

COMPLAINTS MECHANISM

SG/E/2024/30

E-80 HIGHWAY NIS-MERDARE PHASE I (SERBIA)

CONCLUSIONS REPORT

12 MAY 2025



SG/E/2024/30

E-80 Highway Nis - Merdare Phase 1 (Serbia)

Conclusions Report

Complaint confidential: No

External distribution

Complainants
Promoter

Internal distribution

Secretary General
Inspector General
Relevant EIB services

Disclaimers

The conclusions presented in this report are based on the information available to the EIB Group Complaints Mechanism Division up to the 7th of February 2025. The conclusions are addressed solely to the EIB.

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

*Instead of issuing an Initial Assessment Report following the initial assessment, the Complaints Mechanism proceeds to close the complaint with a Conclusions Report on the basis of paragraph 2.3.3. of the EIB Group Complaints Mechanism Procedures.

EIB Group Complaints Mechanism — Conclusions Report

The EIB Group Complaints Mechanism

The EIB Group Complaints Mechanism (Complaints Mechanism) is a tool enabling the resolution of disputes if any member of the public feels that the European Investment Bank (EIB) might have done something wrong, i.e. 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 this 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 phase

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, whenever appropriate (e.g. project promoter, 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 EIB Group Complaints Mechanism Division is necessary and/or possible (investigation, compliance review or collaborative dispute resolution between the parties) to address the allegation or resolve the issues raised by the complainants.

Decision on whether or not further work is necessary

Instead of issuing an Initial Assessment Report following the initial assessment, the Complaints Mechanism proceeds to close the complaint with a Conclusions Report, on the basis of paragraph 2.3.3. of the EIB Group Complaints Mechanism Procedures, according to which the complaint can be closed with a Conclusions Report, when:

- (i) the Complaints Mechanism is already able to form an independent and reasoned opinion on the concerns raised by the complainant;
- (ii) a collaborative resolution is not possible or judged unnecessary; and,
- (iii) a further compliance review is not justified.

Please note: Complainants that are not satisfied with the EIB reply to their complaint may file a complaint of maladministration against the EIB with the European Ombudsman².

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

² Available at: <https://www.ombudsman.europa.eu/en/home>. For more information see [EIB Group Complaints Mechanism policy dated November 2018](#), Section 4.5.

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1. BACKGROUND

1.1 Project

- 1.1.1 On 11 December 2018, the EIB Board of Directors approved the partial financing of E-80 Highway Nis-Merdare Phase I in Serbia for an amount of up to €100 million.³ The project consists of the construction of approximately 32 km of highway (the project) as a first part of the phased construction of the missing link between Nis (in Serbia) and Pristina (in Kosovo).
- 1.1.2 In addition to the financing approved by the EIB, the project is supported by an investment grant of € 40.6 million provided by the Western Balkans Investment Framework. The project is also co-financed by the European Bank for Reconstruction and Development (EBRD).⁴
- 1.1.3 The project is being implemented by Koridori Srbije d.o.o. (the promoter) under auspice of the Ministry of Construction, Transport and Infrastructure. The first 5.5 km section of the highway was opened in July 2023.

1.2 Complaint

- 1.2.1 On 23 August 2024, the Complaints Mechanism received a complaint regarding the project from a local resident, on behalf of 155 residents of three villages located on both sides of the newly constructed first section of the E-80 highway (the complainants). The complainants are concerned about the negative impacts of the project on their access to agricultural land plots and on the connecting roads between the three villages located on both sides of the highway.
- 1.2.2 Based on the complaint submitted and on the subsequent exchanges and information provided, the Complaints Mechanism has summarised the complainants' concerns and allegations as follows:
- Deterioration of access to agricultural land plots located on the northern side of the highway: existing service connections were cut off by the highway and resulted in difficult access to agricultural land plots.
 - Deterioration of the access road for households located in a hamlet on the north-eastern side of the E-80 highway to infrastructure and services located on the southern side of the highway.
- 1.2.3 The complainants request the improvement of two segments of local roads to solve the above-described issues.

³ Information of the project available at [eib.org](https://eib.org/en/projects/2018/01/e-80-highway-nis-merdare-phase-i): [E-80 HIGHWAY NIS-MERDARE PHASE I](https://eib.org/en/projects/2018/01/e-80-highway-nis-merdare-phase-i)

⁴ EBRD website accessed on 2 January 2025: [Serbia Route 7 Highway | We invest in changing lives](https://www.ebrd.com/en/projects/2018/01/serbia-route-7-highway)

2. WORK PERFORMED

- 2.1.1 For complaints regarding environmental and social impacts of EIB-financed operations, the Complaints Mechanism carries out an initial assessment of the complaint. For more information about the objective of the initial assessment, see page iii.
- 2.1.2 During the initial assessment, the Complaints Mechanism conducted an initial meeting with the EIB services and held calls with representatives of the complainants and with the promoter. The Complaints Mechanism also reviewed information available on the project and email exchanges between the promoter and the EIB relevant services.
- 2.1.3 The opportunities for a collaborative resolution process were assessed. Given the existing alignment between the requests made by the complainants and the solution developed by the promoter in the first semester of 2024, the promoter considered that a dispute resolution process was not the appropriate way to address the issues presented.
- 2.1.4 The Complaints Mechanism therefore evaluated the option of a compliance review to address the allegations presented by the complainants and prepared this Conclusions Report on the basis of the information collected and analysed.

3. FINDINGS/OBSERVATIONS/ANALYSIS

- 3.1.1 The Complaints Mechanism understands that the object of the complaint is related to two sections of local roads that the complainants would like to be upgraded:
 - i. **Section i:** The villagers living in Gradiste, on the western side of the village of Balajnac, saw the access to their agricultural fields being limited by the construction of the E-80 highway. A portion of gravel road that they were using to reach their fields was rendered unpracticable due to the apparition of a steep slope installed along the highway as part of the project implementation. The complainants therefore request the upgrade of another portion of dirt road to allow for a proper access to the underpass installed under the E-80 highway and to their agricultural fields.
 - ii. **Section ii:** An overpass (bridge) was built and asphalted above the E-80 highway, northeast from the village of Balajnac, as part of the project development. The complainants requested that two short sections of local road (433 and 468 metres, respectively) leading to that bridge be upgraded and asphalted. These sections of road were not asphalted prior to the construction of the highway and the bridge (i.e. before the project implementation). The complainants alleged that the state of those two sections of road deteriorated during the construction of the highway and the bridge (as part of the project). The potholes created during the project construction have reportedly been refilled with gravel by the contractor. In the original complaint received by the EIB, the road upgrade of this Section ii was presented as an *'opportunity for further development and expansion of the village'*.
- 3.1.2 During the call with the representatives of the promoter; they informed the Complaints Mechanism that:
 - The allegations had already been presented by the complainants to the promoter in June 2023. The issues were discussed, and a solution was agreed between the parties whereby the promoter would upgrade some portions of local roads to improve the residents' access to their land plots and to mitigate the adverse social impacts of the project.
 - The promoter agreed to address the local community's concerns, develop the necessary steps (design and cost estimation) to implement the solution, and subsequently submitted two variation orders to cover the proposed upgrade works as part of the existing EIB loan.

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- The EIB had not been involved in the initial discussions between the promoter and the community.
- 3.1.3 During the first meeting with the Complaints Mechanism, the EIB services explained that the promoter had submitted two variation orders under the existing loan with the EIB to cover the above-mentioned local roads upgrade works. The EIB however notified the promoter that the costs related to these works were not eligible under the existing EIB loan.
- 3.1.4 Following additional clarifications provided by the complainants and the promoter during the initial assessment process, the EIB services and the promoter continue to explore whether some of the upgrade works proposed between the promoter and the complainant can qualify as eligible expenditure under the existing EIB loan.

4. OUTCOMES

- 4.1.1 Based on the information presented above, the Complaints Mechanism estimates that the disagreement related to the object of the complaint should be considered as related to the eligibility under the EIB loan of the costs related to the variation orders for the above-mentioned local roads upgrade and, therefore, falls outside the mandate of the Complaints Mechanism.
- 4.1.2 No project non-compliance with the applicable EIB Environmental and Social Standards may be verified in relation to the complaint and to the allegations presented in Section 1.2.2 above. The Complaints Mechanism considers that there is no *prima facie* evidence of maladministration attributable to the Bank regarding the proper implementation of its policies and procedures regarding the allegations at hand and, therefore, concludes that no further investigation is required.
- 4.1.3 In line with paragraph 2.3.3 of the EIB Group Complaints Mechanism Procedures, the initial assessment phase and the complaint are hereby closed with the issuance of this conclusions report.

EIB Group Complaints Mechanism