⁷ See e.g. EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3, Management Response and Action Plan](#).

⁵⁸ Article 34, [FBiH Law on Expropriation](#), "Službene novine FBiH", no. 70/2007, 36/2010, 25/2012, 8/2015 - odluka US and 34/2016.

The IPAM report also criticised the omission of the latter two groups from the definition of project-affected people (PAP) in this case:

As the Bank and the Client have narrowly defined PAP for purposes of Performance Requirement 5 as only those subject to expropriation, the census has excluded those who might have formal or informal income generating activities that could be temporarily or permanently affected by the Project. This is in reference to holiday accommodation in the area and any temporary impacts due to construction works or permanent ones due to their close vicinity to the alignment. The lack of a full updated social baseline has prevented the identification of impacts in the communities that are within the Project footprint.⁵⁹

During Bankwatch's March 2024 visit, discussions were held with more than 25 affected property owners from Kosor, Ortiješ and Malo Polje, who fall into the first three categories.

They are understandably bewildered by a situation in which the EBRD's accountability mechanism has confirmed that local people's assertions regarding the routing and lack of public consultations were correct, but where the Bank is feigning helplessness and throwing the ball back into the Federal government's court.

Still, they are resolute in standing up for their rights, especially as an independent investigation has vindicated their claims.

During our discussion, three themes recurred, which underpin local people's resistance to the plans for the motorway to cross the valley: attachment to the land and a need for stability; a sense of injustice, knowing that a reasonable alternative exists; and disgust at the way JP Autoceste has approached the process.

3.4.1 This land is people's life, home, roots, stability, security – not a commodity to buy and sell

In these days of hypermobility, many people still have deep connections to their land, especially in an area such as the Neretva valley where people directly depend on its natural characteristics for their livelihoods and well-being.

The climate is favourable for agriculture, with three to four growing seasons per year; people in some of the villages depend on their wells because they are not connected to the mains water supply; and the outstandingly beautiful rivers Buna and Bunica have contributed to an increasingly thriving small-scale tourist industry.

This attachment to the land is accentuated by the fact that many of the affected people have suffered deep trauma, being violently uprooted from their homes during the 1990s war.

One local farmer has built up a successful fruit and vegetable business from scratch, but, feeling under immense pressure, agreed to expropriation. He instantly regretted it. Later he also realised that land prices had increased and the compensation was insufficient to build a new life. He is now trying to annul the decision, and told us tearfully:

⁵⁹ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#).

My great grandfather was born just over there, and my grandfather as well... We built everything up from zero after the war... This would be the third time that my grandmother has had to build her life again from the beginning, after World War II and the last war.

Another resident also explained: *'I am just trying to finally create some sense of home for my children, which they never had as we moved from place to place escaping the war'.*

One woman whose property would be right by the motorway, but who has not been offered compensation told us:

First I lived in the middle of Mostar, then I lived in the middle of a refugee camp, then I lived in the bustling city again. I've always been surrounded by noise and people, but finally I moved here and found peace. Now they want to build a motorway over our heads.



Vineyards affected by the project at Ortiješ. Photo: CEE Bankwatch Network

Some vineyard owners in Ortiješ who are threatened with expropriation expressed their pride at their family farming there for more than 100 years. They told us how they painstakingly set up their vineyard again after the war:

After the last war we built up the vineyard, mostly by ourselves but also with support from the international community. We depend on our own water supply pumped from a well, and produce around 30 tonnes of grapes per year for our family winery.

As well as JP Autoceste and the EBRD's failure to identify the whole range of project-affected people in general, IPAM also concluded that they did not identify and assist vulnerable groups, as required by Performance Requirement 5, paragraph 5.13 of the EBRD Environmental and Social Policy:

In particular, the client will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process, are fully informed and aware of their rights, and are able to benefit equally from the resettlement opportunities and benefits.

Although the issue of vulnerable groups was originally raised in the local people's complaint to IPAM in relation to the expropriation of Serb property owners on the route, this issue should be looked at much more broadly in the context of a community which has already been forcefully uprooted and displaced at least once, and which has put in a tremendous amount of work to rebuild their livelihoods.

3.4.2 'Public interest' claims are unjust and illegitimate when a reasonable alternative exists

JP Autoceste often claims that by building this motorway, it is acting in the public interest.⁶⁰ And it is true that FBiH government decisions from 2018 and 2022⁶¹ designated this section as such for expropriation purposes – albeit signed by a prime minister who is now in prison.⁶² But the concept of 'public interest' defined by FBiH legislation⁶³ is extremely loose and over-used, without any qualitative criteria. Practically any large project in FBiH is declared as such, irrespective of its feasibility or environmental or social impacts.⁶⁴

On several occasions, in meetings with Bankwatch and Bosnian civil society groups, JP Autoceste has implied that those defending their property rights in the South Mostar – Kvanj Tunnel area are merely a small group of trouble-makers, acting against the public interest.

But Bankwatch's visit suggests the opposite. The local people we spoke to want the motorway to be built, and have a clear idea of how private and public interests should be balanced in such cases. Some of them even stated explicitly that no matter how hard it might be for them to leave their land, if the routing decision had been taken properly, based on a meaningful consultation, they would have had to accept the results.

⁶⁰ For example JP Autoceste, [Dionica Mostar Jug – Tunel Kvanj u funkciji do kraja 2028. godine](#), JP Autoceste, 23 February 2024.

⁶¹ Vlada Federacije BiH, [733. Odluka o utvrđivanju javnog interesa za izgradnju dionice autoceste Mostar Jug - Tunel Kvanj na trasi Koridora Vc](#), 17 November 2022.

⁶² Radio Sarajevo, '[Potvrđeno: Fadil Novalić otišao u zatvor](#)', Radio Sarajevo, 22 March 2024.

⁶³ [FBiH Law on Expropriation](#), *Službene novine FBiH*, no. 70/2007, 36/2010, 25/2012, 8/2015 - odluka US and 34/2016.

⁶⁴ For example, a decision from 2010 on electricity generation facilities includes no fewer than six new coal-fired power units, 17 hydropower plants and six wind farms – all in a country of fewer than 3.5 million people. And instead of removing projects from the list, over time successive governments have just added more, most recently in September 2023. Government of FBiH, [Odluka o proglašenju javnog interesa i pristupanju pripremi i izgradnji prioriternih elektroenergetskih objekata u Federaciji Bosne i Hercegovine](#), *Službene novine Federacije BiH*, no. 8/10.

But as things stand, they see no reason to leave their land for a route decision that they don't understand, let alone support, knowing that an alternative exists and was declared viable in 2011.

3.4.3 Disgust at JP Autoceste's approach

Another major reason for local resistance is the project promoter's approach towards the people directly affected by the project. This includes:

- **Trespassing on their land** while they were not there to mark the route of the motorway with wooden stakes. At least four households we spoke to in March 2024 mentioned this having happened around 2019. They are clearly still feeling violated by the incident. The recently published audit on land acquisition (see section 3.5) states that this was the responsibility of the Mostar local authorities, however the affected people perceive it as having been done by JP Autoceste and in any case it affects their trust towards the company and the expropriation process.
- **Offering compensation for only part of their land**, although the rest would be useless. According to Article 11 of the law on expropriation,⁶⁵ if a landowner cannot use the remainder of their land due to part of it being expropriated, they can request compensation for the whole parcel.

The audit discussed in section 3.5 shows that this did indeed happen in some cases. However, some people we spoke to stated that the authorities had found ways to avoid it in some cases. For example, the vineyard owners in Ortiješ explained that the city of Mostar, without their permission, made a decision to change the land registry to show their parcel as three plots, with only one being expropriated.

A couple in Kosor, who bought land several years ago to build a home for their retirement, have also only been offered compensation for part of their land, with JP Autoceste offering them what they say is a very low price – BAM 33 (EUR 16.5) per square metre. They say it should be minimum BAM 50 to 56 (EUR 25 to 28) per square metre. They don't want to sell at all, but especially not at such a low price and for only part of the land.

- **Failure to offer compensation for people who are just metres away from the motorway route.**

One property owner in Malo Polje we spoke to has not been offered any compensation, despite a wooden stake marking the motorway route being just one metre beyond his garden fence.

A family of six in Kosor also lives about 50 metres away from the route – maybe less, depending on where the access roads and construction site will be – yet has not been contacted by JP Autoceste at all.

Overall we spoke to at least 20 people in this position, many of whom will clearly suffer from a crash in the price of their land or their income from tourism and agriculture.

- **It is not just land, but also investments of time, money and equipment:** Some of the project-affected people have made significant investments, which do not seem to have been properly taken into account in the expropriation calculations. For example, the vineyard owners in Ortiješ told Bankwatch that they have planted 10,000 vines, supported by 100 kilometres of wire, 1,500 concrete

⁶⁵ [FBiH Law on Expropriation](#), "Službene novine FBiH", no. 70/2007, 36/2010, 25/2012, 8/2015 - odluka US and 34/2016.

posts and 10 kilometres of irrigation pipes. They also have their own water source, which they would probably not have if they moved to another location. And the vines take several years to mature, meaning several seasons of lost income if they move.



Agricultural field in Malo Polje. Photo: CEE Bankwatch Network

Similarly, the farmer in Malo Polje we spoke to has good quality land and a source of water, and has invested in various equipment including polytunnels. The compensation money he was given was not enough to buy replacement land, and even if it was, it is questionable whether its quality and resources would have been equivalent to what he would lose.

- **JP Autoceste’s persistent pressure and threatening attitude.** People opposing the valley route, and in particular the formal complainants and their representatives, have faced many instances of reprisals that further compound their sense of injustice. For example, IPAM’s Compliance Review report states that *‘requesters have been subject to mistreatment, intimidation, threats, and stigmatization and in some cases physical attacks.’* According to the report, the EBRD Management has been notified of these incidents; however it *‘has challenged their veracity and failed to act as per the zero-tolerance policy established by the Bank in 2019.’*⁶⁶ Clearly this has been effective in

⁶⁶ EBRD Independent Project Accountability Mechanism, [Corridor Vc in FBH - Part 3 - Compliance Review Final Report](#), 14, 51.

pressuring some people to sell, but for others it reinforces their sense of indignation and determination to resist injustice.

Overall, from Bankwatch's visit, we conclude that the route choice for the South Mostar – Kvanj Tunnel section remains extremely unpopular. Some people whose property is directly on the route still have no intention of selling up and legitimising a faulty decision-making process, and several court battles are still ongoing.

This sense of injustice is compounded by JP Autoceste's approach of offering compensation for only part of people's land, for prices which some consider insufficient to buy new land or houses, and only for those whose property is right on the route.

In reality, the number of project-affected people is much larger, and based on our discussions, we expect that some of those whose property is very near the route will try to claim compensation for damage to their property, health and income.

It is also possible that more requests for annulment of expropriation will be submitted as more and more people realise that they have sold their properties for a price that does not allow them to buy an equivalent house or land.

3.5 The EIB-commissioned audit does not resolve the issues raised

As a result of a complaint submitted to the EIB's Complaints Mechanism in 2020,⁶⁷ in 2023 a team of consultants carried out an audit of the land acquisition process for the Mostar South – Buna section of Corridor Vc. The audit reviews implementation against both the EIB and the EBRD's standards, since both banks are involved in financing this stretch. On 13 March 2024, JP Autoceste published the audit and invited public comments,⁶⁸ as stipulated by the 2020 EIB Complaints Mechanism report.

The consultants were, according to the audit, engaged via Technital, which is involved in providing technical assistance to JP Autoceste on the Corridor Vc. This, plus the fact that the audit report has been published by JP Autoceste, calls its independence into question.⁶⁹ Moreover, the names of the consultants are not included, obscuring their background, expertise and experience.⁷⁰

It is highly unfortunate that the audit is based on rather limited terms of reference that do not seem to have been coordinated with IPAM, and does not reflect the Compliance Review findings.⁷¹ Instead, it encompasses several highly problematic assumptions, such as the legality and legitimacy of the route

⁶⁷ European Investment Bank Complaints Mechanism, [Corridor VC Mostar South](#), *European Investment Bank*, complaint received 5 January 2020.

⁶⁸ Technital, [Otkup zemljišta i preseljenje, Završna revizija, Dionica Mostar Jug - Tunel Kvanj - Buna](#), JP Autoceste, *European Investment Bank*, November 2023, published for comments on 13 March 2024.

⁶⁹ If it would like to win future contracts for technical assistance on the Corridor Vc, Technital may feel compelled to ensure that its consultants' findings are not overly critical. It is also highly unlikely that JP Autoceste has published the audit without commenting on it first.

⁷⁰ For example, local consultants better understand the context but may be influenced by their own relation to the matter in question and may not be familiar with global best practices and EBRD and EIB standards, whereas international consultants may be familiar with these, but may lack understanding of how things are done locally.

⁷¹ Even though IPAM's report was published after the audit was undertaken, it seems reasonable to assume that communication between the consultants and IPAM could have highlighted some of the issues that IPAM was looking into and its preliminary findings.

selection from South Mostar to Kvanj Tunnel and a very narrow definition of project-affected people that excludes those whose property is not directly on the motorway route, even if they live just a few metres away. This directly impacts the results, as it excludes a major portion of the people affected by the project.

Blanket statements like '*Physical resettlement has been almost completely avoided*' play down the very real impact on those households subject to physical resettlement, and fail to analyse whether it has been avoided because it was not necessary, or because the expropriation corridor was defined too narrowly.

In addition, although the consultants undertook considerable work in interviewing 63 expropriated people and tried to reach more, their sample adds up to only around 25 per cent of the private landowners on the Mostar South – Kvanj Tunnel section and 15 per cent on the Kvanj Tunnel – Buna section. Although the report states that the results should not be seen as statistically representative due to this, the consultants still repeatedly make blanket statements and judgements about compliance with bank standards based on this partial data.

Also, no information is included about what questions were asked during the interviews and how they were phrased, nor on how the consultants introduced themselves. All of these could have influenced the results.

Although it mentions many of the same themes outlined to Bankwatch by local people, such as the psychological impacts for returnees of losing their property yet again, or people's feeling of violation when wooden stakes were placed on their land without their knowledge or consent, the audit report repeatedly falls into the trap of looking at the matter in terms of numbers and downplaying issues which affect a small number of the interviewees, even if they are of crucial importance for those people.

Its authors also draw unfounded conclusions, for example that the high number of resettlement agreements in comparison to other similar projects in the country is in itself proof that the compensation was favourable and the entire livelihood restoration process was acceptable. This follows the line often used by JP Autoceste in public⁷² – that if the majority of landowners accepted expropriation, this means everything was alright.

The audit authors did not provide any other evidence that the process had been favourable for landowners, such as information on the amount of individual compensation offered or a comparison to market prices. The conclusion that the valuation of property was done properly was drawn from the fact that professional evaluators were engaged, rather than by comparison of the compensation with the relevant market value.

Apart from the relatively small sample size, there are several problems with 'the majority must be right' logic. The audit itself explains that many of the people who agreed to expropriation had land that they did not use (unfortunately, many of them due to having fled in the war and never returned). So, it is not surprising if it was convenient for those particular people to accept the offer. But that must not detract from the fact that for some people living and working locally, it is not acceptable to sell their land for any price, let alone the one they have been offered.

The report also naively fails to mention the fact that people may have reached agreement under pressure, and that people from minority groups could have been more prone to reach agreement because they were

⁷² For example, JP Autoceste, [Izgradnja poddionice Mostar jug-tunel Kvanj od životne važnosti za grad Mostar i BiH](#), AC Info, October 2021.

pessimistic as to potential success in dispute resolution or in court where they could face discrimination. The authors of the audit formally mentioned which groups were considered vulnerable in the project documentation, but did not take into account any ethnic or other aspects of vulnerability which could have impacted people's behaviour and negotiation power.

The report also appears not to include some of the people that Bankwatch spoke to, as it does not mention the issue of the Mostar authorities splitting a single vineyard in Ortiješ into three parcels and JP Autoceste only initiating expropriation for one of them. It is not clear whether this was because the people in question were not interviewed, did not want to be interviewed or the information was left out. The case involving requested annulment of the expropriation discussed above also does not appear in the report, most likely due to the audit having been written several months ago.

The audit's conclusions on livelihood restoration are also rather weak. Although it is true that livelihood restoration was probably not relevant for landowners who do not live in the area or use the land, it is certainly important for those dependent on the land for farming and viticulture. Again, the report plays down the number of people directly involved in farming, as if the fact that the number is small means that they do not matter. It also mentions businesses, but gives no information on what has happened to them and their employees.

As with the rest of the report, an important weakness of the livelihood restoration section is that it does not include those whose livelihoods depend on land within metres of the corridor, such as people who rent out holiday homes or grow vegetables. Ironically, it suggests that renting out property for tourists could be a livelihood restoration activity for those losing land elsewhere, missing the point that the motorway will dramatically decrease the attractiveness of the area.

Overall, the audit provides some useful information but suffers from its lack of coordination with the IPAM report. Although its recommendations for future projects are mostly reasonable, its proposals for the completion of this project concentrate too much on what is in the current land acquisition and livelihood restoration plan and fail to resolve the bigger issues such as poor route selection, a narrow definition of project-affected people, and JP Autoceste's rather heavy-handed approach to those who do not want to sell. As a result, the recommendations will do little to resolve the deadlock.

4. Konjic – Prenj tunnel – North Mostar

The iconic Prenj mountain reaches above 2,000 metres and is part of the Dinaric Alps. It is home to a range of protected species including bears, wolves and lynx, and has long been planned to be part of a national park,⁷³ but still lacks formal legal protection.

A project for the preparation of the Natura 2000 network in Bosnia and Herzegovina identified it as part of the potential BA8300064 Prenj-Čvrsnica-Čabulja site in January 2015.⁷⁴ The motorway route would also

⁷³ As FBiH has not adopted a spatial plan for its whole territory, for now the Yugoslav-era spatial plan covering the period from 1981 to 2000 is officially still in force. It foresees Prenj as part of the Prenj-Čvrsnica-Čabulja National Park. [Prostorni Plan BiH 1981.-2000., prečišćeni Tekst](#). Maps are available at: [Prostorni Plan BiH 1981. do 2000. - Grafički Dio](#).

⁷⁴ Milanović, Đ, A. Golob, [Projekat „Podrška provođenju Direktive o staništima i Direktive o pticama u Bosni i Hercegovini](#), 2015.

pass through two nominated candidate Emerald sites under the Bern Convention, Zlatar (BA0000004) and the Canyon of river Konjicka Bijela (BA0000006).

For Zlatar, the motorway would cross the south-western corner via a tunnel, but for the Bijela valley the motorway would go along the side of the valley before entering the Prenj tunnel.



The Bijela valley near Konjic. The motorway would run along the far side and into a 10-kilometre tunnel into the rock face at the end of the valley. Photo: CEE Bankwatch Network

4.1 Deja-vu: Route changes without public consultations

Like the South Mostar – Kvanj Tunnel section, the route of the section between Ovčari (Konjic) and North Mostar, which includes the Prenj tunnel, was changed between the public consultations which were held on the project-level spatial plan in 2011 and the plan’s final adoption in 2017. And, just like the South Mostar – Kvanj Tunnel section, no new public consultations were held.

The route chosen by a multicriterial analysis in 2006 was very different to today’s route. Rather than passing directly through Prenj, it passed along the side of the mountain above the town of Jablanica.⁷⁵ This was also subject to an environmental impact assessment (EIA) process during 2006. But in 2014 the companies DIVEL and IG carried out an analysis of the preliminary design for the Konjic – Jablanica – Mostar North section. They concluded that *‘this alternative is very expensive and difficult to construct, and therefore an alternative alignment with the 10 km long tunnel though the Mountain Prenj was suggested. This change would result in an 18 km shorter section and savings of 300 million euros.’*⁷⁶

⁷⁵ COWI and IPF, [Mediterranean Corridor, Bosnia and Herzegovina - Croatia CVC Road Interconnection, Subsection: Konjic \(Ovcari\) - Prenj Tunnel - Mostar North Gap Analysis & ESIA Disclosure Pack WB20-BiH-TRA-02 Component 1 Volume 1: Environmental and Social Impact Assessment Report Chapters 1-5 Introductory Chapters](#), October 2023, 97-99.

⁷⁶ Ibid, 25.

An EIA was carried out for this version in 2016 and approved in 2018. But the approval decision was overturned by a court in 2021 on the basis of a lawsuit by the Jablanica municipality, which requested a connection to the motorway that was not foreseen in this version.

In 2022, the route was also adjusted between Konjic and the entrance to the Prenj tunnel by AIK Inzenjering, as geotechnical and hydrological risks had been identified regarding the 2016 alignment. A south connection to the Konjic bypass was also included, in order to better connect to Jablanica. The same year, IPSA Institute also adjusted the routing on the Mostar end of the Prenj tunnel, introducing an additional 300-metre tunnel south of the tunnel exit in order to mitigate the risks of rock falling, improve hydrological impact, and reduce waste areas.⁷⁷

In 2022 and 2023, a new Federal-level EIA process was carried out for the Ovčari – Prenj Tunnel – North Mostar section, with a study carried out by COWI-IPF and financed by the EU. However, in response to comments submitted by the non-governmental organisation Aarhus Centre in Bosnia and Herzegovina at the scoping stage and draft approval decision stage, as well as at the public hearings in Konjic and Mostar held in May 2023, the Ministry of Environment and Tourism made it clear that there could be no discussion about the routing as this had been resolved by the project-level spatial plan.

Holding an EIA consultation without allowing comments on the routing is unacceptable, as the whole point of the process is to identify and, where possible, to avoid such impacts. But in this case it was particularly problematic to shut down the debate, since the 2011 spatial plan consultations proposed a different variant than the one now planned.

Additionally, during the public consultation period that started in April 2023, only the EIA study itself was published,⁷⁸ and not the technical annexes with more detailed biodiversity data, an ‘appropriate assessment’ of the project’s impacts on the conservation objectives of the affected protected areas, and a critical habitat assessment.

These were only published with the amended EIA in late August 2023⁷⁹ when most people are still on holiday, with a deadline of 15 calendar days to examine hundreds of pages of additional documentation. Moreover, now that the same documentation has been posted on the EBRD’s website⁸⁰ for the purposes of the Bank’s loan approval process, it has also emerged that the construction waste management plan and social impact assessment were never published as part of the Federal level EIA process.

Bankwatch intends to provide more detailed comments on the ESIA package published by the EBRD at a later stage. However, in addition to the fact that any discussion about the routing was immediately dismissed by the Federal Ministry of Environment and Tourism, two other issues stand out even from a relatively brief inspection of the documents.

⁷⁷ Ibid, 101.

⁷⁸ Federal Ministry for Environment and Tourism, [Obavijest o održavanju Javne rasprave za Projekat izgradnje poddionice na koridoru Vc Konjic\(Ovčari\) - tunel Prenj – Mostar sjever, Investitora Javno preduzeće Autoceste Federacije Bosne i Hercegovine d.o.o. Mostar](#), 24 April 2023.

⁷⁹ Federal Ministry for Environment and Tourism, [Javni uvid u Dopunjenu Studiju utjecaja na okoliš za projekat izgradnje dionice na koridoru Vc Konjic \(Ovčari\) - tunel Prenj - Mostar sjever, investitora Javno preduzeće Autoceste Federacije Bosne i Hercegovine d.o.o. Mostar](#), 25 August 2023.

⁸⁰ European Bank for Reconstruction and Development, [The Tunnel Prenj](#), 27 February 2024.

4.1.2 The appropriate assessment⁸¹ does not fulfil its function

An ‘appropriate assessment’ is required under the EU Habitats Directive for projects which may have significant impacts on Natura 2000 sites, or – in the case of non-EU Bern Convention signatories such as BiH – Emerald sites. The function of the assessment is to decide whether the conservation objectives of the Emerald / Natura 2000 site will be negatively impacted by the project. If so, the project must not go ahead.

Exceptions can only be granted if, through a case-by-case assessment based on the criteria in the Habitats Directive, it is established that the project is of ‘overriding public interest’ and that there are no suitable alternatives. Although BiH has little experience with carrying out appropriate assessments, it is in fact obliged to do so for transport projects which are likely to affect sites of nature conservation importance as a result of its commitments under the Transport Community Treaty.⁸²

However in this case, the appropriate assessment does not fulfil the function of assessing whether the conservation objectives of the affected Emerald sites are negatively affected. It also mixes ‘overriding public interest’ as defined by the Habitats Directive and ‘public interest’ as defined by the FBiH law on expropriation, explained above. As a result, it claims that the project is of overriding public interest without even assessing it against the criteria laid down in the Habitats Directive.

4.1.3 More research is needed on underground water

The Environmental and Social Management Plan⁸³ admits that limited information is available on groundwater in the construction zone and proposes that JP Autoceste should conduct a detailed inventory of public and individual wells, as well as newly built wells for supplying construction sites with water, and install piezometers at various locations related to motorway construction.

However, this should have been done before the EIA, not afterwards, as it could have a major impact on environmental decision-making on the project. Although the emphasis in the text above is on water supply, underground water, particularly in karst areas where not all underground water flows are well understood, represents a major hazard for construction and may also be home to extremely rare and highly protected species such as the *Proteus anguinus* or olm.⁸⁴

Due to the flaws in the Federal-level EIA study and procedure, in March 2024 the Aarhus Centre in Bosnia and Herzegovina submitted a lawsuit challenging the Ministry of Environment and Tourism’s decision to approve the EIA.

⁸¹ European Bank for Reconstruction and Development, [The Tunnel Prenj - Technical Annexes to ESIA - Appropriate Assessment](#), 27 February 2024.

⁸² [Treaty establishing the Transport Community](#), Official Journal of the European Union, 17 October 2017.

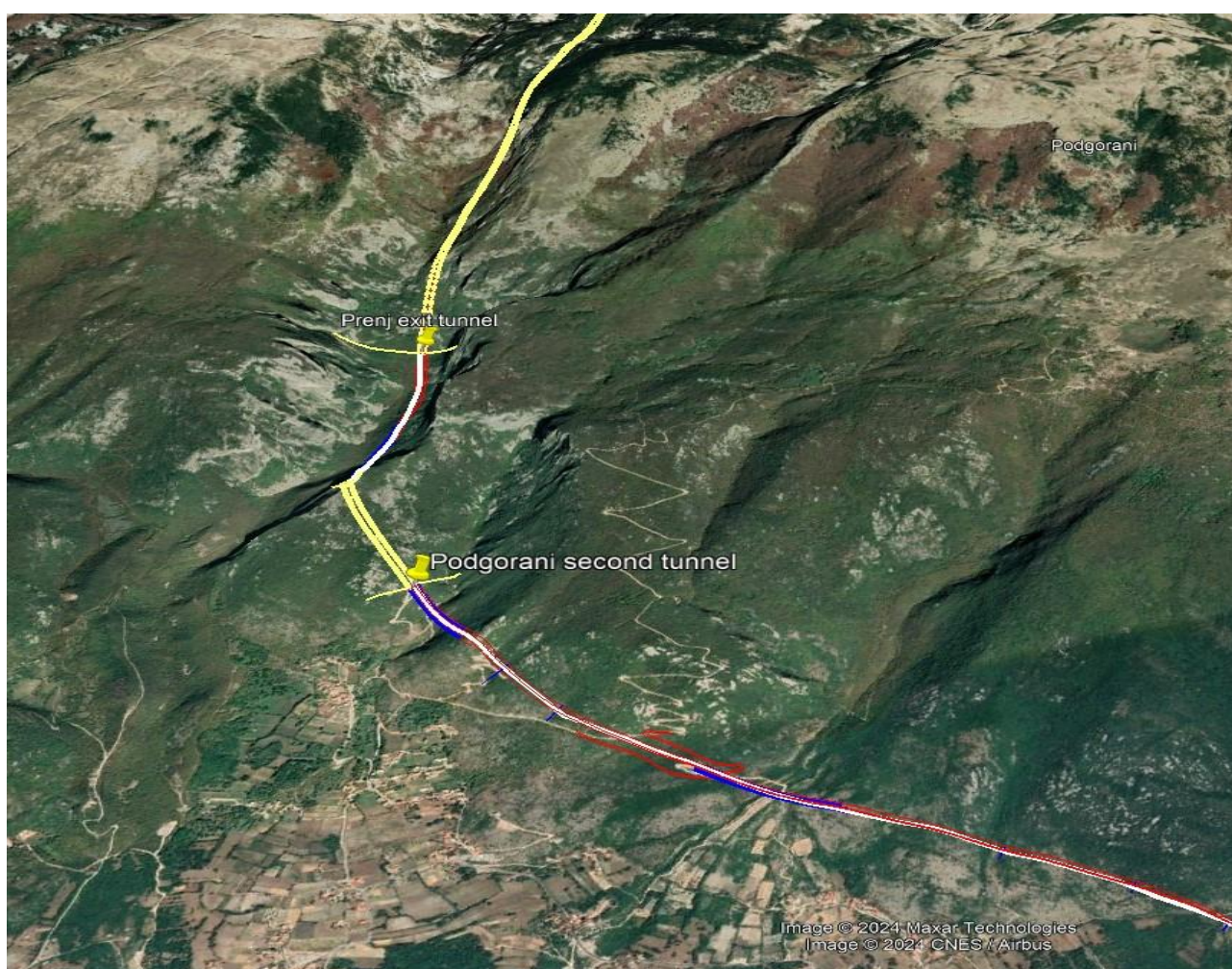
⁸³ European Bank for Reconstruction and Development, [The Tunnel Prenj - Environmental and Social Management Plan](#), EBRD, 27 February 2024.

⁸⁴ During the drilling of the Sveti Ilija tunnel in Croatia, several hitherto unknown caves were discovered, creating delays for the construction and also resulting in construction waste polluting the caves. Slavica Vuković, [‘Bajkovit podzemni svijet u utrobi mitske planine: ‘Nevjerojatan prizor. Čudesan labirint špilja’](#), *Večernji List*, 27 November 2019.

4.2 Podgorani

During Bankwatch’s March 2024 visit, a meeting was held with a resident of Podgorani, the nearest settlement to the Prenj tunnel entrance from the Mostar side, with about 180 households. He described the village as a pleasant place to live, with people staying despite the lack of asphalted road. The motorway would pass via tunnels and viaducts above Podgorani, bringing noise and pollution, especially as the wind usually comes from the north towards the village.

As a result, the residents are resolutely against the route, but they have another suggestion which they say would make the overall route 3 kilometres shorter, with a longer version of the Prenj tunnel, starting from the *Zelenička draga* valley instead of near *Klenova draga*. The resident we met attended the public hearing on the FBiH-level EIA last year, but said they were told that there could be no discussion about the route as it had already been decided on.



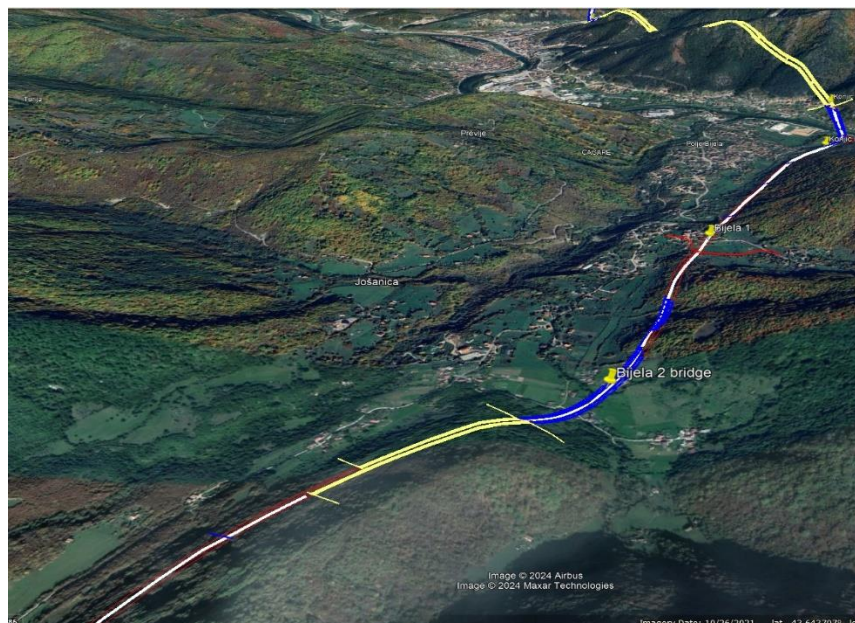
Podgorani, with the motorway route above the village. Photo: Google Earth



Podgorani: a series of viaducts would run above the houses. Photo: CEE Bankwatch Network

4.3 Bijela valley

From the Konjic side, the motorway would pass by houses on the outskirts of the town and then up the side of the stunning Bijela valley – a candidate Emerald site, as noted above – through tunnels and viaducts, entering the main Prenj tunnel in a steep rock face at the end of the valley.



Route through the Bijela valley near Konjic. Photo: Google Earth

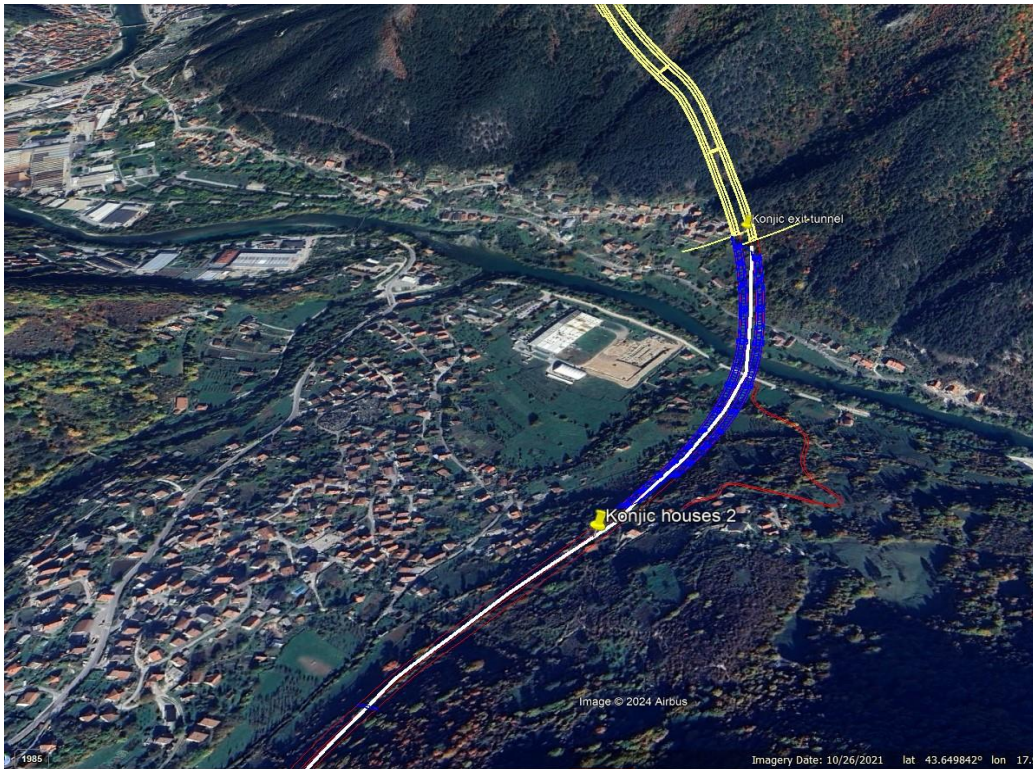
Bankwatch made a brief visit to the valley and spoke about the project with a representative of the Zelena Neretva NGO. Their preference was to build a dual carriageway following the route of the existing M17 road instead of a full-profile motorway, but they were told by JP Autoceste that this is not practical due to the need to keep the existing road in operation as well.

Their stance is that not enough information on issues like underground water flows is available to make an informed decision on possible routings through Prenj.

Regarding the Bijela valley itself, although attempts have been made to keep the motorway on the side of the valley and above the houses, there is no doubt it will cause significant disturbance in this peaceful and environmentally sensitive area. A viaduct would also go directly over some houses in the valley, as well as some in Konjic. Further research will be needed in order to better understand the perspectives of the affected people in these locations.



The Prenj tunnel would enter the rock face at the end of the stunning Bijela valley. Photo: Andrey Ralev



Houses in Konjic right on the route. Photo: Google Earth

Significant impacts are also expected on old-growth beech forests in the Bijela valley and the rare species that live in them, as well as on the river Bijela. A previous visit by Bankwatch staff in October 2022 found white-backed woodpecker (*Dendrocopos leucotus*) right where the entrance of the tunnel is planned, as well as otter scats, several trout species, and bullhead fish (*Cottus gobio*).



White-backed woodpecker (*Dendrocopos leucotus*) in Bijela valley, October 2022. Photo: Andrey Ralev

Zeleni Neretva representatives were also present at last year's EIA hearing and underlined that on this occasion, they were told that the routing was not open for discussion. Such a restrictive attitude by the Federal authorities makes it even more imperative for the spatial planning process to be done properly, with appropriate and meaningful public consultations.

Overall, given the strong likely impacts on Podgorani and the ecologically sensitive Bijela valley, together with uncertainties about underground water, there is a strong likelihood that the Ovčari (Konjic) – Prenj Tunnel – North Mostar section of the motorway will continue to be subject to considerable controversy and difficulties in realisation. The EIA approval is already being challenged in court and the current choice of routing has no legitimacy, not having been subject to a public consultation at the spatial planning stage.

5. Conclusions and recommendations

In both the South Mostar – Kvanj Tunnel and the Ovčari (Konjic) – Prenj tunnel – North Mostar cases, JP Autoceste and the FBiH authorities, apparently with the support of the European Commission, EBRD and EIB, are trying to push forward projects built on poor foundations, namely routes chosen in non-transparent spatial planning procedures, without public consultations.

South of Mostar, this has led to a lose-lose situation. On one hand, local people have suffered a great deal of anguish, by being uprooted and having to restart their lives elsewhere, or by being under pressure to do so. In addition, there are many more whose property will be damaged and devalued without any compensation.

On the other hand, this has also caused years of project delays, which could have been eliminated if the route had been re-examined when local people first showed their opposition in 2016, or even in 2020 when the first complaint on this section was made to the EBRD accountability mechanism.

Now that IPAM has confirmed the complainants' concerns, the European Commission, EBRD and EIB need to rise to the challenge if they are to retain credibility.

Not only does the section south of Mostar need to be reexamined, but there is a strong danger of a similar scenario playing out with the Prenj section as well, due to a similar lack of transparency and public consultation in choosing the route.

5.1 Recommendations

We therefore strongly urge the European Commission, EBRD and EIB to undertake the following in order to restore legitimacy to the Corridor Vc project:

- Make it clear to the FBiH government and JP Autoceste that the route must be re-examined on the South Mostar – Kvanj Tunnel section, including a meaningful public consultation based on the disclosure of understandable and comparable information on each of several options, and that this is a condition for disbursement of the financing.
- Suspend the commitment fees attached to the loans in order to ensure the process is completed without undue financial pressure.

- Before approving any financing for the Prenj section, set a similar requirement to ensure that a public consultation on the routing is also held on this section and that the project-level spatial plan is updated accordingly.
- Ensure that traffic projections are updated to examine whether a full-profile motorway is needed on these sections, or whether less technically demanding options would suffice.
- Ensure that other information needed to make informed decisions is available before new public consultations on the routing, for example all biodiversity baseline information is collected and all research on underground water is completed.
- Ensure that a proper appropriate assessment is undertaken for the Prenj section.