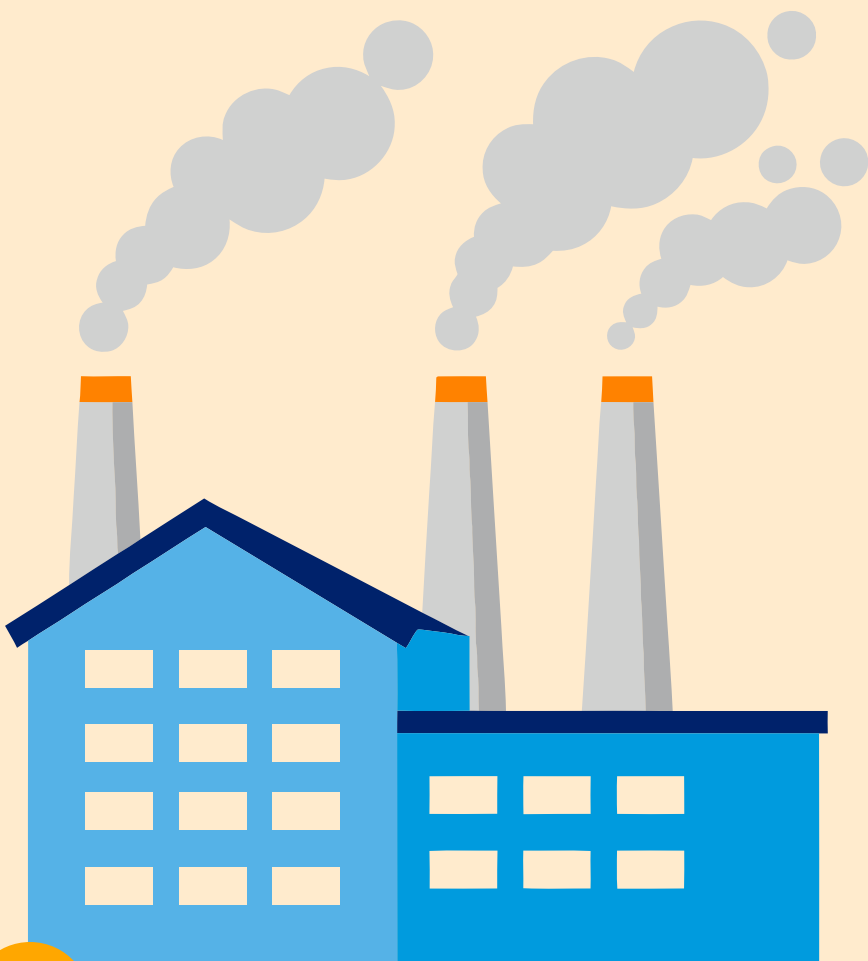


Low-Carbon Transition Pathways in Traditional Energy Regions



Focus

- We mapped the strategic role and climate responsibilities of China's Coal Triangle in achieving the country's carbon peaking and neutrality goals.
- We analyzed current energy transition targets and key pathways for traditional and emerging industries.
- We formulated policy frameworks for a comprehensive and just transition.
- We identified scalable lessons from international best practices to inform a just and orderly energy transition.



Findings

- The Coal Triangle produces almost 80% of China's coal. The region's heavy reliance on the sector, which accounts for up to a third of its GDP, has created a "lock-in effect," hindering energy diversification despite its significant renewable potential.
- The Coal Triangle's carbon emissions are expected to peak between 2026 and 2029, with coal production projected to reach its peak by 2026 or 2027. Thereafter, output is planned to decline by about 1%–2% per year until the end of the decade. Between 2030 and 2040, the decline is expected to accelerate to around 4%–5% per year.
- The region's energy transition will require USD 250 billion between 2025 and 2030. Innovative financial solutions, along with leveraging public capital to mobilize private investment, are critical to addressing this gap.
- Transitioning away from coal may result in a net reduction of over 3 million local jobs by 2060, with green industries estimated to create about 1 million new positions. This structural gap demands urgent investment in large-scale reskilling and stronger social protection.

Recommendations



Advance China's "Three New Pillars"—clean power systems, hydrogen industries, and carbon removal. Establish zero-carbon parks and pilot zero-carbon trade demonstration zones to drive industrial decarbonization and foster green, high-value sectors.



Establish a diversified financing system, including green development funds and risk-sharing mechanisms, to mobilize private capital for the green transition.



Establish a just transition policy framework to mitigate impacts on employment and vulnerable groups. Support just transition learning and knowledge exchange by creating national and international dialogue platforms.



Establish the Coal Triangle's strategic role as a low-carbon transition demonstration base, and set up robust systems for energy transition collaboration across regions.



Embed an "orderly coal transition" in the government's 15th Five-Year Plan (2026–2030), piloting in the Coal Triangle, with specific transition timelines.