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CHINA'S ROLE IN BOSNIA AND HERZEGOVINA'S CRITICAL INFRASTRUCTURE DEVELOPMENT AND SECURITY

Review Scientific Paper

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Abstract

The importance of critical infrastructure emphasizes the need for their protection and makes that topic an important national and international concern as well. Bosnia and Herzegovina is in a complex position regarding the Chinese Belt and Road Initiative project, thus requiring a very meticulous analysis of the security aspects of critical infrastructure. Critical infrastructure protection task requires coordination and collaboration of all stakeholders, beginning with infrastructure owners and operators and including various public and private organizations and institutions, companies, technology vendors, etc. Besides the common elements that define bilateral relations between China and any partner in BRI, there are specific geopolitical, security and financial components to be taken into consideration for analysis. This study is focused on critical infrastructure with the purpose of providing an initial security assessment of CI in the BiH within the framework of security risk analysis related to Chinese projects and investments. Hence, the study pinpoints key topics for further influence analysis and presents the key elements of the critical infrastructure risk assessment and resilience.

Keywords

China, Bosnia and Herzegovina, influence, risks, critical infrastructure, protection, resilience

INTRODUCTION

The Chinese call it “yi dai yi lu”, one belt, one road, a revival of that nation’s mythological transcontinental land and sea silk roads. Toolset for global influence is based in investing billions of dollars to do business and in building infrastructure in places that Western countries shy away from. It’s a bid to anchor China’s economic and political place in the world by exerting a mix of hard, soft and steely “sharp” power, according to Bachelard and Bagshaw, 2021. Global Development Initiative, Global Security Initiative and Global Civilization Initiative also

follow the vision of China's grandiose goals (Glas Kine, 2024). One of modern China's most significant decisions has been its opening to the world, something that is now clearly visible on the geopolitical chessboard.

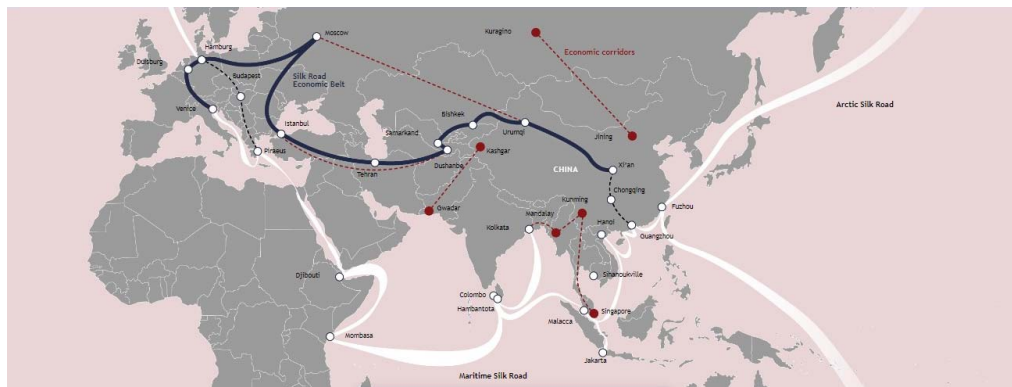


Photo 1: Belt and Road Initiative with different routes¹ (HKTDC, Xinhua China:
 The "One Belt One Road" initiative about to change the world (smh.com.au)

China and like-minded states strive for a New World Order. "Right now, there are changes – the likes of which we haven't seen for 100 years and we are the ones driving these changes together", said Xi Jinping to Vladimir Putin during their summit in Moscow on March 22, 2023. Following Russia's invasion of Ukraine in 2022, bilateral relations between Moscow and Beijing have entered a phase of intensified strategic coordination. While stopping short of a formal alliance, the two powers have deepened cooperation through platforms such as BRICS², where both advocate for a multipolar international order and alternative financial structures, thereby institutionalizing aspects of their partnership. China has maintained a calibrated position, with offering economic and diplomatic support to Russia while avoiding direct confrontation with the West. There is a growing discourse suggesting that we are already in the midst of a third world war, unfolding through technological rivalry, economic pressure, and information warfare with traditional military confrontation. Still, RAND (2023) cautions against framing this as a Cold War 2.0, emphasizing that today's strategic competition takes place in a deeply interconnected

¹ The **Silk Road Economic Belt**, touted as a modern take on the 13th-century route chronicled by Marco Polo, offers new, more certain links across Eurasia to China's relatively underdeveloped western provinces – offering faster ways to move goods than by sea. America may still rule the waves but China is seeking to rule Eurasia. The **Maritime Silk Road** is a product of China buying or building a vast network of ports to secure the passage of goods through maritime chokepoints and in and out of new markets. An **Arctic Silk Road** is also on the cards with China exploring new sea routes through the Arctic, avoiding many existing chokepoints, as global warming melts the ice. **Economic corridors** are strategic lines of economic development across national borders that include transport infrastructure, trade zones, customs and border controls and connectivity.

² Intergovernmental, growing, and evolving organization originally comprising Brazil, Russia, India, China, and South Africa, now expanding to include other emerging economies to enhance its global influence and promote cooperation among developing countries.

world marked by economic interdependence, civil-military fusion, and influence operations that rely more on infrastructure, finance, and digital power than on ideology or force. It is important to emphasize that securing power is core interests for that obviously means huge shift in global politics and new era of strategic competition³. Xi-Putin cooperation is intensifying and international order is fertile ground for fostering global divisions with higher likelihood of spill-over and securitization of everything (Stumbaum, 2022). After the first joint Chinese-Russian military exercise on 2005 on the Shandong Peninsula it was clear that former enemies had created the geopolitical alliance that Washington feared the most (Engdahl, 2014). Clashing interests and frequency of competition areas with rising crises, infosphere vulnerabilities and climate changes in overall context portray increasing multipolarity and competitiveness mainly between United States, China and Russia. In recent years systemic and dynamic struggle among main world powers⁴ will shape the new world order.

Therefore, we wonder why Bosnia and Herzegovina is important as a level of analysis in this research. Foremost, Bosnia and Herzegovina (i.e. BiH) is in a complex and specific position regarding Chinese One Belt One Road or simply Belt and Road Initiative project (i.e. BRI), thus requiring a very meticulous analysis of security aspects. Besides common elements that are defining bilateral relations between China and any partner in BRI, there are specific geopolitical, security and financial components to be taken into consideration for analysis. This study is focused on critical infrastructure with the purpose to pinpoint key topics for analysis and provide initial aspects for assessment of critical infrastructure (i.e. CI) in the BiH within the framework of security risks analysis related to the BRI in order to contribute to a better understanding and clarification of the relationship between the two countries, potential opportunities and threats. Critical infrastructure protection (i.e. CIP) and resilience tasks require coordination and collaboration of all stakeholders, beginning with infrastructure owners and operators and including various public and private organizations and institutions, companies and technology vendors.

BOSNIA AND HERZEGOVINA AS CROSSROAD FOR EUROPEAN PART OF BELT AND ROAD INITIATIVE

Building of democracy in Bosnia and Herzegovina began only after the cessation of a violent four-year war and aggression. The transition to democracy and a market economy in BiH has not been linear. From other side, upholding interethnic tensions served elites to maintain patronage systems. During the first postwar decade, a United Nations-mandated High Representative exercised executive powers, while a NATO-led military mission restored safety and security throughout the country. During this decade, the international community remained the main driver of democratization, economic reform and state-building aimed at establishing at least some basic state functions. Efforts to reform democratic institutions and establish a functioning market economy progressed simultaneously with efforts to reconstruct the country's infrastructure, spur economic recovery, enable the return of refugees, and patch

³ Strategic competition as competing on the international rules-based order vs authoritarian, in all areas: military, economic, cyber, diplomacy, technology, cultural, info-sphere.

⁴ World power is a country that has enough economic or political strength to influence events in many other countries (Cambridge Dictionary, 2023).

the divided country's social fabric. The High Representative used his executive powers, where needed, to remove public officials and policymakers accused of impeding the implementation of peace, impose legislation and changes to the entity constitutions, and establish additional state-level institutions. This heavy international involvement has been criticized for usurping the power of political elites, overriding democratic procedures and creating a culture of political dependency in BiH. However, international interventions also created preconditions for a liberal democracy, opened space for dialogue and compromise even among representatives of ethnic parties, led to some pluralization of the party system and political life, established core state functions, and set the basis for economic reconstruction and fiscal stability. Since 2003, transition efforts slowly moved toward integration with the European Union. Between 2005 and 2006, the international community abruptly decided to end international intervention in BiH and transfer responsibility for the country's further transition over to domestic political actors. The move was partly motivated by the belief that domestic political elites were ready to continue reforms on their own within the framework of BiH's EU integration process, but also by waning political will among major Western governments to continue the costly postwar policy. The handover did not yield the expected results, both because there was little international willingness to organize a gradual transition and because the international community had not secured a solution for reforming BiH's constitutional system. BiH politicians have proven unable or unwilling to reach consensus on the formation of multiethnic coalition governments, on basic policy and even on fundamental constitutional rules. The rhetoric of nationalist political leaders dominates the political space. This has marginalized the NATO and EU agenda over the last years.

Regarding the current security situation there are currently low-level threats and events in BiH and region that have started to appear in recent years in some countries of Western Balkans. Since 2006, levels of nationalistic rhetoric and political radicalization have sharply increased, most notably reflected in calls for secession by the leadership of entity Republic of Srpska, one of Bosnia and Herzegovina's entities. Bosnia and Herzegovina applied for EU membership in February 2016 and was granted EU candidate status in December 2022, contingent upon the country implementing recommended reforms to strengthen the rule of law, combat corruption and organized crime, improve migration management, and uphold fundamental rights (European Council, 2023). On the other hand, physical threats due to natural causes or human error, cyber-attacks and financial threats are a present and lurking dangers in BiH.

Following the continuation of existing efforts in enhancing relations of China and BiH as possible partner within BRI it would be convenient to address the joined approach for the construction of CI facilities, which could be further extended to CIP activities. Examples of some possible immediate concrete actions were argued in the final chapter as steps to be taken. The assessment also points in to potential problems, weaknesses and gaps in CIP in BiH within BRI. Those elements should receive a special attention in future planning and implementation.

HISTORY OF TRANSITION AND INVOLVEMENT OF BiH IN BRI

According to the Chinese Ministry of Commerce, by 2023 China had invested over 900 billion USD in infrastructure projects across more than 140 countries, ranging from railways in Africa to ports in Southeast Asia (Glas Kine, 2024). Project Belt and Road Initiative as an anchor for

China has alternative routes and potential participants mainly due to geopolitical changes over centuries from the time of original Silk road until today. In 2012 China approached the Central-Eastern Europe countries (i.e. CEEC) with a proposal concerning regional cooperation named 17+1 initiative⁵. Main target is to boost trading (e.g. technology transfer, import-export products, etc.). To achieve such goal China also plans to give support by providing investment backing to fund large-scale infrastructure projects, starting with energy sector and cooperation in the construction of railways and highways. As the country of Western Balkan Region, BiH is the associated member of the 17+1 initiative. There is a great disagreement over the answer to the question of the causes of the Chinese investment offensive in Europe. To some it represents a hidden geopolitical strategy that will challenge the current economic and political order of the world in the long run, while to others it is a proof that China's foreign policy is directed towards improving economic cooperation with European countries.

China wants to speed up the creation of a network of ports, logistic centers, roads and railways through investments in infrastructure in order to create favorable conditions for diversifying China's freight and energy transportation, to expand the market, distribute products, and improve trade between the East and West. This way, Beijing achieves its core national interests and it increases energy security, opens up markets for Chinese construction companies and helps to ensure the comfort for 1.300.000.000 Chinese people (Arežina, 2015). According to Zuokui (2016) key goals for BRI or "five ways to connect" combine communication policy, infrastructure linkage, barrier-free trade, fundraising and linking people to each other in a direct way.

However, with the notable exception of the Pelješac Bridge in Croatia, constructed by a Chinese company and opened to great fanfare, few projects have been implemented. The flagship Belt and Road project is the Budapest-Belgrade-Thessaloniki high-speed rail link (Kazcynski, 2022). 2021 was the last 17+1 summit and after the Russian military invasion of Ukraine, the Chinese maneuver space in the 17+1 mechanism was put to the test of trust and confidence especially after "Lithuanian incident". In 2021, Lithuania opened a Taiwanese office, angering China and prompting harsh economic and diplomatic retaliation. This exposed fractures in China's 17+1 cooperation, as Lithuania sought closer ties with the US despite Chinese pressure. The move isolated Lithuania but discouraged other European states from similar actions, highlighting the tension between political values and economic dependence on China (Boruta, 2021). Hence, momentum for redefining global geopolitics and specifically Chinese involvement⁶ in the region made it difficult to further develop outlined plan in this part of Europe. Many CEEC countries now prefer to engage China through broader EU-China channels, limiting the strategic space for Beijing's bilateral influence in the region.

⁵ The 17 countries are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, North Macedonia, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Greece.

⁶ For example, in Bucharest, the government cancelled all remaining Chinese projects in Romania and narrowed the possibilities for future cooperation," says Andreea Brinza, who testified about it in the European Parliament (Kazcynski, 2022).

Although China has invested great energy in promoting bilateral cooperation infrastructure construction and finance, there are more bottlenecks to investment and financing due to the restrictive rules of the EU. Approved loan of 10 billion at a summit in Warsaw in 2012, was used in the Western Balkans because of EU policy restrictions. Chinese loan with favorable terms mainly have the need for sovereign guarantee recipients, however, if the CEEC to EU membership provided a sovereign guarantee, debt levels exceeded the EU standards. Therefore, CEEC with membership in the EU cannot receive concession funds from China. The rules governing Chinese investment loans often contradict EU regulations, leading to unsatisfactory investment and financing outcomes (Zuokui, 2016). For China, the attractiveness of the region stems from several considerations. Financing investment in the regional port, railway and highway infrastructure is part of China's wider effort to support its global trade. With respect to foreign direct investment, Beijing counts on the significant catch-up potential and the future integration of the entire region, including the Western Balkan countries. In political terms, this is a wise investment into what one day may be significant part of the enlarged EU in terms of number of members. Based on these long-term economic and geopolitical objectives, China seeks to present itself as a politically neutral force and a reliable business partner. However, it is reasonable to doubt whether it succeeds after the recent deterioration in relations between Russia and the West.

The influence and significance of the BRI have been widely examined in academic literature. In the context of the 17+1 initiative and the Western Balkans, several key insights emerge from the report prepared for the EBRD by Bastian (2017). The availability of capital, advanced technology, and a comprehensive strategic framework under the BRI enables Chinese investments to exert substantial leverage for acquisitions and infrastructure development across both EU and non-EU member states. Furthermore, the BRI holds the potential to significantly contribute to the transformation of the Western Balkans. Importantly, the initiative encompasses a wide array of policy measures, investment priorities, and business strategies orchestrated by Chinese authorities and companies, each of which can exert considerable influence on the domestic regulatory frameworks and civil society landscapes of the participating countries. Previously, another author Kaczmarek (2015) pointed out that the major obstacles for drafted projects are the immense diversification of the region (including cultural, political, historical and differences in the structure of each country's economies), insufficient expertise or complicated procedures on the part of Chinese companies, the division into EU member states and others (with barriers related to EU regulations in some cases), the asymmetry of economic needs between China and partners and lack of willingness within the region itself to speed-up the cooperation. China's presence in the Western Balkans focused on transport and energy infrastructure projects funded through Chinese loans. This region operates as a strategic "back door" into the European Union, and as Western attention recedes and China-Serbia political relations deepen, China appears poised to become a notably influential political actor in this part of Europe (Vukićević, 2021).

On the occasion of the 30th anniversary of the establishment of diplomatic relations between People's Republic of China and BiH, H.E. Ambassador described the bilateral friendship as "flowing like a river that never stops and standing firm like mountains through time." The previous ambassador, said that he will be focused on the establishment of three bridges in relations between China and Bosnia and Herzegovina within BRI framework, bridges of friendship, practical cooperation, and human and cultural exchanges (Glas Kine, 2025).

He argued that the development of China cannot be separated from the world, as the development of the world cannot be separated from China. Bosnia and Herzegovina signed the China Trade and Economic Cooperation Agreement on 16 May 2000 and ratified on 30 March 2001, the Agreement on Avoiding Double Taxation, and the Agreement on Promotion and Mutual Protection of Investments on 26 June 2002 and ratified on 22 December 2003.⁷ Foreign Investment Promotion Agency in Bosnia and Herzegovina points out China among several others countries in first place of the investing countries in the category which show themselves as significant potential partners (FIPA, 2017). In the meantime, Chinese companies have established a strong presence in Bosnia and Herzegovina's energy sector and infrastructure development, particularly in transport and, to a lesser extent, healthcare. The volume of bilateral trade has increased significantly, reaching approximately 1.2 billion BAM (Egrlić, 2025). This growing economic engagement underscores China's expanding role and influence in Bosnia and Herzegovina's critical infrastructure and broader bilateral relations.

BOSNIA AND HERZEGOVINA GAMBLE BETWEEN EAST AND WEST

BiH finds itself hedging between the European Union's climate goals and China's dual role as both a global investor in renewable energy and a financier of coal projects. This strategic balancing act underscores the country's complex geopolitical and environmental positioning. The European Commission's communication to the Council outlines the competing dimensions of EU-China relations. In the context of climate cooperation, it highlights a growing disconnect between China's global commitments and its financing of fossil fuel infrastructure abroad, including in Southeast Europe. As the Commission states: "China is at the same time the world's largest carbon emitter and the largest investor in renewable energy. The EU welcomes the role of China as one of the main brokers of the Paris Agreement. At the same time, China is constructing coal-fired power stations in many countries; this undermines the global goals of the Paris Agreement. China is a strategic partner on climate change and the clean energy transition, with whom we need to continue developing a strong relationship, given the sheer size of its emissions (around 27% of the global amount), which continue to rise." (European Commission, 2019).

Within this context, BiH's participation in the Belt and Road Initiative (BRI) takes on new significance. Chinese-backed coal infrastructure projects in the region reveal both opportunity and vulnerability, particularly in terms of regulatory compliance, long-term environmental impact, and the alignment of BiH with EU accession priorities (Ciuta & Gallop, 2019). One of the most emblematic examples is the Stanari Thermal Power Plant. Developed by the Energy Financing Team (EFT) and financed by China Development Bank, the plant was built by Dongfang Electric Corporation and began operation in 2016. While heralded as a modernization effort, Stanari's efficiency 34.1%, falls below the EU's best available techniques standard of 36.5–40%. Its initial environmental permit allowed air pollution levels two to three times higher than those permitted under the EU Large Combustion Plants Directive. Only after legal pressure from the Center for Environment in Banja Luka was the permit reviewed. Moreover, Stanari was out of step with newer EU environmental requirements even before it came online, given

⁷ See more: <http://www.komorabih.ba/kina/>. Accessed: 10.5.2024.

that post-2019 plants must meet stricter Industrial Emissions Directive thresholds (Ibidem).

In parallel, Elektroprivreda Bosne i Hercegovine (i.e. EPBiH), the state-owned power utility, continues to pursue coal-based investments under its Long-Term Development Plan. Strategic priorities include the construction of Block 7 at Tuzla and Block 8 at Kakanj, which are intended to replace outdated units that no longer meet EU standards. These projects are also framed as essential for maintaining coal mining operations and regional employment. However, this logic contradicts EU decarbonization trajectories and increasingly stringent financial scrutiny from international actors. In 2014, EPBiH signed a construction contract for Tuzla 7 with China Gezhouba Group and Guangdong Electric Power Design, after Japan's Hitachi exited the tender citing economic feasibility issues. The initial cost estimate of €785.7 million was later reduced to €722 million, though the basis for this reduction remains unclear. A feasibility study by the Institute for Construction in Banja Luka dramatically underestimates carbon pricing, assuming it would begin only in 2034 at €7.1 per tonne—far below the 2024 EU ETS price of over €24. This flawed assumption significantly skews the plant's projected generation costs. Realistic carbon pricing (e.g., €20/tonne) could drive annual CO₂ costs to over €50 million, exposing the project to the risk of becoming a stranded asset. Adding to these economic distortions is the underpricing of coal. The planned sale price for coal from EPBiH mines, €21.87 per tonne is lower than recent production costs and only viable due to state subsidies that cover unpaid social contributions. If subsidies were removed and market pricing applied, the cost of electricity generation from Tuzla 7 would exceed the currently projected €42.45/MWh. This raises the specter of long-term fiscal burden on the state and taxpayers, as EPBiH is a publicly owned company.

The project's environmental and legal credibility is also in question. Following the expiration of its initial environmental permit in 2015, a new permit was granted in 2016 despite procedural irregularities, triggering legal action by the NGO Ekotim. Local residents in Šićki Brod have protested the proposed ash landfill for the plant, submitting over 2,000 signatures to the Federal Ministry of Environment and Tourism. Nevertheless, at the 2017 China-CEE Summit, BiH signed a surprise loan agreement with China Exim Bank, and in April 2019 the Federation parliament approved a state guarantee for the €614 million loan. This decision provoked criticism from the European Commissioner for Enlargement and led the Energy Community to initiate infringement proceedings over state aid violations. General Electric's subsequent withdrawal from equipment delivery further undermined the project's legitimacy and viability (Ciuta & Gallop, 2019). The story of Ugljevik III reinforces this trend. Initially developed by Comsar Energy with engineering support from China's CPECC, the project was fast-tracked with a partial permit in the run-up to the 2014 elections. After its annulment in 2017, a new permit was issued without conducting a fresh Environmental Impact Assessment (EIA), leading to legal challenges from civil society and a formal dispute under the Energy Community framework. Reports of manipulated emissions data and procedural irregularities further weakened the project's integrity (Ibidem).

Together, these examples illustrate how BiH's energy strategy is shaped by political inertia, weak regulatory enforcement, and financial arrangements risks entrenching infrastructure of great importance. Whereas, hedging between East and West should reflect a pragmatic desire to preserve energy sovereignty, the strategic cost of misalignment with EU environmental, fiscal, and governance standards are vulnerability by itself.

CRITICAL INFRASTRUCTURE IN BOSNIA AND HERZEGOVINA

According to previous Council Directive 2008/114/EC, both the transport sector (encompassing road, rail, air, inland waterways, and harbors) and the energy sector (including oil and gas production, refining, storage, and distribution) were classified as critical infrastructure. Effective continuity of operations across these sectors and across entire systems, networks, and facilities, required that the state identifies and designates critical infrastructure assets.

As Bosnia and Herzegovina navigates its EU accession path, it must align its legal framework with the updated Regulation (EU) 2022/2557, the Critical Entities Resilience (CER) Directive, adopted in December 2022. The CER Directive repeals previous Directive 2008/114/EC and introduces new obligations for states and operators, including resilience planning, risk management, incident reporting, and mandatory stress testing. These reforms reflect the evolving nature of risks, such as hybrid threats, cyber-attacks, climate-related hazards, terrorism, pandemics, and industrial accidents.

However, Bosnia and Herzegovina remains structurally vulnerable due to the absence of a harmonized state-level legal framework for critical infrastructure resilience and protection. Under the RS law, critical infrastructure is defined as systems, networks, and facilities whose failure could disrupt public mobility, commerce, safety, property, environment, or economic and state functions. The law enumerates 11 critical sectors, ranging from energy and transport to healthcare, utilities, finance, hazardous materials, and cultural heritage. However, this legal framework is outdated because of CER and applies only partially and lacks binding coordination at the national level, something that foreign investors, particularly from authoritarian regimes, could utilize to bypass or dilute strategic scrutiny. An outdated Law on Critical Infrastructure Protection exists only in the Republic of Srpska entity, while the Federation of Bosnia and Herzegovina remains in early drafting stages. This fragmented legal landscape leaves space for external state and non-state actors to exploit asymmetric governance structures and enter sensitive sectors with limited strategic oversight or unified risk assessment.

The most challenging aspect of work in the security sector is shaping an effective and efficient security architecture system. The connection between critical infrastructure and the overall security architecture lies in the numerous shared points of contact. The strength of this connection directly influences and reflects the growing awareness of the importance of protecting national critical infrastructure. Furthermore, there is interdependence among certain parts of the critical network infrastructure, which is manifested as physical interdependence. For example, without electricity, there is no production, and information and communication technologies cannot function properly. The internal structure of systems defined as critical infrastructure consists of resources that, through specific processes, perform the vital functions of the organization, before, during, and after a crisis situation (Ahić, Hadžikadunić & Hodžić, 2019).

Critical infrastructures are similar to the "human central nervous system," responsible "for supplying and providing people with information, products, and services (Ibidem). China's expanding economic presence in Bosnia and Herzegovina has been particularly visible in sectors designated as critical under EU law. The energy sector, which is central to national security and economic sovereignty, has attracted substantial Chinese investment, often under the Belt and Road Initiative (BRI) umbrella and in contexts where legal or environmental due diligence

remains inconsistent. Since 2016, when the Stanari Thermal Power Plant (300 MW), the first major Chinese investment in the BiH energy sector, was launched, Chinese companies have become deeply embedded in infrastructure development. This project, alongside the Dabar hydropower plant, represent not only capital investment but also long-term influence, where in 2025, the Ivovik wind farm (84 MW), as the first major Chinese investment in renewable energy, symbolizes a strategic pivot toward green energy dominance. Bosnia and Herzegovina has yet to formulate a coherent national strategy for the green transition. Positioned at the crossroads between the EU and non-EU markets, Bosnia and Herzegovina holds strategic potential to become regional hub for processing and logistics of critical minerals where China proves dominance. This geographic advantage could allow BiH to wisely integrate into supply chains. The growing global demand for critical materials offers BiH a strategic opening to become a key node if it develops a national strategy that integrates environmental protection, EU alignment, and governance mechanisms for foreign investment. Without such a framework, the green transition risks becoming a new front for extractive dependency and geopolitical exposure. Simultaneously, Chinese contractors have taken on high-visibility transport and health projects, such as construction of the Banja Luka–Prijedor highway, the Hercegovina bridge and Počitelj–Zvirovići section on Corridor Vc, modernization of Sarajevo's tram network and completion of the "Sveti Luka" hospital in Dobo, to mention some of them.

Further more, with Western financiers withdrawing from coal, much of the region's lignite power financing now comes from Chinese state-backed lenders. Approximately 3.5 GW of coal capacity is projected in Southeast Europe via Chinese support. The only coal plants financed so far are Stanari by China Development Bank (2012) and the shelved Tuzla 7 by EximBank (2017), although several MoUs are in place. Dongfang Electric built Stanari and has been tapped for Banovići TPP, illustrating the depth of BRI engagement. Gezhouba secured a USD 1 billion contract (2014) for Tuzla 7, but the project remains suspended amid General Electric's withdrawal and regulatory hurdles (Todorović, 2021). Energy Community several times judged this case and warned about possible outcomes.

In transport, the 2018 concession award to SDHS-CSI BH (Shandong Group) for the 42 km Banja Luka–Prijedor–Novi Grad highway—€297 million for 33 years, also highlights concession-based Chinese models supplanting traditional procurement. Similarly, the Pelješac Bridge, co-financed by the EU and built by the Chinese state-owned CRBC, has reconnected Croatia's territory while bypassing Bosnia and Herzegovina's Neum corridor, drawing strong criticism from EU voices and stirring regional unease over sovereignty, stability, and China's growing infrastructural footprint in the Western Balkans (Kaskanis, 2021). Several other projects faced complications like the 2012 Sinohydro–EFT 35 MW Ulog hydropower project suffered fatal landslides, resulting in redesigns and strong critics. The 2017 AVIC–BiH agreement to build the 93.5 MW Buk Bijela HPP on the Drina River triggered environmental litigation and Chinese interest in the 160 MW Dabar HPP remains under review. Chinese-sponsored major investments have emerged primarily in energy and transport, sectors designated as critical under EU legislation. Balkan Insight (2023) provided a more detailed interactive "China in the Balkans" map that highlights 29 significant Chinese-supported initiatives in BiH across domains of energy and industry, transport and other.

The pattern and focus of these projects reveal how BiH's fragmented legal framework and lack of state-level strategy, especially for critical infrastructure and mining policy that create openings

for Chinese strategic influence. Projects skew heavily toward RS, often bypassing rigorous EU-style environmental and procurement standards. Although renewable investments like Iovik show promise, risk of dependency and appropriation of export-oriented benefits remains high, particularly without transparent contracts, local integration, or judicial robustness.

These initiatives may improve physical infrastructure, but they also embed foreign technical standards, financing models, and long-term operational dependencies, especially in the absence of unified oversight or security risk assessments aligned with the EU's CER framework.

CONCLUSION

The Belt and Road Initiative, far from being a simple infrastructure development project, has evolved into a strategic mechanism through which China expands its global influence and fosters bilateral relations that often extend beyond mere economic engagement. For Bosnia and Herzegovina, the appeal of Chinese capital and infrastructure development, offered without the demanding conditionalities typical of Western donors, has proven significant, especially in light of the country's prolonged EU accession process, internal political gridlock, and institutional fragility. However, this growing reliance on Chinese investments carries long-term implications that merit closer scrutiny.

China's presence in Bosnia and Herzegovina cannot be viewed in isolation. It is part of a broader regional strategy in Southeast Europe, where countries that are not yet EU members but maintain trade agreements with the Union provide Beijing with strategic entry points to the European market. This enables China to bypass more stringent EU regulations, particularly in areas such as environmental protection, competition law, and public procurement. In doing so, it establishes a pattern of influence that is both economically significant and politically consequential. Chinese projects in BiH, particularly in the energy sector, reveal clear regulatory deficiencies and have at times contravened EU norms on environmental standards, state aid, and transparency. Such practices not only threaten to delay Bosnia and Herzegovina's EU accession path but also risk embedding long-term structural dependencies that could undermine the country's sovereignty.

As China asserts itself as a global power, its investments in critical infrastructure demand a more calculated and strategic response from recipient states. The ability of a foreign power to control or shape infrastructure sectors of national importance, such as energy, transport, and telecommunications, introduces vulnerabilities that are not merely economic but also deeply security related. In cases where legal and institutional mechanisms are underdeveloped or compromised, this influence can become disproportionate, weakening domestic decision-making processes and compromising national security.

Addressing these challenges requires a coordinated and transparent approach. Bosnia and Herzegovina must adopt a comprehensive policy framework for protecting critical infrastructure, including legal definitions, investment screening mechanisms, and risk assessments that account for national security implications. All foreign investments should be fully aligned with EU legal and environmental standards, and procurement procedures must ensure transparency and accountability. The country should also work to diversify its pool of economic partners to avoid overdependence on any single actor and prioritize funding sources that reinforce, rather than undermine, its long-term strategic objectives.

In parallel, domestic institutions must be strengthened to enhance resilience against external pressure and to ensure that public authorities are capable of managing complex foreign-financed projects. Regional cooperation with neighboring countries facing similar challenges would further bolster this effort, allowing for the sharing of information, best practices, and common defense mechanisms against systemic vulnerabilities.

Ultimately, while engagement with China is not inherently problematic, it must be approached with strategic clarity and institutional maturity. Bosnia and Herzegovina's long-term development depends on safeguarding its sovereignty and ensuring that infrastructure investments contribute to, rather than detract from, its path toward EU membership, environmental sustainability, and democratic governance. The country stands at a crossroads where choices made today will determine whether it remains an actor with agency or becomes a subject of competing external influences. This calls for a more objective and security-conscious policy posture, one that recognizes both the opportunities and the constraints of China's rise and acts decisively to protect the national interest.

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