



COP 26 on Coal – The Developments So Far

Nov 4, 2021

Reading Time : **3 min**

By: Kenneth J. Markowitz, Samendra Prasad

- End all investment in new coal power generation domestically and internationally.
- Rapidly scale up and deploy clean power generation.
- Phase out coal power in the 2030s for major economies and by 2040 for the rest of the world.
- Ensure a just transition away from coal power in a way that benefits workers and communities.

The Statement follows a multitude of commitments on coal this year, including pledges from China, Japan and Korea (the three largest public financiers of coal) earlier this year and from G20 leaders last week, to end financing for international coal-fired power plants by the end of 2021. The commitments to date have, however, largely related to financing for international coal, whereas the Statement, if adhered to, would represent significant progress by halting domestic investment in coal for power production and kick-starting its eventual phase down.

This week marks the first time that a number of nations, such as Poland, Vietnam and Chile, have committed to phase out or stop investing in new coal-fired power plants domestically and internationally. Notably a number of the largest coal-producing countries—Australia, China, India and the United States—have not supported the Statement, raising questions as to the Statement's ultimate impact. We caution that the power of global commitments at this scale is directly proportional to ultimate compliance with these commitments. The enforceability of these commitments remains yet to be defined. Further exacerbating the situation is that these commitments are not binding, and certain signatories, such as

Indonesia, have raised a call for outside finance to help them reach these goals. Other announcements include:

- India, Indonesia, the Philippines and South Africa announced partnerships with the Climate Investment Funds in respect of a \$2 billion dedicated facility to accelerate their transitions away from coal power.
- The Asian Development Bank announced that it will launch a new fund to support the acquisition and early retirement of existing coal plants in Asia.
- The European Union, United States, United Kingdom, South Africa and other countries announced the Just Energy Transition Partnership to mobilize \$8.5 billion to support South Africa's decarbonization efforts, a significant focus of which includes South Africa's coal industry.

In addition to the Statement, it was also announced that 28 new members had joined the Powering Past Coal Alliance, which carries some additional significance. Included within their ranks are nations such as Singapore, the first Asian nation to sign on to this alliance, as well as Ukraine, owners of Europe's third largest coal fleet. Beyond the nation states, 11 new financial institutions made their commitment known—with banks such as NatWest, HSBC and Lloyds Bank contributing to the total of \$17 trillion in assets newly signed on.

The United Kingdom has consistently signposted its intention to push for an accelerated coal phase-out during its presidency of COP. This is consistent with the U.K.'s domestic policy to phase out all unabated coal-fired power by 2024—a target which was expedited by one year this past June. The United States, meanwhile, has fallen behind some of its peers in making ambitious commitments to wind down its domestic reliance on and production of coal. Still, several developments expected to materialize in the near future will signal the Biden-Harris administration's vision for the role of the coal power sector in the near term. These efforts include the U.S. Environmental Protection Agency's (EPA) forthcoming GHG emission standards for power plants and its long-awaited decisions on several dozen coal operators' requests for extensions to surface impoundment waste cessation deadlines under the Coal Combustion Residuals rule. While the U.S. Supreme Court may curtail EPA's authority to promulgate ambitious new regulations, we expect the forthcoming regulations to, at the very least, attempt to achieve significant emission reductions from U.S.-based, coal-fired energy sources.

If nations and organizations follow through on their commitments to phase out the domestic production of coal, COP26 under the U.K.'s leadership will deliver significant GHG emission

reductions throughout the world.

Categories



© 2025 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. Prior results do not guarantee a similar outcome. Akin is the practicing name of Akin Gump LLP, a New York limited liability partnership authorized and regulated by the Solicitors Regulation Authority under number 267321. A list of the partners is available for inspection at Eighth Floor, Ten Bishops Square, London E1 6EG. For more information about Akin Gump LLP, Akin Gump Strauss Hauer & Feld LLP and other associated entities under which the Akin Gump network operates worldwide, please see our Legal Notices page.