

Concerns are growing about the international role of China in global warming as it backs a major coal project in Serbia.

One of Serbia's largest coal-fired power plants is being expanded with an Export-Import Bank of China loan with construction work conducted by the China Machinery Engineering Corporation.

To the east of Belgrade, in the coal-rich Danube valley, the Kostolac B3 station is supplied by the nearby open-cast mine at Drmno.

It is run by Serbia's electricity provider EPS, which provides about 70 per cent of national power needs from coal and the rest from hydropower.

A US\$715-million deal is adding a 350-megawatt plant with 1,500 Chinese employees expected at the site by next year, increasing the total output capacity of EPS by 5 per cent. Serbia has already completed the first phase of a US\$300-million Kostolac overhaul. The second phase of the project is expected to be completed by 2020 and 85 per cent of the financing is provided through the Exim loan, with a seven-year grace period. It is due to be repaid in 20 years.

The EPS boss at the site, Zeljko Lazovic, said: "In the next few months, a lot of Chinese will come here and this will be a big challenge.

"With Chinese workers and Serbian workers, at the beginning, we had some cultural problems but we have overcome them and there is now very good cooperation."

Lazovic said the development would meet EU standards on dust, nitrogen dioxide and sulphur pollution.

But it will not be fitted with any carbon-capture devices.

Coal is the most damaging fossil fuel because of the quantity of carbon dioxide it releases when burned.

The concentration of carbon dioxide in the atmosphere in 2017 reached its highest level for 3-5 million years, according to the World Meteorological Organisation .

Chinese contracts and financing are rarely transparent but NGO Bankwatch says it has been following the cash.

The group's energy coordinator Ioana Ciuta said efforts to tackle Chinese air pollution had led many power companies to limit their domestic ambitions and target their technology and labour overseas instead.

"By having China invest in over 60 countries along the Belt and Road Initiative, it's perpetuating a source of pollution that has been demonstrated to be harmful not just to the climate but also to economies," Ciuta said.

Source: energy-reporters