

COMPLAINTS MECHANISM

SG/E/2024/16

CORRIDOR VC MEDAKOVO – POPRIKUSE (BOSNIA AND HERZEGOVINA)

INITIAL ASSESSMENT REPORT

29 NOVEMBER 2024



SG/E/2024/16

Corridor Vc Medakovo – Poprikuse (Bosnia and Herzegovina)

Initial Assessment Report

Complaint confidential: No

External distribution

Complainant
Promoter

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Relevant EIB services

Disclaimers

This report is based on the information available to the EIB Group Complaints Mechanism Division up to 4 November 2024.

In case of discrepancies between language versions, the English version prevails.

EIB Group Complaints Mechanism — Initial Assessment Report

The EIB Group Complaints Mechanism

The EIB Group Complaints Mechanism (the Complaints Mechanism) is a tool enabling the resolution of disputes if any member of the public feels that the European Investment Bank (the EIB) might have done something wrong, that is, if it has committed an act of maladministration. The Complaints Mechanism is not a legal enforcement mechanism and will not substitute the judgment of competent judicial authorities.

Maladministration means poor or failed administration. It occurs when the EIB fails to act in accordance with a rule or principle that is binding upon it, including its own policies, standards and procedures. The concept of maladministration includes failure by the EIB to comply with human rights, applicable law or the principles of good administration. Maladministration may relate to the EIB Group's decisions, actions or omissions and may include the environmental or social impact of the EIB's projects and operations.

One of the main objectives of the Complaints Mechanism is to ensure the right to be heard and the right to complain. The mandate of the Complaints Mechanism includes the resolution of problems raised by complainants in cooperation with relevant internal and external stakeholders. Where possible, the Complaints Mechanism also actively promotes and supports local resolution efforts (for example, through project-level grievance mechanisms). For more information on the Complaints Mechanism please visit: <https://www.eib.org/en/about/accountability/complaints/index.htm>.

The initial assessment

The initial assessment generally aims to¹:

- clarify the concerns raised by the complainants and gain a better understanding of the complainants' position as well as the views of other stakeholders (such as project promoter or the national authorities);
- understand the validity of the concerns raised;
- assess whether and how the stakeholders (e.g. the complainants, the relevant EIB Group project team and the project promoter) could seek resolution of the issues raised by the complainants;
- determine if further work by the Complaints Mechanism is necessary and/or possible (compliance review or collaborative dispute resolution between the parties) to address the allegation(s) or resolve the issue(s) raised by the complainants.

¹ As outlined in § 2.2.1 of the Complaints Mechanism procedures, available at: [EIB Group Complaints Mechanism procedures dated November 2018](#).

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GLOSSARY

EIB	European Investment Bank
€	Euro
Project	Corridor Vc Poprikuse – Medakovo
Promoter	Javno Preduzece Autoceste FbiH d.o.o.

EXECUTIVE SUMMARY

This report concerns the Corridor Vc Medakovo – Poprikuse project in Bosnia and Herzegovina, financed by the European Investment Bank. The project is to construct 35 km of new motorway, as well as other related infrastructure. The purpose of this report is to provide an initial assessment of the complaint, clarify the concerns that have been raised and outline the way forward.

The complainant's main allegations are that there will be an increased risk of flooding to his property, and that a planned bypass connecting the settlement where his property is located to the village of Ozimica and the local health centre and school is inadequate. Additionally, the complainant claims that the ongoing construction work related to the project has caused damage to his house, and has also created dust, air pollution and noise. The complainant further alleges inadequate stakeholder engagement. Finally, he is also concerned about the potential negative impacts of the project following its completion.

The promoter contacted the complainant in October and organised a meeting to discuss his concerns.

After conducting an initial assessment of the information available, and exchanging views with the promoter and the project stakeholders, the Complaints Mechanism proposes to proceed with a collaborative dispute resolution process, to which the complainant and the promoter have agreed.

1 PROJECT

- 1.1 On 12 December 2020, the EIB Board of Directors approved financing of up to €340 million² for the construction of a new section of motorway on Corridor Vc between Medakovo and Poprikuse in Bosnia and Herzegovina (the project). The project is being carried out by the state-owned motorway development company Javno Preduzece Autoceste FBiH d.o.o. (the promoter).
- 1.2 The project is part of the Pan-European Motorway Corridor Vc, linking Hungary and eastern Croatia to Bosnia and Herzegovina and the Adriatic Sea.
- 1.3 Construction work began at the end of 2023 and according to the plans, the project will be completed by the end of 2027.

2 COMPLAINT

- 2.1 On 19 April 2024, the Complaints Mechanism received a complaint from an individual (the complainant), who is concerned about the potential negative environmental and social impacts of the project on the settlement of Močarac (where the complainant's property is located).
- 2.2 Based on the complaint submitted and the subsequent information and exchanges provided by the complainant,³ the Complaints Mechanism has summarised the complainant's concerns and allegations as follows:
 - i. Increased risk of flooding: The complainant has explained that the construction works related to the project have disrupted the flow of water in surrounding streams, which could affect natural rainwater drainage, thus allegedly increasing the risk of flooding to the complainant's property.
 - ii. Inadequate width of the bypass: The planned bypass will replace an existing local road connecting the settlement of Močarac and the village of Ozimica⁴, on the other side of the motorway. The complainant takes the view that the bypass road will be too narrow to be used by larger vehicles – such as school buses or ambulances – or for two-way traffic.
 - iii. Dust, pollution, and noise: The complainant explained that the construction work related to the project has negatively affected the complainant's property, livelihood (agricultural products) and wellbeing due to increased exposure to dust, noise, and air pollution. The complainant also expects that increased noise and air pollution levels will continue to negatively affect property, livelihood and wellbeing after the project's completion.
 - iv. Lack of engagement from and information provided by the promoter concerning (a) the negative impacts of the project on the complainant's property and (b) the adopted and planned mitigation measures.
 - v. Damage to the complainant's house – such as cracks in the walls – allegedly caused by construction work related to the project.
- 2.3 The complainant's main objective is to have his concerns about the increased risk of flooding and the bypass addressed. He also mentioned that he would like to receive compensation for the damage caused to his house and requested that his property be expropriated.

² Project page, available at: [CORRIDOR VC MEDAKOVO - POPRIKUSE \(eib.org\)](https://eib.org/corridor-vc-medakovo-poprikuse)

³ Allegation ii) was added by the complainant during a call with the Complaints Mechanism in September 2024 and allegation v) was mentioned during a meeting with the promoter on 2 October 2024.

⁴ Where crucial infrastructure, such as the local health centre and a school, are located.

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- 2.4 The complainant informed the Complaints Mechanism that on 31 October 2024, he submitted a request to the promoter for compensation for the alleged damage caused to his house – cracks in the walls – along with photographs of the damage. He then requested expropriation on 4 November 2024.

3 REGULATORY FRAMEWORK

- 3.1 The Complaints Mechanism is required to carry out the initial assessment of the complaint.^{5,6,7} For more information about the objective of the initial assessment, see page iii. The subsequent work of the Complaints Mechanism on this case may include a compliance review or a collaborative dispute resolution process. The Complaints Mechanism should identify the relevant stakeholders to be involved in a possible collaborative dispute resolution process and understand their views and willingness to resolve the issues.⁸ This report contains the results of the Complaints Mechanism's initial assessment.
- 3.2 The Complaints Mechanism's respective policy (the policy) and procedures (the procedures) govern the complaint handling process.
- 3.3 Regarding the regulatory framework relevant to the project, it includes applicable laws and regulations and the EIB's policies, procedures and standards, including the EIB Environmental and Social Handbook, volume 2,⁹ and the EIB Environmental and Social Standards, as updated in 2018.¹⁰ In particular, the following standards may be of relevance:
- i. **Standard 1 on the Assessment and Management of Environmental and Social Impacts and Risks**, which outlines the promoter's responsibilities in the process of assessing, managing, and monitoring environmental and social impacts and risks associated with an operation.¹¹
 - ii. **Standard 9 on Occupational and Public Health, Safety and Security**, which sets the objective of ensuring that promoters duly anticipate, avoid or minimise, and effectively mitigate, risks and adverse impacts to the health and safety of host communities within the project's determined area of influence during both the construction and the operation phases.¹²
 - iii. **Standard 10 on Stakeholder Engagement**, which outlines a systematic approach to stakeholder engagement that the promoter is expected to build and maintain by way of constructive relationship with relevant stakeholders. Stakeholders are those who will be, or are likely to be, directly or indirectly affected by a project, as well as those who might have an interest in, or may influence, the project.¹³

⁵ § 4.2.1 of the policy, available at: [EIB Group Complaints Mechanism Policy](#).

⁶ § 2.1.3 of the procedures, available at: [EIB Group Complaints Mechanism Procedures](#).

⁷ Please note that this complaint concerns environmental impacts and social impacts of an EIB-financed project. As noted in § 2.1.2 of the procedures, complaints related to environmental impact and social impacts of financed projects usually raise complex issues. For this reason, and because of the sensitivity of the relations involving the project promoter, national authorities, civil society organisations and project-affected people, particular attention needs to be paid to the specific processes regarding this type of complaints. In line with § 2.1.3 of the procedures, for this type of complaints, the normal process is formally structured in two phases: an initial assessment phase and a compliance review or collaborative resolution process phase.

⁸ § 2.2.5 of the procedures.

⁹ See [eib-environmental-and-social-handbook.pdf](#), version of 2/12/2013.

¹⁰ [Environmental and Social Standards \(2018\)](#) (eib.org)

¹¹ Environmental and Social Standards version 10.0 of 08/10/2018, Standard 1, paragraph 5.

¹² Environmental and Social Standards version 10.0 of 08/10/2018, Standard 9, paragraph 4.

¹³ Environmental and Social Standards version 10.0 of 08/10/2018, Standard 10, paragraph 2 and 9.

- 3.4 Finally, in line with the policy, the time limits for processing the complaint may be extended in consultation with the complainant to allow comprehensive engagement of the parties and to manage legitimate expectations.¹⁴

4 INITIAL ASSESSMENT

- 4.1 During the initial assessment, the Complaints Mechanism: (i) had a meeting with the relevant EIB project team to collect information; (ii) had separate calls with the complainant and the promoter to better understand the allegations; (iii) hired a local facilitator to assist with the initial assessment; (iv) conducted a mission to Močarac in September/October 2024; and (v) reviewed the project information, such as the relevant Environmental and Social Data Sheet,¹⁵ the Resettlement Action Plan (dated March 2023),¹⁶ the Stakeholder Engagement Plan (dated August 2020)¹⁷, the Environmental and Social Management Plan (dated December 2020)¹⁸ and the Environmental and Social Impact Assessment (dated September 2019).¹⁹
- 4.2 The Complaints Mechanism and the facilitator explained to the complainant and the promoter (the parties) the two possible ways in which complaints can be handled: via a collaborative dispute resolution or a compliance review. The parties agreed to participate in a collaborative dispute resolution process – to be arranged by the Complaints Mechanism – for all allegations outlined in 2.2 on page 2.
- 4.3 As part of the initial assessment, the facilitator conducted meetings and site visits on 30 September and 2 October 2024. During the site visit of 30 September 2024, the facilitator met with the complainant and with a local community representative.
- 4.4 In addition, on 2 October 2024, the facilitator participated in a meeting organised by the promoter. The complainant, the promoters' representatives, the supervising engineer, and representatives of the municipality of Zepce – in which Ozimica and Močarac are located – were all present.

The meeting provided an opportunity to exchange views on the issues raised by the complainant. The discussion focused on the complainant's two main concerns:

- i. the risk of flooding to the complainant's property and to the settlement of Močarac;
- ii. the width of the bypass and road connecting the settlement of Močarac to the village of Ozimica.

- 4.5 In relation to the point described in 4.4 (i) above, it was agreed during the meeting that the promoter would clear a part of the riverbed in Ozimica to reduce the risk of flooding until a permanent solution is put in place. The plan was for a section of the riverbed to be cleared within the month following the meeting. However, before work can begin, prior approval must be given by all five property owners²⁰ to allow access to the riverbed through their respective properties. The complainant agreed to initiate the conversation with the property owners with a view to obtaining their agreement for such purposes. The municipality representatives agreed to develop a proposal for a new riverbed design in order to prevent future flooding and to coordinate its implementation with the promoter. Finally, the supervising engineer agreed to check the pipes installed in the embankment area of the motorway and inform the contractor in the case that pipes with a larger diameter are required to prevent flooding.

¹⁴ § 4.4.4 of the Policy.

¹⁵ Available here: [Environmental and Social Data Sheet \(eib.org\)](https://eib.org).

¹⁶ Available here: [Resettlement Action Plan for subsection Ozimice – Poprikuše \(eib.org\)](https://eib.org).

¹⁷ Available here: [Stakeholder-Engagement-Plan-SEP-2020.pdf \(jpautoceste.ba\)](https://jpautoceste.ba).

¹⁸ Available here: [Environmental-and-Social-Management-Plan-ESMP-2020.pdf \(jpautoceste.ba\)](https://jpautoceste.ba).

¹⁹ Available here: [ESIA update to EIA](https://eib.org).

²⁰ The complainant and four other property owners.

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- 4.6 In relation to the point described in 4.4 (ii) above, the promoter acknowledged the problem and expressed a willingness to continue discussions to find a solution. Two possible solutions were discussed: (i) widening the existing road connecting Ozimica to the bypass; or (ii) building a new road along the motorway embankment. It was concluded that additional preparatory work, and consultations with the local population were required in order to decide on how to proceed.
- 4.7 The constructive discussion and initial agreements described above demonstrate the will of all parties to find a solution to the concern surrounding an increased risk of flooding, and to elements of other issues that were raised, as well as a willingness to engage in direct communication.
- 4.8 The promoter informed the Complaints Mechanism on 11 October 2024 that, according to the supervising engineer, there was no need to change the pipes at that time, and also that not all property owners were willing to grant the contractor access to the riverbed to be able to clear the section as agreed. The promoter is working with the municipality of Zepce and the local community representative to arrange access to the riverbed.

5 WAY FORWARD

- 5.1 Following the initial assessment, and considering that the parties have shown a willingness to engage in dialogue and address the issues raised, the Complaints Mechanism proposes to proceed with a collaborative dispute resolution process to address the concerns brought forward by the complainant. Based on the information collected during the initial assessment, the Complaints Mechanism expects that an important element of the process will be enabling a smooth exchange of information between the parties and other relevant stakeholders. A collaborative dispute resolution process is forward-looking and seeks to find mutually acceptable and sustainable solutions. The Complaints Mechanism will coordinate the preparation and implementation of this process with the parties.
- 5.2 The outcome of the collaborative dispute resolution process will be communicated to the complainant through a dispute resolution report to be prepared by the Complaints Mechanism.