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This note is part of a full report providing detailed analysis of the collapse of the global coal pipeline, available at [www.e3g.org/NoNewCoal](http://www.e3g.org/NoNewCoal)

## NON-OECD: COUNTRIES MOVING AWAY FROM NEW COAL

### Headlines

- > The pipeline of proposed coal power plants in non-OECD countries (excluding China) has contracted by **77%** since 2015.
- > 552GW of coal power projects were cancelled over this period, compared to 105GW which went into operation; a ratio of 5.3:1.
- > 27 non-OECD countries that had previously considered new coal power generation no longer have any projects in the pipeline.
- > The 189GW of projects remaining as of July 2021 is heavily concentrated, with 80% located in just nine countries.
- > South-East Asia (42%), South Asia (32%) and Sub-Saharan Africa (13%) collectively account for 87% of the non-OECD pipeline.

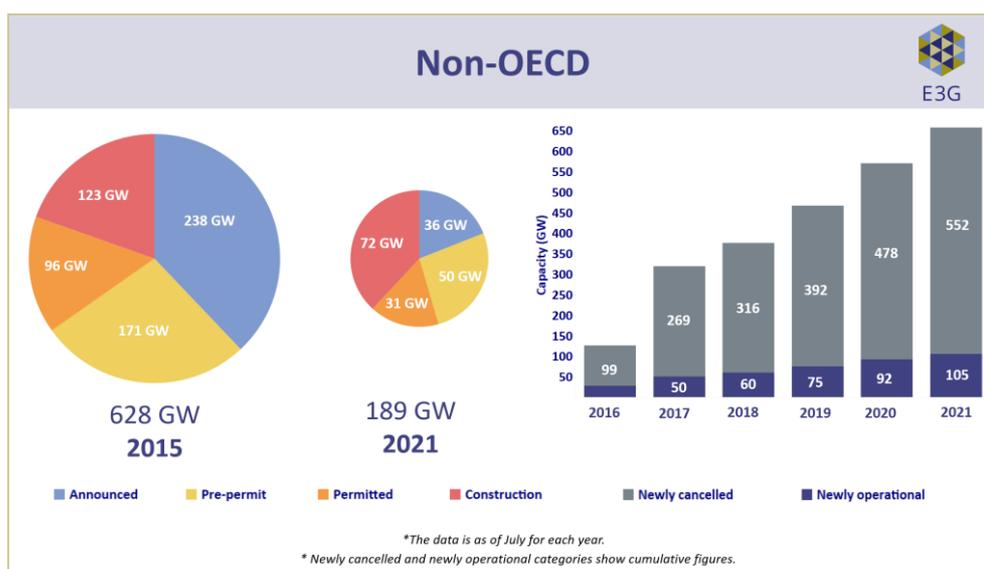


Figure 1: Reduction in size of the non-OECD coal project pipeline (left) and year-on-year tracking of projects that were cancelled or newly operational (right).



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Outside the OECD & EU and China, the dominant dynamic sees the once-large coal pipeline rapidly shrinking as countries pivot from coal to other energy sources. Overall, this group has seen 552GW of cancellations, compared to only 105GW of newly operational capacity – a ratio of 5.3:1. This amounts to a 77% decline in the size of the project pipeline since 2015. 117GW remains in the pre-construction pipeline, in addition to 72GW currently under construction.

Since 2015, **27 non-OECD countries** have ended the development of new coal power generation through project cancellations and / or policy commitments, totalling at least 58GW of capacity.

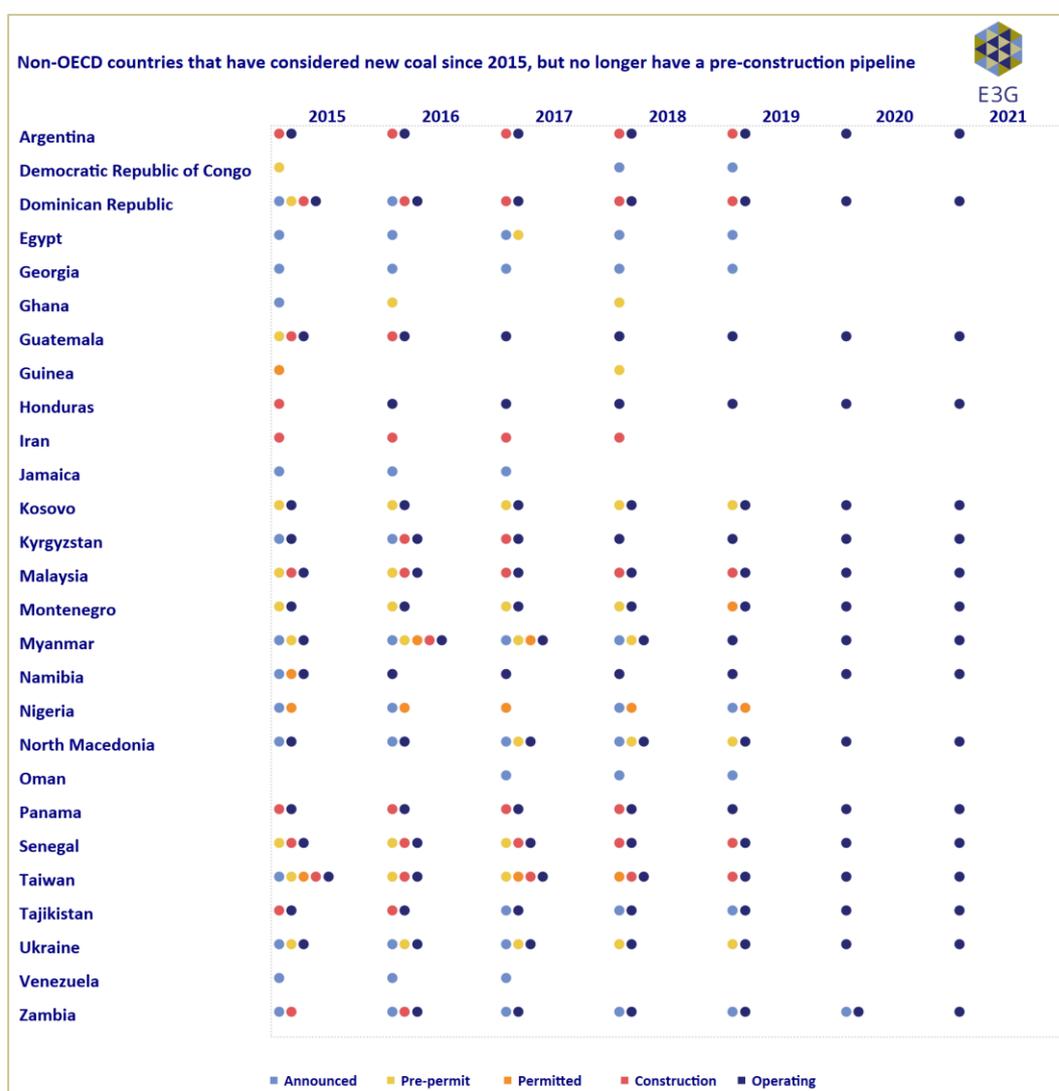


Figure 2: Non-OECD countries that have considered new coal since Paris, but no longer have a pre-construction pipeline as of July 2021.



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This shift away from coal is also starting to be reflected in political commitments and governments' national policies and Nationally Determined Contribution (NDC) submissions. By recognising that coal is a bad bet for economic growth (in addition to its detrimental impact on climate), these countries are positioning themselves positively for the growing demand for coal-free electricity across global supply chains.

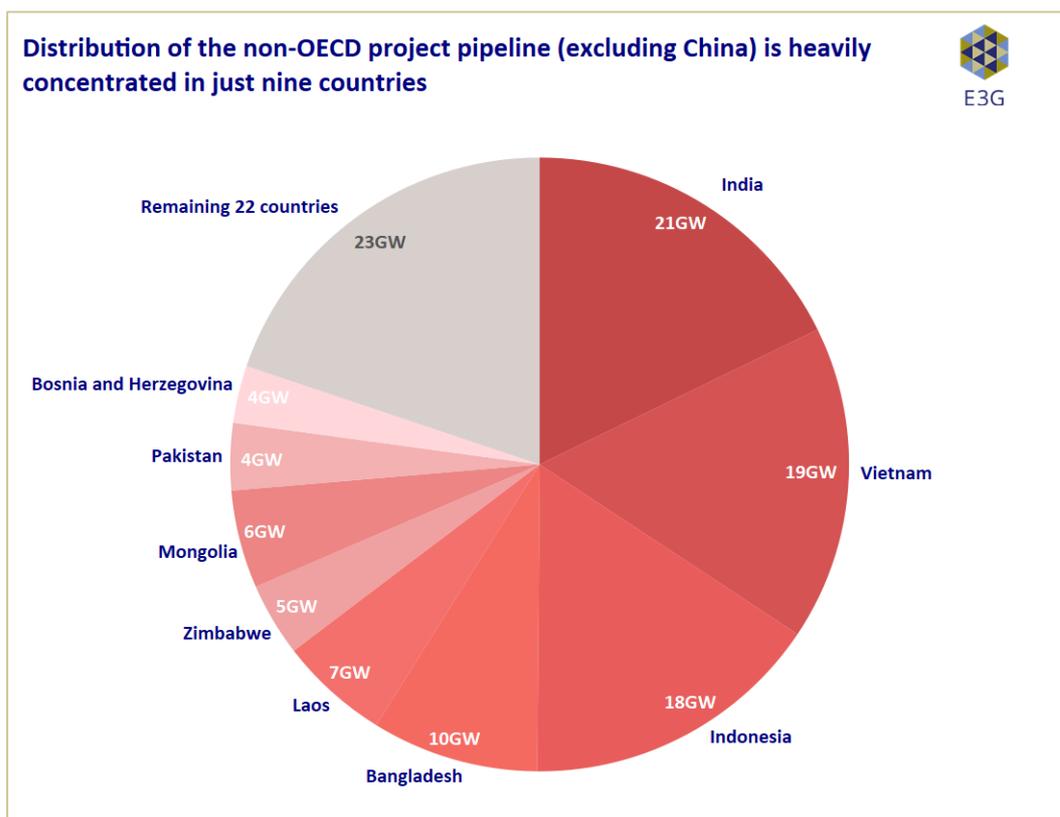


Figure 3: Distribution of the non-OECD project pipeline (excluding China) is heavily concentrated in just nine countries.

The remaining pipeline in the non-OECD is heavily concentrated. Figure 3 shows the distribution of the non-OECD pre-construction pipeline, highlighting that **80%** of the non-OECD pre-construction pipeline is now located in just **nine** countries (India, Viet Nam, Indonesia, Bangladesh, Laos, Mongolia, Zimbabwe, Pakistan, Bosnia & Herzegovina). Four of these governments, collectively accounting for nearly 45% of the non-OECD pipeline (Bangladesh, Pakistan, Indonesia, and Viet Nam), have recently indicated restrictions on new coal construction, which are in the process of being further clarified and translated into policy. We discuss these developments and the implications for the remainder of the global coal pipeline further below.



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The remaining **20%** is spread across small projects in **22 countries**. The international community has a particularly important role to play in supporting these countries in moving away from coal, through provision of public (and private) clean energy finance; support to develop flexible grid infrastructure; and technical and capacity assistance to bolster regulatory and policy frameworks that encourage a transition from coal-to-clean. COP26 will be a key moment to show this support is available for countries that are willing to take this next step.

Collectively, **South-East Asia, South Asia, and Sub-Saharan Africa** account for 87% of the total pipeline capacity in non-OECD countries outside China. These regions include 23 countries out of the 31 non-OECD countries that still have a pre-construction pipeline. The following sections provide a detailed assessment of coal pipeline dynamics within these three regions. We first look at the rest of the non-OECD.

## Non-OECD progress

### Leaders

Beyond the three regions covered in detail below, 20 non-OECD countries<sup>1</sup> have pivoted away from the pursuit of new coal power generation since 2015 and have no remaining projects in the pipeline or under construction.

**Egypt** had a pipeline of over 15.3GW of proposed new capacity in 2017 but has since cancelled all of this in a full pivot away from new coal power. This included the cancellation of plans for what would have been the **second-largest coal-fired power station on the planet** – the 6.6GW **Hamrawein** project. Instead, its cancellation leaves Egypt fully coal-free. As host of COP27 in 2022, Egypt can advocate for other countries to commit to no new coal, speaking from the strong foundation of its own experience.

By joining the PCCA **in 2021, North Macedonia and Montenegro** confirmed that their aging coal power plants would not be replaced by new coal power, setting an example to neighbours in the Balkans that are currently still pursuing new coal power projects.

### Movers

Eight non-OECD countries outside South-East Asia, South Asia and Sub-Saharan Africa are still planning to construct new coal projects: Bosnia and Herzegovina, Brazil, Djibouti, Mongolia, Morocco, Russia, Serbia and Uzbekistan (Figure 4).

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<sup>1</sup> Argentina, Belarus, Dominican Republic, Egypt, Georgia, Guatemala, Honduras, Iran, Jamaica, Kosovo, Kyrgyzstan, Montenegro, North Macedonia, North Korea, Oman, Panama, Taiwan, Tajikistan, Ukraine and Venezuela.



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These eight account for a combined 15GW of capacity in the pre-construction pipeline, which is 5% of the global total, or 13% of the non-OECD total (excluding China), however some of the group are beginning to show signs of pivoting away from coal.

**Morocco** has a strong track record on renewable energy, however the announcement of a new **350MW** coal project in 2019 undermines the country's **progressive** climate credentials. Cancelling this project would reduce the **risk** of any potential EU CBAM, given Morocco's existing coal-fired electricity **exports** to Europe.

**Russia** has a substantial but ageing operating fleet of over 43GW, however only two new projects are currently proposed, leaving Russia with a small pipeline of 1.7GW. By committing to no new coal Russia can position itself for the phase out of its existing coal generation.

#### **Laggards**

In the Balkans, **Bosnia and Herzegovina**, which has a pipeline of 2.4GW, and **Serbia** (1.3GW) are pushing ahead with pipeline projects, both with the support of Chinese finance. This is in spite of considerable **financial challenges**, the need for alignment with EU pollution standards, the prospect of future carbon prices, and the implications of any future carbon border adjustment mechanism **in the European Union**.

**Brazil** is at risk of further defying the global trend in continuing to pursue coal while its peers and neighbours move towards a coal exit. An **announcement** from the Brazilian Government in August 2021 indicates that it is seeking to extend coal use over the coming decades out to 2050. Yet proposed new coal projects have failed to secure contracts in electricity sector auctions **since 2014**, highlighting the lack of an economic case for coal expansion.

The three projects proposed in Brazil sit alongside two in Colombia and one in Mexico as the last in the pipeline for the whole of the Americas. All of them are located in coal-producing regions where industry interests are seeking to prolong coal extraction. Governments in each country have a critical role to play in enabling a Just Transition through economic diversification and support to workers and communities. Action from these three governments would position the whole of the Americas for the transition out of coal power generation.

**Mongolia** now has the eighth largest coal pipeline (6GW) in the world; however, most projects are still in the earlier stages, with 93% (5.58GW) not even at pre-permitted status. A declining pipeline since 2017 is backed up by Mongolia having a relatively high rate of cancellations, with 5.7GW being cancelled for every 1GW going into operation. Meanwhile, there are suggestions the



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Government has recognised the global shift away from coal power, and intends to diversifying the economy away from coal production because of **declining demand**. Mongolia should now apply this logic domestically, and reap the **socio-economic benefits** of cancelling its large remaining coal pipeline.

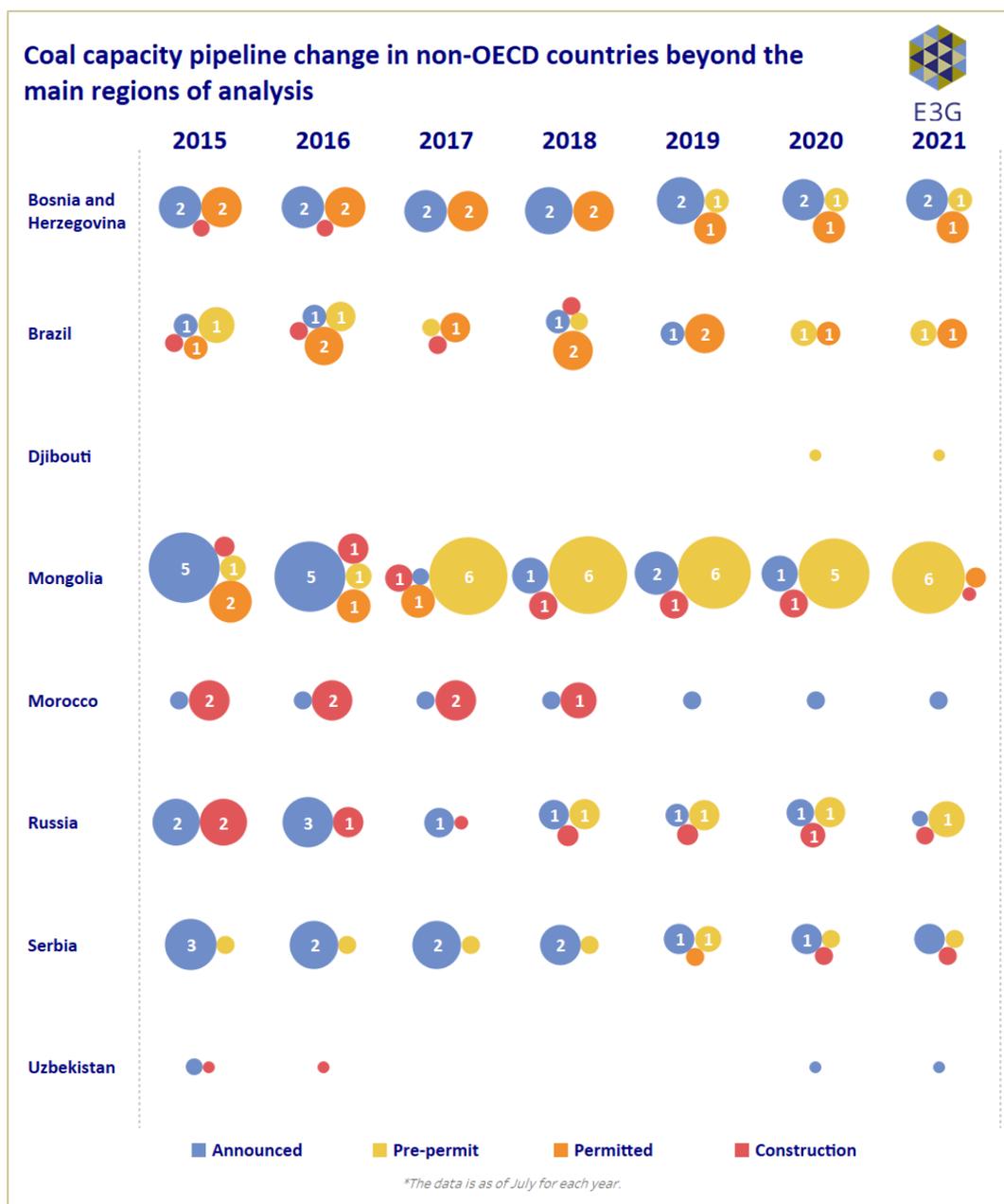


Figure 4: Coal capacity pipeline change in non-OECD countries beyond the main regions of analysis (South-East Asia, South Asia, Sub-Saharan Africa and China).