

Corridor Vc in Bosnia and Herzegovina: The public cost of weak governance



Nature and local communities have been particularly impacted by the routing decisions.

Formally launched in 2000, the Corridor Vc motorway project in Bosnia and Herzegovina (BiH) was initially expected to be completed by 2012. However, its implementation has been marked by persistent delays, rising costs and ongoing concerns about procurement and integrity. After more than two decades, only around 45% of the 330-kilometre motorway has been completed at a cost of nearly EUR 5.2 billion. The 10-kilometre twin-tube Prenj Tunnel is expected to take about six years to complete and cost at least another EUR 1 billion. Consequently, the Corridor Vc motorway is unlikely to be completed by the end of this decade.

The project has faced numerous problems, including changes to the route without public consultation, a large number of complaints submitted to the EBRD's Independent Project Accountability Mechanism (IPAM), failed tenders, allegations of fraud and corruption, and unresolved questions concerning state and military property.

These challenges are compounded by the broader governance context in BiH. The European Commission has consistently reported issues such as corruption, state capture, weak accountability, and the selective and non-transparent management of judicial proceedings in cases related to corruption in public procurement.

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According to Transparency International Bosnia and Herzegovina (BiH)'s 2025 Corruption Perceptions Index, BiH scored 34 out of 100, ranking it among the four lowest-scoring countries in Europe, alongside Serbia, Belarus and Russia.¹

Bankwatch examined nine cases that highlight weaknesses in the planning, procurement, management, and implementation of Corridor Vc. Together, they point to a recurring pattern of cost increases, prolonged delays, disputed procurement procedures, weak institutional oversight, unresolved property disputes, and inadequate engagement with affected communities.

Among other developments, in October 2025, the European Public Prosecutor's Office formally identified six suspects in connection with alleged cross-border corruption relating to the Medakovo–Poprikuše section. In December 2025, a leaked internal document from JP Autoceste (JPAC) – the public company responsible for building the motorway – indicated that the European Investment Bank (EIB) had suspended all disbursements for Corridor Vc.

The Vranduk–Ponirak section encapsulates the scale of the project's failures: its planned 24-month construction period has stretched from an initial completion date of August 2021 to at least mid-2027, while estimated costs have doubled from EUR 76.59 million to EUR 153 million. In February 2025, 15 people were arrested in the 'Koridor' police operation over the alleged misuse of EUR 19.5 million through tenders and fictitious contracts linked to the section.

On the Zenica bypass, auditors recorded EUR 40.5 million in additional works, a EUR 2.8 million increase in supervision costs, and a two-year delay on the Klopče–Donja Gračanica subsection.

Further south, the Mostar South–Kvanj Tunnel route was incorporated into the project-level spatial plan without public consultation, triggering conflict with local communities. IPAM subsequently found that the route selection process had failed to comply with the EBRD's standards and has since registered 21 additional complaints, whose resolution is likely to delay project implementation further.

Transparency International BiH has warned that leadership appointments in public enterprises are frequently shaped by political influence and patronage, and JPAC appears to be no exception.² Recurring procurement controversies, adverse audit findings, and investigations spanning several management mandates point to persistent weaknesses in institutional oversight and accountability. The Koridor investigation, reportedly involving five former JPAC directors, illustrates how responsibility for decisions and contracts has become dispersed across successive administrations and increasingly difficult to trace.

Among other recommendations, the international financial institutions involved in the project, as well as the EU, should:

- publicly disclose the current status of Corridor Vc financing and any conditions attached to its continuation;

¹ Transparency International Bosnia and Herzegovina, [BiH među četiri najlošije pozicionirane zemlje u Evropi po stanju korupcije](#), 10 February 2026.

² Transparency International Bosnia and Herzegovina, [Analiza politika u oblasti zapošljavanja u javnim preduzećima u BiH](#), 28 February 2024.

- require unresolved planning, property, procurement and consultation issues to be addressed before approving further financing or contracts, and waive commitment fees where delays result from these unresolved preconditions;
- make any further financing for Mostar South-Kvanj Tunnel conditional on a transparent reassessment of route alternatives and renewed, meaningful engagement with affected communities;
- for a project of this scale and risk profile, remote monitoring is not enough. The EIB, and other financiers should ensure closer on-the-ground scrutiny – including international, not only local, staff – require credible corrective action where risks are identified, and make key findings and required measures public, including where procurement, environmental, social or integrity standards may have been breached;
- reconsider financing high-risk sections. Do not finance construction of the Prenj Tunnel until significant improvements in JPAC's governance, management and integrity have been demonstrated;
- require more robust project preparation, including updated traffic projections and assessment of less costly and less harmful alternatives, before committing further public funds; and
- prioritise financing for more environmentally sustainable and lower -cost transport projects, such as urban mobility and rail transport (passenger and freight).

JPAC and the government of the Federation of Bosnia and Herzegovina (FBiH) should, among other measures, update traffic projections, assess less harmful and less costly alternatives, and demonstrate that the relevant sections are adequately prepared before seeking financing or committing to routes and designs that could prevent future changes. The FBiH government must also choose JPAC directors based on merit and demonstrated personal integrity, rather than party political affiliation.

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