

Powering Past Coal Alliance's Inputs for the Belém Mission to 1.5

1. What action areas and solutions have the highest impact potential to support the submission, ambition and implementation of NDCs and NAPs.

a. Priority solutions and innovations across policies, technologies, practices and investments

Currently, coal is the largest source of power generation globally. In 2025, it accounted for 34% of the global electricity generation and at the same time, was responsible for approximately 70% of power sector emissions, reflecting its position as the most carbon-intensive fuel. **The IPCC has been clear that limiting global warming to 2°C or below requires the cancellation of new coal power plants and the retirement of existing coal power plants 10 to 25 years earlier than the historical average¹. If the existing coal power fleet continues to operate as planned, it will emit more than twice the remaining carbon budget for 1.5°C². Addressing the barriers that lock in coal use is therefore one of the highest-impact opportunities for keeping 1.5°C within reach.**

At the same time, there are many existing real-world solutions for coal-to-clean transitions that have already been implemented.

A critical near-term opportunity exists to end the development of new coal power. While there are many obstacles to phasing out existing coal power plants, the barriers to not building new coal plants are significantly lower, as cleaner alternatives are now almost always more economical, easier to finance and reduce air pollution. The global pipeline of planned coal-fired power plant projects has collapsed by 65%, and 74% when excluding China, in the decade following the ratification of the Paris agreement and is now increasingly concentrated in just a few countries. 96% of proposed new coal plants are concentrated in 11 countries: China, India, Indonesia, Zimbabwe, Russia, Kazakhstan, Bangladesh, Laos, Mongolia, the Philippines and Pakistan. There is, therefore, a significant near-term opportunity to support these countries in identifying cleaner alternatives that can meet growing electricity needs.

Another immediate priority is **to support the 27 countries that have set out plans to transition away from coal in their latest Nationally Determined Contributions (NDCs)³**. The support should focus on working with countries to move from high-level NDC commitments to credible implementation pathways, including clear policy signals and domestically driven transition plans. The Powering Past Coal Alliance (PPCA) and the Coal Transition Commission (CTC) plan to provide this support through PPCA-country partnerships, which it aims to launch at COP31. A concrete, tangible action that partners can take between now and COP31 is to work with the PPCA to operationalise, fund and leverage partnerships supporting implementation of coal commitments in NDCs. This work

¹ Intergovernmental Panel on Climate Change (2022), Energy Systems, *Climate Change 2022: Mitigation of Climate Change*

² IEA (2022), *Coal in Net Zero Transitions*, IEA, Paris <https://www.iea.org/reports/coal-in-net-zero-transitions>, That's how fast the Carbon Clock is ticking, Potsdam Institute for Climate Impact Research, <https://www.pik-potsdam.de/en/institute/departments/climate-economics-and-policy/carbon-clock>

³ Closing in on No New Coal, E3G, <https://www.e3g.org/publications/closing-in-on-no-new-coal-the-final-push/>

builds on the [Plan to Accelerate Solutions on Coal Transitions](#), which laid out three concrete, actionable key levers and a series of sub-actions for each to speed up the shift from coal to clean power. The three levers are:

- Supporting governments to develop and implement strong enabling policies informed by their national circumstances;
- Scaling finance for the just coal-to-clean transition;
- Accelerating project pipeline development.

b. Finance, technology, capacity building, and institutional opportunities

The IEA estimates that \$60 billion a year is needed through 2030 to retire and repurpose coal capacity in EMDEs outside China, against a backdrop of high interest rates and constrained public budgets. Innovative work is underway to crowd in more private finance for coal transition. Finance is available to support coal transitions, although not yet at the scale required for a 1.5°C aligned pathway. Significant public financing support for coal transition is available, including \$1.6 billion through the Climate Investment Funds Accelerating Coal Transition investment programme. Several international banks, including HSBC, Standard Chartered, SMBC, Mizuho, DBS, UOB and OCBC, have also publicly stated that they are interested in supporting the early retirement of coal power. High-integrity coal transition credits schemes are being developed by the Monetary Authority of Singapore's Traction initiative and the Rockefeller Foundation's Coal to Clean Credit Initiative (CCCI).

The main financing gap we are seeing is early-stage financing, which PPCA's new coal transition partnership – planned launch at COP31 - is looking to address.

The PPCA partnerships would work with governments to turn an initial interest in coal transition into a robust, cross-government coal transition strategy backed by the necessary investment, peer learning and technical assistance. Working with existing platforms like the Coal Asset Transition Accelerator, the Southeast Asia Energy Transition Partnership, and the Energy Transition Council to provide channels for technical assistance and peer learning that could be connected more systematically to NDC/NAP implementation support.

c. Most significant barriers

The key barriers countries faced in their coal-to-clean transitions are community and regional dependence on coal, maintaining energy security, access and affordability in the face of rising energy demand, and difficulties retiring very young coal power plants.

- Community and regional economic dependence on coal

Coal mining and coal-fired power generation are central to the economies and livelihoods of many regions, particularly in EMDEs. Workers, communities, and local governments often depend on coal for jobs, tax revenues, and economic stability. Without targeted support, phasing out coal risks negatively impacting these communities, leading to unemployment, economic hardship, and social unrest. The development of just energy transition plans and investments in clean energy solutions, informed by local consultations and close engagement with workers, unions, and communities, can help ensure the protection of the affected workers and communities.

- Maintaining energy security in the face of rising electricity demand

Some governments, especially those with rapidly growing electricity demand, view coal as essential for maintaining energy security and avoiding blackouts. In many EMDEs, grids are not yet modernised to handle high shares of variable renewables. Coal plants are seen as a necessary “insurance policy” to maintain reliability during the transition. Without adequate rapid scale-up of clean energy alternatives, storage and grid flexibility, it will not only be harder to retire coal plants but also to meet the increasing demand for flexible power due to the accelerated growth of electrification.

- Difficulties retiring very young coal power plants:

Many coal plants, particularly in Asia, are less than 15 years old and have decades of expected operational life. Retiring these plants early could result in stranded assets, financial losses for utilities and investors, and resistance from stakeholders. Long-term power purchase agreements (PPAs) and market structures also often protect coal plants from market competition, making it difficult to phase them out even when renewables become cheaper. The [CTC Report](#) highlights that these contractual and financial barriers create a “lock-in” effect, delaying the transition to cleaner alternatives. Finally, subsidies for coal may have been originally introduced for various reasons, including energy security and affordability, but they pass the costs of coal from governments or utilities to taxpayers and artificially shield coal power producers from competition with cheaper clean energy sources. Subsidy reform is an important step towards reflecting the true cost of coal in national balance sheets, but it brings political challenges.

2. What is required to further strengthen international cooperation to enhance ambition and enable the effective implementation of NDCs and NAPs?

There are three actions the COP30/31 Presidencies could prioritise this year: supporting countries that have already set coal transition commitments to access financial and technical support, supporting countries that have planned coal power plants to connect with partners looking to provide and finance cleaner alternatives, and working with partners to clarify that investing in coal transitions is a sensible use of climate finance, providing appropriate guardrails are in place.