

Outcome undisclosed: EIB Group Complaints Mechanism leaves Corridor Vc complainants in the dark

The pan-European Corridor Vc, set to run for 330 kilometres through Bosnia and Herzegovina, is being financed with grants and loans from the EU, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). In 2018, the EIB signed a EUR 200 million loan for the construction of a 20.9-kilometre section of the motorway connecting Mostar and Pocitelj.

Complaints

In February 2017, a citizens' union in the southern region of Mostar submitted a complaint to the EIB Group Complaints Mechanism (EIB-CM), raising several allegations concerning the environmental and social impacts of the project. The EIB-CM's conclusions report, published in December 2019, found that the EIB-CM had failed to identify instances of maladministration by the EIB. Following this decision, the complainants decided to lodge an updated complaint in February 2020, alleging the following:

- inappropriate selection of routes made without public consultations;
- negative environmental impacts on water and soil;
- adverse effects on cultural heritage;
- detrimental economic consequences; and
- harm to the rights and interests of vulnerable groups such as minorities and war returnees, leading to an increase in ethnic and social divisions in post-war Bosnia and Herzegovina.

In January 2020, the complainants submitted a similar complaint to the EBRD's Independent Project Accountability Mechanism (IPAM). Responding in early 2024, the IPAM confirmed that the route selection process had not been carried out in

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compliance with the EBRD's Environmental and Social Policy, recommending that a new alternative alignment analysis be conducted along with a proper environmental and social assessment.

EIB-CM conclusions

In October 2021, the EIB-CM completed its assessment, issuing the following findings and recommendations:

- The alignment decision was made based on a multi-criteria evaluation that took environmental and social considerations into account. The EIB performed its due diligence and concluded that there was no violation of the constitution or parliamentary procedures in this respect.
- The potential impacts on minorities and war returnees were not adequately assessed. To address this issue, the EIB should commission an assessment of the impacts on vulnerable minorities and returnees at risk of adverse, compounded or disproportionate impacts in adherence with Standard 7 of the EIB's Environmental and Social Standards. This assessment should identify minorities and returnees affected by the project, the impacts of land acquisition on these groups, and proposals for additional compensatory measures as well as a mitigation plan, if necessary, to address any gaps in compliance with EIB standards.
- This assessment should be made publicly available, subject to consultation with affected communities before completion, and incorporated into the *ex post* audit of the implementation of the project's land acquisition and livelihood restoration framework.

Outcomes

Despite the IPAM's contradictory findings on the almost identical environmental and social impact assessment and decision-making process reviewed by the EIB-CM, the EIB has not taken any corrective actions comparable to those implemented by the EBRD. Moreover, the EIB continues to finance and implement the project.

On 13 March 2024, JP Autoceste, the project promoter for Corridor Vc, published a land acquisition and resettlement audit for the Mostar South–Buna section of the motorway. In August 2024, the complainants contacted the EIB-CM to raise concerns about the implementation of its recommendations.

Specifically, they highlighted the absence of an assessment of the project's impacts on minorities and returnees, a lack of information on additional compensatory measures and a mitigation plan to address gaps in compliance with EIB standards, and the failure to assess the impact of land acquisition on returnees. The complainants also requested that the EIB-CM take their grievances seriously and provide a detailed response outlining the steps it would take to address their concerns.

Regrettably, the complainants have yet to receive any response. Nor have they received any information from the EIB-CM on the implementation of the recommendations outlined in its conclusions report.

Recommendations for the next review of the EIB Group Complaints Mechanism Policy

To improve the EIB-CM's effectiveness in addressing complaints submitted by project-impacted stakeholders, we recommend the following measures:

1. Strengthen the independence of the Head of the EIB-CM.
2. Require the EIB-CM to report to the EIB Board of Directors on each case or selected cases, such as those concerning environmental and social impacts or transparency, ensuring the Board holds the EIB Group accountable for implementing all recommendations and corrective actions.
3. Leverage the advisory function of the EIB-CM when reporting to the Board of Directors, ensuring the Board approves the recommendations of the mechanism and holds the EIB Group accountable for their implementation.
4. Mandate that project promoters and borrowers are contractually obliged to respect the findings and recommendations of the EIB-CM and implement corrective actions to ensure project compliance with environmental and social standards.
5. Specify the EIB-CM's role in levelling imbalances in the mediation and dispute-resolution processes by assisting complainants in understanding the EIB Group's standards and their rights as rights holders.
6. Oblige the EIB Management Committee to prepare a corrective action plan with a time frame for addressing EIB-CM findings and recommendations, ensuring project compliance with EIB policies, standards, and applicable laws, remedying harm or potential harm, and consulting with complainants on proposed corrective actions before approval.
7. Allow the EIB-CM to conduct problem-solving procedures after compliance investigations, and vice versa, or simultaneously.
8. Empower the EIB-CM to monitor the implementation of recommendations and corrective actions, providing regular reports to complainants and the EIB Board of Directors during monitoring.
9. Prepare closure monitoring reports for all cases to assess the effectiveness of the corrective actions implemented and/or agreements reached during dispute resolution.