

more coal for Kosovo?

Building a Global Alliance to Take on the World Bank and US State Department's Dirty Development Plans

This case study is published as part of the Democracy Center's series of Climate Campaign Profiles. These studies have been produced to gather lessons from climate activism in diverse places and contexts in order to share these with other campaigners and help build the effectiveness of their advocacy work. You can find the full series in the Climate & Democracy section of our website.

By Ben Brouwer

the story

Kosovo is a young nation, still emerging from the shadow of ethnic wars in the 1990s. But now there is a new battle unfolding in this Balkan state, home to 1.7 million people. It's about the course of energy development in low-income countries, and the role of international banks and foreign powers in setting that course.

The World Bank Group, with emphatic pressure from the United States State Department, is pushing ahead on plans to finance a new 600 megawatt coal-fired power plant and strip mine in Kosovo, and to privatize Kosovo's state-run electric distribution company. Promoters of this approach see new coal-fired power and privatization as solutions to a perpetual energy crisis

characterized by an aging and inefficient power system and rampant electricity theft. But Kosovar civil society organizations have stepped up in the last year to demand an alternative to their government's US and World Bank-driven approach. With support from international allies, they are arguing that the plan will actually raise utility bills, saddle the country with debt, and tie Kosovo to a new generation of dirty coal power, a move that severely hampers the country's ambitions of joining the European Union.

The first objective of the international campaign is to stop construction of 'Kosovo C', as the proposed plant is called, and instead to steer Kosovo on to the path of clean, renewable energy. The second objective of the campaign is bigger than Kosovo; it's about decisively shifting US aid spending and World Bank funding priorities away from coal and towards a development model that builds real prosperity and averts climate change.

the targets

The campaign to stop Kosovo C is a tale of three targets. Campaigners recognize that the first strategic target is the Kosovo Assembly, the legislative body that sets energy policies in the

country. While Kosovo is a sovereign nation and could simply cancel or modify its request to the World Bank, there is little doubt that Kosovo has been heavily influenced in this decision by planners at the World Bank and US State Department. Due to the authority they wield, the World Bank and US State Department are also critically important strategic targets.

Kosovo Assembly

Nezir Sinani, Director of Kosovo's Institute for Development Policy, explains that Kosovo has been mired in deliberations and discussions about how to improve its energy supply system for the last decade. Blackouts are common. Many bills go unpaid because customers are displeased with the service or can't afford it. Up to 40% of the electricity is lost due to a decrepit, leaky utility distribution network and theft. The coal fired power plants generating Kosovo's electricity are dirty and polluting. But there's still a lot of coal in the ground. In that context, the US Agency for International Development (USAID) has been encouraging plans for a new coal-fired power plant and grid privatization since 2005. Thankful for the military support of President Bill Clinton during their war for independence, Kosovar political leaders have since been eager for the development advice of USAID (an agency of the State Department). That advice has been to continue exploiting Kosovo's coal resources with a new coal fired plant (built to be cleaner than what Kosovo has right now) and to use privatization of Kosovo's state-owned utility as a tool to force solutions to persistent energy supply problems.

In 2010 the Kosovo Assembly approved an [energy strategy](#) for the period of 2009-2018 that includes the construction of Kosovo C, rehabilitation and upgrades to Kosovo B (one of the two

current power plants supplying Kosovo), shutdown of Kosovo A (the worst polluting of Kosovo's two power plants), and privatization of the distribution grid. Non-governmental organizations [cried foul](#) over the strategy, pointing out that there was "no involvement of civil society and there was no open debate on the content of the strategy." In 2006 Kosovo's Government received funding for a preliminary project intended to establish the regulatory and financial framework required to finance and manage a multi-billion dollar coal mine and associated power plant. Kosovo later applied to the World Bank for a Partial Risk Guarantee - loan protections that would help finance the construction of Kosovo C. Sinani points out that in trying to stop the new coal plant and go a different direction, civil society organizations are up against a lot of inertia: "Politicians go after easy and quick solutions and a new coal plant is one of those. Hence, it is going to be a difficult situation to change."

World Bank

4,900 miles away in Washington DC, the World Bank's 25-member Board of Directors holds the ultimate authority about whether or not to finance Kosovo C. Chad Dobson, Executive Director of the Bank Information Center, a World Bank watchdog group, explains that despite the Bank's recent history of financing coal projects (including a \$3 billion [4,800 MW plant in South Africa](#)) they have [acknowledged](#) that under the worsening state of human-driven climate change, "developing countries and the poorest communities are likely to suffer earliest and the most," and that the Bank has a role to play in mitigating the risks of climate change. Dobson points out that the Bank recently went to the United Nations climate negotiations in Durban, South Africa, "where they were saying 'we want

to be the climate change bank.’ It doesn’t look good for someone who wants to be a climate change bank to be building coal plants.”



Organizers with the Sierra Club’s Beyond Coal campaign outside a recent World Bank meeting in Washington, DC. Photo: Nezir Sinani

When it comes to financing for Kosovo C, Dobson points out that the regional vice president, the vice president for infrastructure, or the then Bank president Robert Zoellick all could have rejected the project: “Any of those people could have stopped the plan, if they wanted to. Any of them.” Instead, the Bank shrugged the responsibility to the US. Dobson recounts that Zoellick basically told the US: “we’re not going forward on this project unless the US is standing behind it.”

Kosovo only joined the World Bank in 2009, and according to Dobson the Bank has failed to adopt a Poverty Reduction Strategy for Kosovo, a development planning process that the Bank typically completes before consideration of major construction projects. He says that when it comes to strategy on targeting the World Bank, “the best scenario is that people like us, working with our Kosovar friends, make sure that the

Bank has to follow and do everything that the rules say it has to do, and that that allows people in the country the time to evaluate whether [Kosovo C] is what they really want.” By forcing the Bank to diligently follow its rules, a final vote of the Board of Directors shouldn’t happen until early 2013.

US State Department

The US holds one of five permanent seats on the World Bank’s Board of Directors, and wields oversized influence on the Bank’s operations. When Bank president Zoellick challenged the Obama Administration to support Kosovo’s application for funding, the State Department [affirmed their support](#), saying more coal was the right path for Kosovo. US motivation for supporting the project, especially in the face of rising criticism, is [difficult to pinpoint](#), but US business interests may be playing a role. Four international consortia, two of which include American businesses, were [pre-approved](#) to bid on the construction and operation of Kosovo C.

Justin Guay, who’s leading the Sierra Club’s international effort to stop Kosovo C, explains that, “at the end of the day, the real reason USAID is pushing forward is because the plans have ten years of momentum.” At this point, he says, “it’s not a facts based argument that’s going to change their minds, because we have provided them with detailed credible analysis from former US Environmental Protection Agency officials. At the end of the day it’s going to be political pressure.” The key strategic target in the US campaign is Secretary of State Hillary Clinton. And the pressure must come from both broad citizen activism and from the people who hold the purse strings: Senator John Kerry, Chairman of the Senate Foreign Relations Committee, Senator Patrick Leahy, Chairman of

the subcommittee of Appropriations that handles the State Department budget, and Timothy Geithner, Secretary of the Treasury. (The Department of the Treasury represents the US in World Bank decisions.)

the strategy

A coalition that reaches from Kosovo into the power seats of Europe, and across the Atlantic to the US, is using a careful analysis of messaging, allies and tactics to take the fight to the Kosovar government, World Bank, and US State Department.

Messaging Strategy: Setting the Record Straight

As explained above, the strategy to dismantle the pro-coal status quo in Kosovo requires changing the minds of the elected Deputies in Kosovo's Legislative Assembly. The first and most crucial step has been to discredit the sales pitch of USAID. Three reports have done that in the last year: two were commissioned by the Kosovo Institute for Policy Research and Development with the Sierra Club. They were prepared by Bruce Buckheit, a former US Environmental Protection Agency air quality enforcement officer. The first report [debunks the original cost estimates](#) being used by the World Bank and US promoters, and questions the faulty logic of using a coal fired power plant (which provides consistent, but inflexible, "base load" power) to fix a deficit in power at highly variable "peak" energy demand times. The report concludes that a new coal plant will strap Kosovo with international debt and raise energy bills. A second report by Buckheit [takes to task](#) the World Bank's energy "alternatives" assessment. The third report, led by Daniel Kammen, former 'clean energy czar' of the World Bank, and now

a researcher at University of California Berkeley, demonstrates that an approach emphasizing investments in grid repairs, aggressive efficiency upgrades and renewable energy supplies will provide [sufficient power, more jobs and cleaner air](#), all at a lower cost than the business-as-usual lignite coal plant.

Opponents of the new coal plant have had to address arguments from coal plant backers that the new facility will provide a net environmental benefit because it will be cleaner than the current fleet of Soviet-era power plants it would replace. "This is the real big sham about the whole project," says Justin Guay, "that it's 'environmentally beneficial.'" He points out that the comparison is simplistic, and doesn't account for the alternative options of using efficiency and renewable energy instead. He explains that "coal isn't clean no matter how you build it. There's a laundry list of pollutants that are absolutely terrible for the local environment and local populations." Not to mention displacements and ecological destruction that comes from continued strip mining. Furthermore, the argument is disingenuous on the part of US and European promoters since, in an attempt to keep costs down, the plant is being designed without modern pollution controls and would [perpetuate poor air quality](#) in areas around the coal plants.

Guay is quick to note that when it comes to the US side of advocacy, Americans need to step up: "As far as the public outreach to US officials, I think that it's actually less about saying 'here's the personal face of what's happening in Kosovo.' I think it's more a campaign for accountability of US actions and US taxpayer dollars....I think it can be American citizens, and I think it should be American citizens [demanding no new coal in Kosovo] because it's our responsibility to

hold our own government accountable for what they're doing with our money in international affairs.”

US-based organizers are also holding the State Department up against its own statements on climate change. Key among those statements is USAID's 2012-2016 [Climate Change and Development Strategy](#), which recognizes that “climate change is among the greatest global challenges of our generation,” and emphasizes “cleaner, more resilient” international development strategies. An action alert from the Sierra Club implored the State Department “to get serious about making the United States a leader in clean energy and fighting global climate change.”

Ally Strategy:

Piecing Together a Global Coalition

The coordination between Kosovar civil society organizations, international advocacy groups, and US-based NGOs has built the power of this movement and given it the ability to reach decision makers at all levels of the project. The campaign also highlights the responsibility that citizens of powerful countries in the global North (in this case the US) have to monitor and change the course of international aid being offered by their governments.

The team of Kosovar civil society organizations and international or US-based allies is aligned in a loosely affiliated, non-hierarchical manner. The Kosovo partners have come together for annual strategic planning meetings and to parcel out tasks in the campaign. Organizers with a range of expertise including journalism, political lobbying, grassroots organizing and media relations are contributing to the campaign. The Sierra Club, with its extensive experience fighting coal plants in the US, is the lead international and US

Who's leading the charge?

[Balkan Investigative Report Network](#)

[Bank Information Center](#)

[DOKUFEST](#)

[Institute for Advanced Studies GAP](#)

[Institute for Development Policy](#)

[Kosovo 2.0](#)

[Kosovar Institute for Policy Research and Development](#)

[Pristina Institute for Political Studies](#)

[Safer World](#)

[Sierra Club](#)

[World Wildlife Fund](#)

[Youth Initiative for Human Rights](#)

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campaigner. The Bank Information Center provides guidance to the campaign on navigating the bureaucracy and politics of the World Bank. World Wildlife Fund's policy staff has been lobbying EU officials to drop their support for Kosovo C. The group stays in touch with frequent phone calls and emails, and “everyone does as much as they can,” according to Justin Guay.

In addition to the core campaign leaders, Kosovar organizers have reached out to farming communities that are threatened by continued strip mining of their land. They have allied with the Independent Energy Union of Kosovo, which represents utility workers and is concerned about the impacts of privatization: a few foreign corporations taking control and siphoning off the profits, while union workers lose their jobs. And

they are finding allies among local political leaders. The broad range of allies is helping to shift the public discourse and make room for a sustainable energy approach.

Within the strategy to change political will in Kosovo, the European Union is an important tool that's being used by both sides. The World Wildlife Fund and Kosovo civil society organizations have sought help from Brussels in conveying to the Kosovo government that a new investment in coal will severely dampen the country's EU candidacy. One of the stipulations for joining the EU is a commitment to cut greenhouse gas emissions by 20% in the next decade, an accomplishment that would be difficult and expensive after a new investment in coal. Meanwhile, the World Bank asserts that Kosovo will see a net improvement in air quality from the combination of a new coal plant and clean up at the existing plants. Anti-coal campaigners argue that the Bank [hasn't conducted a thorough review](#) of air quality implications, and that areas around the new coal plant would continue to see pollution levels in violation of EU standards. It's yet to be seen how the prospect of EU membership sways Kosovo politicians on this issue.



A March 2012 protest in Kosovo called on Kosovoan politicians to drop plans for a new World Bank-financed coal fired power plant. Photo: Nazim Haliti

Timeline

October 2006: Kosovo granted financing for 'Lignite Power Technical Assistance', a World Bank funded project designed to lay the regulatory and financial ground work for the construction of a new coal-fired power plant.

June 2009: Kosovo officially joins the World Bank Group

April 2010: Kosovo Assembly adopts energy strategy that includes construction of a new coal-fired power plant.

October 2011, January 2012: US-based researchers issue reports questioning the World Bank's cost analysis for a new coal-fired power plant and pointing to cheaper, cleaner options.

March 2012: Civil society groups protest the plans for a new coal plant in Kosovo while researchers lobby the Obama administration to withdraw their support for the plan.

For the US side of the campaign Sinani and Guay have reached out to two researchers, Dr. Kammen and Mr. Buckheit, to bring their credibility to bear in technical discussions. For help rallying broader public interest, especially in the US, organizers brought on board 350.org, an international climate action solidarity organization with a wide reach. 350.org has sent [action alerts](#) on the campaign to their thousands of members, and Guay forecasts that by escalating this sort of broad outreach, the coalition of US-based and Kosovar groups will rally the political force it needs to change the course of the State Department.

Action Strategy:

Economic Analysis

Crucial among the tactics employed by the international coalition fighting new coal in Kosovo has been to discredit the World Bank's analysis of the project costs. Following the release of the [KIPRD/Sierra Club study](#) and later the [UC Berkeley study](#) (both discussed above), Kosovar civil society organizations organized media coverage and meetings with political leaders to highlight the findings.

Media Outreach

Kosovar civil society organizations have effectively used investigative journalism and television documentaries to bring concerns about Kosovo C and the destructive legacy of coal in Kosovo to the general public. Several films have [helped tell the story](#), including one that was featured at Kosovo's international documentary film festival, [DOKUFEST](#), and ran on public television. In the US, organizers have leveraged stories and columns in the [New York Times](#), [Huffington Post](#) and a variety of climate-focused blogs such as [Grist](#) and [Climate Progress](#) to highlight the hypocrisy of the State Department's support for new coal in Kosovo.

Lobbying

Direct lobbying of members of the Kosovo Assembly is ramping up, with various stakeholders, including impacted farming communi-

ties and the energy labor union, stepping in to contact their respective representatives. US-based organizers [took their message](#) to the Treasury Department and are targeting Senators Kerry and Leahy, as well as Secretary Clinton. But Justin Guay admits that it's difficult to get Democratic legislators to contradict the Obama Administration during an election year.

Read on

[Affordable electricity for Kosovo? A review of World Bank Ground estimates for new lignite-fired plants in Kosovo](#), The Sierra Club and Kosovo Institute for Policy Research and Development, by Bruce Buckheit, October 2011

[Sustainable energy options for Kosovo: An analysis of resource availability and cost](#), Renewable and Appropriate Energy Laboratory, University of California, Berkeley, by Daniel Kammen, Maryam Mozafari and Daniel Prull, January 2012

[US on both sides of new battle over assistance to 'ugly' coal-fired power plant](#), *New York Times*, by Lisa Friedman, July 2011

[Updates and background information](#), Bank Information Center

Lessons

In the fight to change Kosovo's development trajectory, an international campaign has arisen that has the potential to shift the course of new energy projects across the developing world. The lessons from their campaign will resonate with campaigners in similar contexts around the world.

Make the most of international alliances

This campaign is a prime example of how international alliances can generate benefits on both ends of a partnership. NGOs from the tiny country of Kosovo are helping to shift the course of US and World Bank development policy by demonstrating that the developing world doesn't want to be saddled with more dirty coal. Meanwhile, international NGOs are providing expert technical analysis, media muscle and access to Washington DC decision makers.

Don't wait

When it comes to World Bank projects, campaigners advise that you can't let a project get to a final decision at the World Bank Board of Directors. Justin Guay admits that they waited too late in getting involved to stop the recently funded 4,800 MW coal fired power plant in South Africa. And they lost. They've started early this

time and hope to turn the tide before the Board ever gets to vote. Given the US government's outsize influence over this World Bank decision, campaigners recognize the importance of rallying opposition within the US, and the urgency of eroding US support before a final vote on the project.

Build from the base

The campaign in Kosovo has picked up steam as farmers and rural landowners who are bearing the brunt of coal development have been given a voice by civil society organizations. These communities had largely been shut out of the official discourse until recently when campaigners brought them in front of film cameras and asked them to tell their story. Nazir Sinani says that it has meant a lot to these people to be given a chance to speak up, and that people living their whole lives on the edge of strip mines and pollution-spewing power plants suddenly "feel strengthened knowing that there is a movement behind them."

Likewise, international campaigners are strengthened by the voices of opposition from within Kosovo.

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