

All the Balkan countries, except Albania, two years ago, were planning the construction of at least one coal-fired thermal power plant. This changed as three out of five have abandoned their plan. Only Serbia and Bosnia and Herzegovina (BiH) still pushing on with coal-based projects, according to CEE Bankwatch Network.

CEE Bankwatch Western Balkans report said that no new coal-fired power plant is likely to be profitable, however, feasibility studies for Kostolac B3 in Serbia and Tuzla 7 in BiH intentionally underestimate carbon pricing and coal prices to conceal this fact. On the other hand, Chinese banks, among few financial institutions still willing to finance coal-based projects, do not care about this as long as they get state guarantees for their loans.

The report concludes that as long as Western Balkan countries have access to affordable loans and doesn't have to pay for carbon emissions, they have no incentive to substitute coal for other, more sustainable, alternatives.

CEE Bankwatch reports noted that Montenegro and North Macedonia are now prioritizing renewable energy projects, especially wind and solar. Albania is also diversifying its energy mix with more renewables, mainly solar, while Kosovo, after the collapse of coal-based TPP Kosova e Re project, will have to turn to greener alternatives as well.