

Plan to Accelerate Coal Transitions Solutions

Axis: 4. Building Resilience for Cities, Infrastructure and Water

Key objective: 4. Transitioning Away from Fossil Fuels in a just, orderly and equitable manner

Solution: [Accelerating Coal Transitions](#)

Host initiative: [Powering Past Coal Alliance](#)

Scope: [Accelerate the coal-to-clean transition in the power sector in a just and orderly fashion, in line with the Paris Agreement, by identifying and scaling up policy, planning and finance solutions. The plan centres on three key pillars: \(1\) supporting governments in developing and implementing strong enabling policies, \(2\) scaling up public and private finance for the transition, and \(3\) accelerating project pipeline development.](#)

- Geographic: Global
- Sectoral: Energy
- Other aspects:

Levers assessment: *(each lever is described in the guidance document)*

- **Risk-informed decision-making:** **Medium maturity**
 - *Rationale: The International Energy Agency (IEA)'s 'Accelerating Just Transitions for Coal Sector' and 'From Taking Stock to Taking Action' and CTC's 'Accelerating Coal-to-Clean Transitions' reports lay out global roadmaps highlighting key risks and opportunities. Many countries already have developed energy transition plans, but many others still need support to develop them, based on power system modelling and alignment with national policy priorities. Further, technology costs, fuel costs, and geopolitical factors have the potential to significantly impact power sector decisions and are not always systematically integrated into coal transition or power sector planning.*

Technology shifts: **High maturity**

- *Rationale: Alternatives to coal power generation, such as wind and solar power, are widely available, cost-effective and reliable. The main challenge is maintaining a secure and stable power supply through the transition, which requires both grid flexibility and expansion. While technologies that support grid expansion and clean energy integration and the replacement of non-energy grid services are also increasingly competitive, delivering them at the necessary scale and speed remains a key challenge.*
- **Knowledge & Capacity building:** **Low maturity**
 - *Rationale: Successful coal transitions require medium- to long-term energy system planning, consultation with affected communities, regulation to support the integration of renewables, securing financing, and new skills for system operators. As such, diverse decision-makers across the public and private sectors must come together to implement a successful coal transition, requiring significant coordination across disparate stakeholder groups. Many lessons learnt and solutions are available (e.g., CTC report on 'Accelerating Coal-to-Clean Transitions',*

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PPCA 2022 report). However, some of them are still nascent and untested and countries need more support to apply them in their own contexts.

- **Inclusive decision-making governance & design:** **Medium maturity**
 - *Rationale: The International Labour Organisation (ILO), IEA and others have developed principles for delivering just transitions through inclusive processes. There are many examples at the country level of inclusive planning for coal transitions. However, inclusive decision-making that involves local and vulnerable communities who may be directly impacted by the coal-to-clean transition remains difficult. Emerging economies face more significant challenges in transitioning their communities and workforce, and to overcome them, they need more technical and financial support.*
- **Standards & Taxonomies:** **Low maturity**
 - *Rationale: Most of the guidance that exists today is in the form of principles. For example, ILO and others have developed principles for delivering just transition, while the Glasgow Financial Alliance for Net Zero (GFANZ), RMI and others have developed guidance and suggested guardrails for financing a coal transition. However, countries still need help to adapt this high-level guidance into detailed national plans that reflect their contexts, priorities and challenges. Where standards are emerging (e.g., for transition credits, coal in sustainable finance taxonomies), there is a need for more harmonisation across approaches.*
- **Supply:** **Medium maturity**
 - *Rationale: Alternatives to coal power generation, such as wind and solar, are now widely available, affordable, and reliable. Yet maintaining a secure supply during the transition can be challenging, particularly in coal-dependent systems, and is further complicated by financing, contractual, and policy solutions that are still maturing or not fully applicable across all regions. Ensuring universal and affordable energy access throughout the transition will also be essential to maintaining social and political support.*
- **Demand:** **Low maturity**
 - *Rationale: While countries are increasingly signalling commitment to shifting from coal to renewables, rapidly rising energy demand in many regions poses a major challenge. Renewable deployment needs to accelerate significantly to meet growing demand and avoid locking in new coal capacity. At the same time, contract structures, offtake arrangements, and limited grid readiness continue to slow the pace of clean energy expansion.*
- **Public/private finance:** **Medium maturity**
 - *Rationale: Facilities like CIF's ACT Fund and ADB's ETM provide concessional finance for coal-to-clean projects and private sector actors have also signalled interest to support coal-to-clean transitions. However, all analyses suggest that the available finance falls far short of what is needed and there remains a significant disconnect between the funds on offer and the limited pipeline of ready-to-deploy projects.*

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- **Partnerships and collaboration:** High maturity
 - *Rationale:* A large number of effective initiatives exist in this space, including PPCA, Energy Transition Partnership, Energy Transition Council, JETPs, Climate Investment Fund Accelerate Coal Transition, Asian Development Bank Energy Transition Mechanism, Traction, Coal Asset Transition Accelerator, World Economic Forum, Clean Energy Bridge, and Coal-to-Clean Credit Initiative. Each has produced valuable learnings but better coordination between initiatives and the stakeholders they engage with could improve impact and reduce duplication.
 - **Policy & regulatory:** Medium maturity
 - *Rationale:* Countries further along in their coal transition journeys have built strong policy and regulatory frameworks. Their lessons are well documented but other countries need more support to adapt and implement these frameworks in their own contexts, where they often have younger plants and more informal employment.
 - **Public opinion:** Medium maturity
 - *Rationale:* Over a third of the world's governments have made clear commitments to phase out unabated coal and many more are actively planning for the transition. However, there is more work to be done to communicate and address concerns about the potential impact of the transition on energy security, economic growth and coal-dependent communities. At the same time, there is a risk of backtracking in some contexts, where shifting political priorities or short-term energy pressures may slow or reverse progress. Strengthening government leadership is essential to generate momentum and develop a pipeline of projects. This includes encouraging energy regulators, ministries, and system operators to engage more actively and consistently in planning and implementation efforts.
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Expected impact of this plan on the 2030 targets (if any):

By 2028, this plan aims to unlock measurable progress through three main pathways:

1. Supporting governments to develop and implement strong enabling policies and plans informed by their national circumstances:

Solutions will be identified and advanced that enable a just, secure and orderly transition from coal to clean power systems, delivering economic, social, and health benefits for affected communities. This includes power sector and just transition plans, policies committing to no new coal, including addressing planned but not yet built assets, phasing out of existing coal, and measures that strengthen energy security through the build-out of clean alternatives, grid modernisation and flexibility. Financial and technical support will be mobilised so that governments can adapt existing solutions and best practices to their circumstances and implement them. This will provide the certainty needed to attract investment and enable the development of solutions for affected communities.

2. Scaling finance for the just coal-to-clean transition:

The plan will increase finance for the transition by building confidence that investing in coal-to-clean transitions is an effective use of resources that delivers real impact when appropriate guardrails are in place. It will support the effective deployment of resources by strengthening coordination among governments, public and private financial institutions and international initiatives with a view to ensuring that financing is clearly mapped to development outcomes, avoiding duplication and encouraging streamlined reporting; and encouraging the exploration of innovative financial mechanisms which can be leveraged as tools to share risks and cover the costs of coal-to-clean transitions. The plan will also support the development of a clearer understanding of the costs of supporting impacted workers and communities through the transition and the mechanisms that can be used to ensure these costs are covered.

3. Accelerating project pipeline development:

This plan will support the development of coal transition projects by strengthening the coordination across governments, utilities and other power sector stakeholders, international organisations, initiatives, civil society and the private sector. This will include developing technical understanding and practical experience of deploying different policy and financial levers to ensure energy security and affordability while preventing the buildout of new coal and rapidly increasing emissions from existing coal power plants, focusing on the early retirement and replacement with clean energy, and, in cases where it supports a broader transition to clean energy, repurposing for flexibility.

Expected contributions to global processes:

- Global Stocktake (GST): Advances GST commitments to accelerate the transition away from fossil fuels and accelerate efforts to phase down unabated coal power, as part of a wider recognition of the need for 1.5°C aligned deep, rapid and sustained reductions. These efforts also help unlock further action on scaling up renewables, improving energy efficiency, and mobilising finance for a coal-to-clean transition, calling on Parties to contribute in line with the Paris Agreement and national circumstances.*

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- *2030 Climate Solutions targets: Supports scaling up renewables and mobilising finance for a just coal-to-clean transition, in line with global pledges such as the COP28 Global Renewables and Energy Efficiency Pledge, which calls for accelerated renewable deployment, rapid improvements in energy efficiency, an end to investment in new unabated coal-fired plants and a phase-down of unabated coal power.*
- *SDGs: Contributes directly to SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action) and SDG 17 (Partnerships for the Goals).*
- *Paris Agreement commitments: Contributes to hold the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.”*

Expected outcomes:

- *Global emissions from coal power peak before 2027 and start to follow a downward trajectory in line with the International Energy Agency (IEA) Net Zero by 2050 scenario.*
- *No further unabated coal plants are built.*
- *Retirements of coal capacity and replacement accelerate from the current rate of less than 25GW per year to at least 100GW per year, as required by the IEA for a 1.5°C-aligned pathway.*
- *Enhanced support from a variety of sources available to LMICs to meet new energy needs from clean energy sources and to plan for an equitable, affordable, and reliable coal-to-clean transition.*
- *New and clear commitments to no new coal and phase-out timelines that facilitate investment in the transition and normalise a transition from a coal to clean power system as an achievable goal.*
- *By 2028, coal phase-out delivers measurable reductions in pollution-related mortality, morbidity, and healthcare costs.*

Outputs and Actions

Output 1: Supporting governments to develop and implement strong enabling policies:

Action	Type of action	Implementation Lever	Proposed Time horizon	Stakeholder engagement

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Support a number of countries in developing a comprehensive just coal transition roadmaps. This could include re-evaluating planned coal plants against national priorities, scoping communities' needs and developing strategies for securing financing for alternatives, and for grid modernisation.	Existing Action	Risk-informed decision-making; Policy & regulatory frameworks; Public/private finance; Supply	Ongoing	National governments; Regulators & public agencies; Utilities & system providers; MDBs and investors; Academic and technical institutions
Public-facing communications to disseminate best practices and lessons learned, and build public support for the transition (e.g. including an online platform, e.g., a Granary of Solutions)	New Action	Knowledge & Capacity Building; Digital Public Information	Nov 2025	Governments, civil society, multiple stakeholders' platform
Diplomatic engagement to support the dissemination of best practise and lessons learnt.	Existing Action	Inclusive Decision-making, Governance & Design; Knowledge & Capacity building	Ongoing	National governments
Connect EMDE policy makers with technical assistance providers to support them in identifying obstacles, priority interventions, and available support	Existing Action	Knowledge & Capacity Building; Policy & Regulatory; Partnerships & Collaboration	Ongoing	National governments; regulators & public agencies; utilities & system providers; MDBs; academic and technical institutions
Increase the institutional capacity of EMDE governments to plan and implement coal transition strategies by establishing dedicated resources to fund training for energy officials, secondments, peer-to-peer learning, study tours or workshops.	New Action	Knowledge & Capacity Building; Inclusive Decision-making, Governance & Design	2027	National governments; regulators & public agencies; academic and technical institutions; service providers; philanthropy

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Advance regulatory approaches that reflect the true economic, social and health costs of coal and support the deployment and integration of clean energy, including enabling regulation to support renewables and grid flexibility, emissions performance standards, carbon pricing mechanisms, and the removal of coal subsidies.	New Action	Risk-informed decision-making; Policy & regulatory frameworks; Public/private finance; Public opinion	2026	National governments; Regulators & public agencies; Civil society,
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Output 2: Scaling finance for the just coal-to-clean transition:

Action	Type of action	Implementation Lever	Proposed Time horizon	Stakeholder engagement
Scale up finance and strategically use public finance to crowd in private finance, with a particular focus on ensuring resources are available for just transition and economic development.	Existing Action	Public/Private finance; partnerships and collaboration	Ongoing	MDBs; investors and private finance institutions; national governments
Mobilise new sources of finance for coal-to-clean transitions, such as Sovereign Wealth Funds, large energy users, institutional investors or national development banks.	New Action	Public/private finance; Partnerships and collaboration;	2027	National governments; Large companies; Investors and private finance institutions; MDBs; multi-stakeholder platforms

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Develop policy and regulatory frameworks that provide clear guidelines and more certainty about when and how private finance for coal transition will be considered transition finance.	New Action	Policy & Regulatory; Standards & Taxonomies	2026	National governments; regulators & public agencies; investors and private finance institutions
Develop innovative finance mechanisms that enable coal-to-clean transitions.	Existing Action	Public/Private Finance; Standards & Taxonomies	Ongoing	Investors and private finance institutions; MDBs; national governments

Output 3: Accelerating project pipeline development:

Action	Type of action	Implementation Lever	Proposed Time horizon	Stakeholder engagement
Develop a comprehensive body of knowledge on experiences to date of early retirement, repurposing of coal power plants and shifting from planned coal to clean projects, identifying suitable solutions and remaining gaps.	New Action	Knowledge & Capacity Building; Risk-informed Decision-making	2026	National governments; regulators & public agencies; academic and technical institutions
Pilot a range of coal-to-clean solutions and find ways to replicate as appropriate.	New Action	Public/Private Finance; Policy & Regulatory; Supply	2027	National governments; utilities & system providers; MDBs; investors and private finance institutions

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Encourage joint work to develop solutions for key barriers/gaps e.g., PPA renegotiation, supporting vertically integrated utilities, addressing challenges of older plants, and captive coal.	Ongoing Action	Policy & Regulatory; Knowledge & Capacity Building; Partnerships & Collaboration	2026	National governments; utilities & system providers; MDBs; regulators & public agencies
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