

Press release

Three years in, China is falling short of its overseas coal ban pledge

HELSINKI / BEIJING, 15 October 2024 - In September 2021, Chinese President Xi Jinping pledged at the United Nations General Assembly (UNGA) that China would halt the building of new coal fired power plants abroad whilst increasing support for green and low-carbon energy infrastructure in developing countries. However, according to the third annual review of China's overseas coal ban from the [Centre for Research on Energy and Clean Air](#) and People of Asia for Climate Solutions (PACS), the amount of coal capacity that was cancelled in 2024 has fallen significantly to 5.6 gigawatts (GW), from the 15.9 GW between 2022 and 2023.

In addition to cancellations of China's overseas projects slowing down, since the publication of CREA's [2023 report](#), 7.9 GW of China-backed coal plant capacity has become operational, bringing the total operational capacity to 26.2 GW, up from 18.3 GW in 2023 and 9.2 GW in 2022. The findings indicate that whilst China has shown progress, the country still faces significant challenges in meeting its pledge.

Over the three years following the pledge, a total of 42.8 GW of projects have been cancelled, resulting in a total avoided 4.5 billion tonnes of cumulative lifetime carbon emissions. Yet, 52 power plants remain in the permitted, pre-permit, and construction phases, representing a total additional capacity of 49.5 GW. According to CREA's analysis, cancelling these plants could prevent 202.5 million tonnes of carbon dioxide (CO₂) emissions annually, totalling an estimated 5.1 billion tonnes by 2050.

The last year has seen an additional 3.4 GW from previously unannounced overseas power projects advanced directly into the construction phase and 4.9 GW into the pre-permit phase. At least three of these proposed projects are for coal power generation — 1.5 GW in Kyrgyzstan, Zambia and Zimbabwe — in direct violation of the 2021 pledge. Additionally, 700 MW of China-backed coal capacity that had been shelved in the past has been pushed forward or revived in the last year.

Our analysis found that there are 26.2 GW in China-backed coal plants currently in operation around the world, the majority in Indonesia (9.1 GW), Vietnam (3.8 GW), Pakistan (3.3 GW), and Bangladesh (3.0 GW). It's also important to note that all coal-fired power plants financed by China and recorded as operating in 2023 have continued their operations into 2024.

When faced with the termination of Chinese financing, some host countries have opted to either proceed with the construction of the coal-fired power plants whilst seeking funds from other sources or adapting the construction plans for other fossil fuel sources such as fossil gas.

To address these barriers to meeting China's overseas coal ban, CREA proposes the following policy recommendations:

- Expand the overseas coal ban to include captive energy projects, which fall into a grey area of the ban whilst representing some of the largest continued expansions of coal power.
- Financiers of overseas projects should shift their focus towards financing renewable energy projects, such as solar, wind, and hydroelectric power.
- Host countries should prioritise and clearly signal their desire to transition towards more sustainable energy solutions, thereby attracting greater investment in this area.
- China should provide technical and financial support for the development of transition strategies in host countries to avoid the possibility of those countries proceeding with coal projects even without Chinese investment.
- Host countries should avoid transitioning from coal to gas, which would only delay the shift to truly sustainable energy sources.
- Financiers should establish transparent reporting mechanisms and public disclosure requirements for all overseas energy projects to allow all stakeholders to monitor the status.

'Although China's cancellations of overseas coal projects have tapered off in 2024, China's role in the global energy transition remains pivotal. By prioritising renewable energy investments, providing support for energy transition strategies, and enhancing transparency and accountability, China can meet its pledge to ban all new coal plants whilst supporting sustainable development in host countries,' said CREA Southeast Asia Analyst and lead author, Daniel Nesan.

'Whilst it falls on China to ensure it meets its coal ban pledge, host countries for China-financed coal projects such as Indonesia should clearly signal their intention and commitment to transition towards renewables as a means to address long-term energy security concerns. In doing so, they can attract greater investment in renewable energy infrastructure, positioning themselves for sustainable economic growth whilst contributing to global climate goals, at the same time avoiding the risks of being locked into another fossil fuel dependency,' said CREA Indonesia Analyst, Katherine Hasan.

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Notes to editors

The report related to this press release can be found [here](#).

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About CREA

The Centre for Research on Energy and Clean Air (CREA) is an independent research organisation focused on revealing the trends, causes, and health impacts, as well as the solutions, to air pollution. CREA was founded in December 2019 in Helsinki and has staff in several Asian and European countries. The organisation's work is funded through philanthropic grants and revenue from commissioned research.

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About the methodology

In this report, only the Scope 1 direct CO₂ emissions associated with coal combustion for power generation were estimated. For each coal plant unit, carbon dioxide emissions were calculated using a modified version of the [Global Energy Monitor \(GEM\)](#) methodology.

The full methodology can be found in the report.