

Montenegro's Pljevlja coal plant is running out of time to secure financing

The Czech daily Hospodarske Noviny is reporting today that the Czech Export Bank and export insurance agency EGAP may not be able to finance the Pljevlja II lignite power plant in Montenegro due to new OECD rules entering force on 1 January 2017.

The two which have supported several fossil fuel power plants abroad over the last twenty years, already burned their fingers on the Poljarnaja gas-fired power plant in the Russian sub-Arctic Siberia where they lost 5.9 billion Czech crowns. Also a CZK 12 billion loan for the Yunus Emre coal plant in Turkey is facing a range of problems and postponements and most recently the arrests of several executives of Naksan, the mother company of the Turkish project promoter, in the aftermath of the failed coup in Turkey this year.

Bankwatch analysis shows that claims of Pljevlja II's feasibility are based on creative accounting, so there's no reason to believe that CEB and EGAP would do any better this time. Seen in this light, the OECD rules are an opportunity, not a threat, for the CEB and EGAP to leave this climate-damaging and uneconomic project well alone.

source: bankwatch.org