

For more information

**Pippa Gallop**

Research co-ordinator  
CEE Bankwatch Network  
pippa.gallop@bankwatch.org

**Dren Pozhegu**

Researcher  
Institute for Advanced Studies  
(GAP)  
dren@institutigap.org

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## EBRD support for a new lignite power plant in Kosovo: Against EU objectives

The 600 MW Kosovo e Re project to build a new coal plant close to Prishtina has been [heavily promoted](#) by the World Bank and by the US, and now also looks set for funding by the European Bank for Reconstruction and Development. The bank's new [draft Country Strategy for Kosovo](#), which was approved by the EBRD's Board of Directors on 1 May, clearly shows the bank's interest in the project. Many civil society groups in Kosovo, led by the Kosovo Civil Society Consortium for Sustainable Development ([KOSID](#)), oppose the construction of a new power plant because:

### 1. It is unnecessary. Reducing electricity losses and investing in efficiency and alternatives are cheaper and create more jobs.

While the plant is being depicted as necessary to ensure the country's energy security, up to 37 percent of available electricity in Kosovo today is wasted according to official data (of which around 17 percent are technical and a result of an old grid and the other are commercial losses, i.e. theft). Another 30% of energy could be saved with simple energy efficiency programmes.

Daniel Kammen, Professor at the University of California in Berkeley and former World Bank 'Clean Energy Czar', [has shown](#) that Kosovo has renewable energy capacities that could deliver 34 percent of energy demand by 2025, while providing over 60 percent more jobs than a business as usual path, with estimated cost savings of 5–50% relative to a scenario that includes a new coal power plant. If energy efficiency programmes are put in place, losses are curbed, renewable energy is developed, and the existing Kosovo B plant is rehabilitated, the study finds, there is no need for a costly new plant.

### 2. Kosovo needs to increase renewables and energy efficiency and cut CO2 emissions if it is to join the EU

By 2020, Kosovo has committed through the [Energy Community](#) to source 25 percent of overall energy from renewable sources and improve energy efficiency by 9 percent. In addition, as an aspiring EU member, it will need to follow the EU's greenhouse gas emissions reductions targets and decarbonisation policy, yet this would be near impossible with the new

plant in place. This one coal power plant alone will likely swallow up most of the country's carbon budget by 2050, leaving a choice between closing the plant earlier than planned or paying penalties.

### 3. High costs

Building Kosova e Re would require Kosovo consumers and taxpayers to [service over a billion euro in debt](#) at a time when they are also servicing debt for improvements in the Sibovc mine, Kosovo's wasteful transmission and distribution systems, and refurbishment of Kosovo B. In recent months there have already been [several protests in Kosovo](#) about rising electricity prices, and a new coal plant would only increase prices further.

### 4. Continued damage to health

Kosovo currently has around [835 early deaths per year and estimated direct costs of around EUR 100 million annually](#) due to air pollution, of which the lignite plants are responsible for a substantial proportion. However, far from solving this problem, a new lignite plant would perpetuate the health risks from coal for several more decades. Due to the location where the Kosova e Re plant would be built, it is likely that emissions will exceed EU ambient air quality standards, even if Kosovo B and Kosova e Re meet EU emission standards. No reliable air quality monitoring is taking place, so it is difficult to prove that air quality would be acceptable with a new plant.

### 5. Water shortage

Kosovo is already water-stressed and its water polluted, and a new plant would add to the problem. A [recent paper](#) by [Bank Information Center](#) and [KOSID](#) shows that the water modelling for the project misses out several factors including water use by the expanded open pit coal mining operations and conveyance of coal from the mine to the power plant, as well as the impact of a new plant on water pollution.

### 6. Resettlement and agricultural land shortages

A new power plant would require a new mine, and this will require resettlement, the scope of which is to be defined in a new study. However this is complicated by the fact that many of the people are farmers and need to be provided with adequate land to compensate for their lost livelihoods, and agricultural land is in very short supply in Kosovo.

This raises further questions about whether it is better to use scarce land for opening a new mine or feeding people. The resettlement that has occurred so far has been in breach of any known international standards for resettlement. KOSID is currently undertaking a thorough review of resettlement process related to the Kosova e Re plant.