

In climate landmark, China promises to end coal funding overseas

September 21 2021, by Shaun Tandon With Issam Ahmed In Washington



The Celukan Bawang 2 power plant funded by China on Indonesia's resort island of Bali is seen in 2020.

China will stop funding coal projects overseas, President Xi Jinping announced Tuesday, all but ending the flow of public aid for the dirty

energy contributing to the climate crisis.

Xi made his announcement at the UN General Assembly where US President Joe Biden, seeking to show leadership in a growing competition with China, promised to double Washington's contribution to countries hardest hit by [climate change](#).

China is still investing in coal, reducing the impact of Xi's commitment, but it is by far the largest funder of coal projects in developing countries such as Indonesia, Vietnam and Bangladesh as it goes on a global infrastructure-building blitz with its Belt and Road Initiative.

Xi vowed to accelerate efforts for China, the world's largest emitter, to go [carbon neutral](#) by 2060.

"This requires tremendous hard work and we will make every effort to meet these goals," Xi said in a recorded address.

"China will step up support for other developing countries in developing green and low carbon energy and will not build new coal-fired power projects abroad," he said.

China's announcement follows similar moves by South Korea and Japan, the only other nations that offered significant funds for coal projects.



Chinese President Xi Jinping virtually addresses the UN General Assembly.

The climate advocacy movement 350.org called Xi's announcement "huge," saying it could be a "real game-changer" depending on when it takes effect.

Helen Mountford, vice president for climate and economics at the World Resources Institute, said it was "a historic turning point away from the world's dirtiest fossil fuel."

"China's pledge shows that the firehose of international public financing for coal is being turned off," she said.

But she said that private investors needed to make similar commitments. And she noted that China itself is still stepping up coal, an industry with political clout in the Asian power as well as the United States.

On a visit to China earlier this month, US climate envoy John Kerry said the addition of more coal plants "represents a significant challenge to the efforts of the world to deal with the [climate crisis](#)."

China brought 38.4 gigawatts of new coal-fired power into operation last year—more than three times what was brought on line globally.

Non-governmental groups in a letter earlier this year said the state-run Bank of China was the largest single financier of coal projects, pumping \$35 billion since the Paris climate agreement was signed in 2015.



Smoke belches from a coal-fueled power station near Datong, in China's northern Shanxi province, in 2015.

Biden promises more aid

China's promise comes as momentum builds ahead of a UN conference in November in Glasgow which aims to raise the ambitions of the Paris accord.

Support for action has been growing with the planet breaking record after record on [high temperatures](#) and witnessing devastating [severe weather](#) linked to climate change including fires, severe storms and flooding.

One key section of the Paris accord that has lagged behind is mobilizing the \$100 billion a year promised for nations hardest hit by global warming.

Biden, who has put the environment high on his agenda after defeating his predecessor, climate change skeptic Donald Trump, said the United States will double its contribution.

"This will make the United States a leader in public climate finance," Biden said.

Experts said that the announcement would take the American contribution to approximately \$11.4 billion annually.



US President Joe Biden addresses the UN General Assembly.

British lawmaker Alok Sharma, who will preside over the so-called COP26 conference in Glasgow, hailed Biden's announcement and said: "We must build on this momentum."

Currently, two-thirds of the funding is for mitigation—reducing climate change—rather than adjusting to current and expected future changes, such as sea-level encroachment, more intense extreme weather events or food insecurity.

In another climate announcement at the General Assembly, President Recep Tayyip Erdogan said Turkey would formally ratify the Paris

agreement, which it earlier had only signed.

The developments amount to rare pieces of good news on the climate front following a slew of high-level scientific reports painting a bleak future picture, as the world's top polluters continue to spew greenhouse gases at alarming rates.

UN Secretary-General Antonio Guterres said he was "encouraged" by the "important" US and Chinese announcements but warned that far more needed to be done to address climate change.

Last week Guterres warned the world was on a "catastrophic" path to 2.7 degrees Celsius heating according to a new study by UN scientists.

The figure would shatter the temperature targets of the Paris [climate](#) agreement, which aimed for warming well below 2C and preferably capped at 1.5C above pre-industrial levels.

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