



Coal transitions and climate ambition

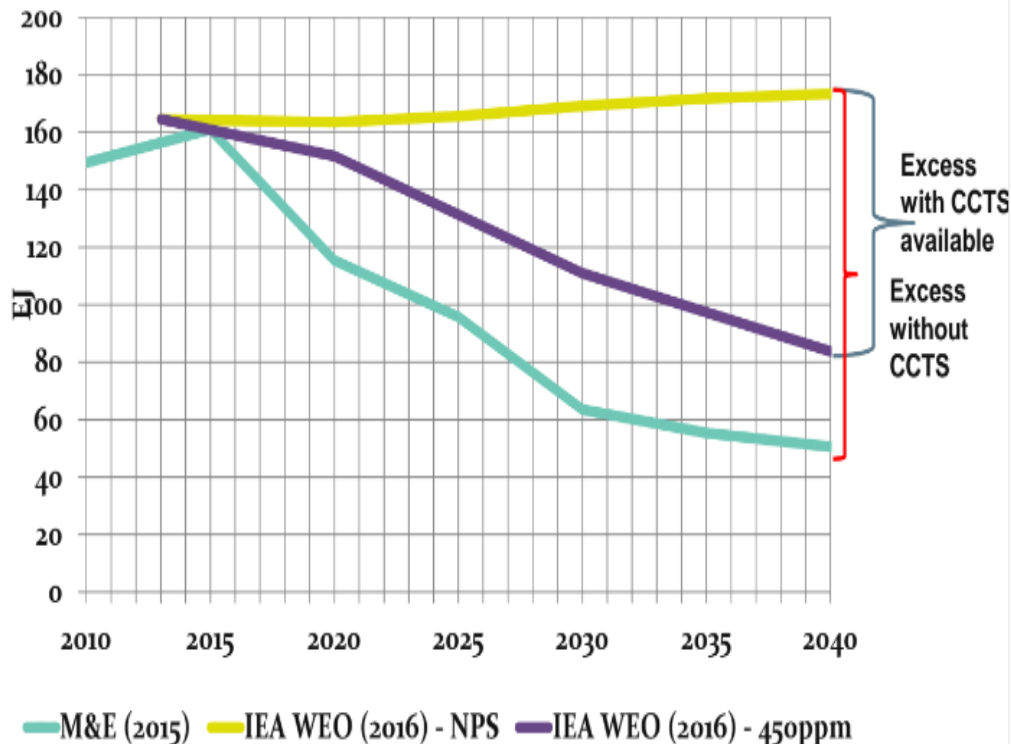
An Introduction to the Coal Transitions project

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Coal transitions: an issue whose time has come

Global consumption of steam coal under alternative demand scenarios



- The issue of coal transition is « on the horizon »

- Need for urgency in phasing down share of coal,
- Existing 2TW + planned + under construction could blow the 1.5°C and 2°C carbon budgets..
- CCS notwithstanding.
- Other drivers of uncertainty for coal (air, water, technology,...)
- A call to recognise inevitability of transition and ensure it is just and consistent with other policy priorities

An integrated approach to raising ambition on coal

- **UNFCCC process: where and how to raise ambition? => Coal Sector => But how?**
- **The issue is not as simple as simply raising the carbon price or putting a cap on emissions/coal use.**
- **Fundamental issues of fairness**
- **A range of other real world barriers.**
- **Pledges of ambition only as credible (and as just) as the strategy to tackle these issues.**

Key elements of fair and credible coal transitions

- **Avoiding and mitigating adverse impacts on coal sector workers**
- **Building local economic resilience and an alternative industrial future for strongly affected regions**
- **Avoiding the creation of stranded assets**
- **Financing the transition**
- **International policy coordination**
- **Coal Transitions project seeks to identify and develop locally relevant strategies to address these issues under 2°C transitions.**

The Coal Transitions Project

Co-construction with local actors in countries with high coal production/consumption

- **Project co-ordinators:**
 - IDDRI, Climate Strategies
- **Country-research teams:**
 - India: Indian Institute of Management Ahmedabad
 - China: Tsinghua University
 - South Africa: University of Cape Town
 - Australia: Australian National University; Melbourne University
 - Poland: Institute for Structural Research, Poland (IBS)
 - Germany: German Institute for Economic Research (DIW)
- **Project Funders:**
 - KR Foundation,
 - European Climate Foundation

Content of Coal Transitions Project

- 1. Analysis of past coal transitions (June & November 2017)**
 - Lessons from of 6 case studies past coal transitions
 - Lessons from other regional industrial economic transitions.
 - Lessons from recent closures (e.g. Hazelwood plant in Australia)
- 2. Modelling of global coal market under 2°C, NDCs, NDCs+ (Jan 2017)**
 - Combining national scenarios + DIW's COALMOD model.
 - Highlight international interdependencies, risks, & coordination needs
- 3. Reports on 2°C-compatible coal transition scenarios in 6 countries (March 2018)**
 - National experts: CN, IN, AU, ZA, DE, PL
 - Quantitative 2°C-coal transition scenarios and qualitative analysis of implications
 - Analysis of country-specific barriers to transition (e.g. China coal power)
- 4. National and international dialogue and outreach with stakeholders**

Coal transitions as a means to raise ambition of NDCs?

- PA calls on parties to progressively review and raise ambition on a cyclical basis.
- Raising emissions targets are one (necessary) way, but not sufficient.
- Coal sector example highlights need to also focus on removing underlying barriers to LT transformations and aligning climate and other priorities.
- This is also a way of « raising ambition ».
- Perhaps next iteration of NDCs and LT Strategies should reflect this logic of going « beyond emissions targets » in setting out ways to raise ambition?
- This appears essential for making coal sector transitions a reality