



China's Pledge to Stop Building Coal Plants Abroad Welcomed!

[China has spent billions of dollars building coal power plants in at least 152 countries over the past decade; the decision to stop building coal plants abroad marks a significant shift for one of the biggest supporters of coal.](#)

Nairobi, 23 September 2021 – President Xi Jinping of China announced on Tuesday, 21 September, to the United Nations General Assembly, that China would stop building coal power plants overseas. This pledge puts to death any plans to revive discussions around the proposed coal power plant in Lamu, Kenya.

The deCOALonize Campaign received the news with great excitement. "The coal industry all over the world is collapsing. All the pillars that used to hold it together have long decayed, and no country or investors anywhere in the world will be spared the BIG collapse. This move will spare the country the huge losses it would have faced in coal businesses abroad in the form of stranded assets.", said Prince Papa, the deCOALonize Campaign Board Chair.

The main campaign of DeCOALonize has centered on advocating against the Lamu coal power plant. The 1,050MW Lamu coal plant was expected to be the largest in East Africa and first in Kenya.

In June 2019, the National Environment Tribunal (NET) in Kenya issued a judgment cancelling the Environmental Impact Assessment (EIA) license of the proposed Lamu coal plant. While the Project proponents, Amu Power, had appealed the judgement, this decision by the Chinese government snuffs out any lingering hope that the project would be revived.

Amongst other roadblocks faced by the Lamu coal power plant, this decision by China will make the project even more improbable considering that the Industrial and Commercial Bank of China (ICBC), which the Chinese Government holds over 34% shares, was expected to be the largest financier. ICBC was to provide around \$900 million of export credit financing as lead bank. Last year in November the ICBC was reported to have dropped out of the project citing environmental and social risks.

We see this pledge as acknowledging that governments around the world can no longer ignore the realities of climate change and must now think about sustainability. There's no question that coal combustion is one of the biggest drivers of climate change and that divestment to renewable energy is necessary now, more than ever.

"Our voices have always been dimmed in the face of the loud support from governments and investors towards the Lamu coal power plant and coal in general. To see government and investors now echo our voices makes the many years struggle worthwhile" Samia Omar Bwana, Co-founder deCOALonize.

As a grassroots movement, deCOALonize is grateful that this pledge is in tandem with the Constitution of Kenya and will guarantee the communities in Lamu and Kitui their right to a clean and healthy environment as envisioned in Article 42.

In the same breath, the hope is that, as China focuses its overseas funding on renewable energy, it will be a just transition – meaning the shift should also include a change in the way of doing business. It should not be lost on us that China is still keen on financing other fossil fuels projects abroad, including the proposed East African Crude Oil Pipeline in Uganda/Tanzania, a project that renowned researchers are questioning its economic and environmental viability.

"The decision by China to move away from building coal plants abroad is most welcome. It is now apparent that fossil fuel projects are unmarketable. We're seeing governments like the US and China, as well as Multilateral Development Banks, moving away from carbon-intensive projects. This is a good time as any to push financiers to move away from the controversial East Africa Crude Oil Pipeline (EACOP) and move to a just renewable energy pathway. This is the time!" said Omar Elmawi, the coordinator of deCOALonize and #StopEACOP campaigns.

Indeed, the news gives environmental activists great relief, especially Center for Human Rights and Civic Education (CHRCE), Save Lamu, Natural Justice, Friends of Lake Turkana, Interreligious Council of Kenya (IRCK) and other members of the deCOALonize movement who have been lobbying for divestment to renewable energy.

This echoes the UN Secretary-General, Antonio Guterres' statement that accelerating the global phaseout of coal is the single most crucial step in realizing the 2015 Paris Accord.

Going forward, the expectation is that this pledge will translate into policy, thereby making it easy to anchor it in law, and that other global top emitters, including the US, Europe, and India, will take practical steps to decarbonize their economies.

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