

European Investment Bank (EIB)

Luxembourg, 21 December 2021

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name: BANJA LUKA-DOBOJ MOTORWAY

Project Number: 2011-0622

Country: Bosnia and Herzegovina

Project Description: Construction of a 72 km 2x2 toll motorway between

Banja Luka and Doboj connecting to Corridor Vc in

Republika Srpska

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The environmental impact assessment and permitting was completed in line with the applicable Environmental law of Republika Srpska/BiH and EIB standards.

<u>Major Positive impacts</u> of the project are related to better accessibility from Banja Luka to the Corridor Vc. The project is a core east-west link making a significant contribution towards economic growth, trade facilitation and integration of Banja Luka within BiH and within the Balkans.

The project is a priority motorway development for Republika Srpska connecting Banja Luka, its capital, to Doboj on Corridor Vc and ultimately to Sarajevo and Belgrade.

To fully achieve its envisaged positive impacts, the project is significantly dependent of the completion of other infrastructure, namely the construction of the bridges over the Sava connecting to Croatia at Svilaj that was opened only in September 2021 and at Gradiska expected to be completed in 2022. Until these missing links are completed, the performance of the project remains below the expected level.

Major negative impacts

Some 600 Ha of mostly agricultural land has been taken by the project. The majority of people did not oppose expropriation and provided consent to the beneficiary of expropriation (municipality) to enter into possession of their properties. However, a small number of cases remain to be fully resolved through either administrative or court procedures.

In the late stages of the project's completion, several new concerns were raised regarding the severance impact of the project in some villages. The promoter adopted some additional measures while some issues are still subject to a mediation process.

Mitigation measures for the construction phase, in particular the numerous structures/tunnels were developed in the Environmental Management Plan (EMP) and no major incidents were reported during their implementation.

The Environmental conditions (for the Banja Luka-Prnjavor section) were duly complied with, as follows:

 The Environmental Permit and Construction Permit issued by the relevant Authorities in Republika Srpska/BiH as well as relevant Ecological Permit or Habitats form (similar to the requirement in EU of form A or B);

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https://www.eib.org/en/registers/all/53221242

- The Environmental Management Plan (EMP): https://www.eib.org/en/registers/all/53220181 and https://www.eib.org/en/registers/all/53221096
- The Land Acquisition and Resettlement Plan (LARP), if found necessary by the Bank. This condition was not enforced by the Bank. Several complaints related to land acquisition were reviewed by the EIB's Complaints Mechanism and recommendations were proposed in their conclusion report¹ of 28 October 2021.

 $^{^1\} https://www.eib.org/attachments/complaints/sg-e-2019-03-banja-luka-doboj-motorway-conclusions-report-28-10-2021.pdf$