

Revision of the Governance Regulation of the Energy Union and Climate Action

E3G response to the European Commission public consultation

MARCH 2026

The Governance Regulation of the Energy Union and Climate Action and National Energy and Climate Plans have been at the heart of the planning, reporting and monitoring of climate and energy policy in the EU since 2018. Their scheduled revision for the period 2030–2040 provides an opportunity to complete the Energy Union by maintaining a coherent target architecture, delivering goal-oriented simplification to streamline implementation across government, and mobilising the investments that are needed for the transition.

Since its adoption in 2018, the Governance Regulation of the Energy Union and Climate Action has given member states the tools to plan for a clean transition that delivers on shared targets. The five dimensions of the Energy Union strategy – decarbonisation, energy efficiency, the internal energy market, energy security, and competitiveness and innovation – have provided the framing for the work that has been accomplished so far.

Looking ahead to the post-2030 period and the 2040 target of reducing net greenhouse gas (GHG) emissions by 90%, the process of planning, reporting and monitoring has never been more important. As EU policymaking shifts its focus from target setting to the deep, structural transformations required by those targets, it is essential to refine the functioning of the Governance Regulation. This means ensuring that a consistent, predictable and coherent target architecture is enabled through streamlining that fosters a shared approach across policy areas and levels of government, and investable plans that mobilise private transition finance. Goal-oriented simplification is desirable, but it must not try to avoid the inevitable complexity of the clean transition. Without clear and credible plans to guide investment in the transition, simplification for public administrations will create uncertainty and risk for corporate entities and investors. The Commission's proposal will need to strike the right balance between these considerations.

► Summary of recommendations

Recommendation 1: Maintain a predictable and coherent architecture

- Maintain a renewable energy target to provide long term signals to investors and supply chains and bolstering energy independence.
- Maintain a clear energy savings trajectory and fully implement existing efficiency legislation, embedding the Energy Efficiency First principle across the system.
- Embed an electrification KPI underpinned by a comprehensive regulatory framework that enables demand-side uptake.
- Ensure implementation of the interconnection and cross-border capacity targets across MS and that NECPs are fit to optimise European network planning.

Recommendation 2: Streamline implementation through goal-oriented simplification

- Make NECPs the 'keystone' plans at the core of the planning framework, to avoid gaps and inconsistencies, and remove overlapping exercises.
- Harmonise indicators across the climate-energy-economic governance nexus to allow for simpler monitoring and reporting.
- Streamline the energy framework through simpler reporting, implementation support and smarter enforcement.

Recommendation 3: Improve investability to drive transition finance

- Ensure credible and consistent policy signals by fostering buy-in across departments and levels of government.
- Use a whole-of-economy approach by complementing the five dimensions of the Energy Union with relevant sectoral information.
- Integrate climate resilience and risk management data to help inform private capital allocation.
- Incorporate private sector insights by leveraging corporate transition data.

Continuing to deliver on the Energy Union: maintaining a predictable and coherent architecture

Completing the Energy Union should be an imperative for EU policymakers. The five dimensions of the Energy Union are critical to navigating the clean transition and also key enablers to forging a more competitive and innovative system. As the EU faces rising electricity demand, evolving energy security risks and the urgent need to lower prices, its five mutually reinforcing dimensions - energy security, an integrated internal energy market, energy efficiency, decarbonisation, and research and innovation - remain the backbone of the EU's energy and climate framework. Together, they have positioned the EU as a global leader and economic power while managing the clean energy transition through an integrated approach.

The five dimensions are not standalone pillars; they interact structurally: energy efficiency lowers demand and import dependence; market integration reduces system costs; decarbonisation strengthens security; innovation enhances competitiveness.

In a context of geopolitical uncertainty and rapid system transformation, maintaining the current architecture and the synergies across the Energy Union dimensions remains the most effective way to deliver a secure, competitive and decarbonised Europe in the next decade and beyond, as reaffirmed by the establishment of the Energy Union Task Force.

Energy security: from crisis response to structural security

Europe's reliance on imported fossil fuels has exposed it to geopolitical pressure, price volatility, infrastructure vulnerabilities and socio-economic instability. The weaponisation of fossil energy supplies reaffirm that reliable and affordable energy is central to European security. **Embedding a 'security by design' approach to renewable assets** is an effective way to translate political momentum into durable governance to ensure that the transition towards a secure energy system becomes **structural rather than reactive**.

- ▶ **Maintain a renewable energy target is key** to providing long-term certainty for investors, supply chains and delivering on the abundant renewables potential in Europe. It is also a critical tool to accelerate reductions of fossil fuel imports and bolstering energy independence.

Internal energy market: delivering cross-border cooperation for a more resilient, efficient and interconnected grid.

A more interconnected and better functioning internal energy market delivers affordability, competitiveness and security. While businesses and renewable developers are ready to invest at scale, governance bottlenecks and fragmented planning are delaying grid connections and limiting system efficiency¹. Approximately 1,700 GW of renewables projects remain stuck in connection queues across sixteen countries - more than three times the capacity additions needed to meet the EU's 2030 targets².

The EU has set clear benchmarks: a 15% interconnection target by 2030 and the requirement that at least 70% of cross-border transmission capacity be made available for trade. However, implementation remains uneven with many Member States projected to fall short in meeting these objectives³. Ensuring consistent delivery is critical to ensure that the benefits of renewables, flexibility and competition are shared across regions.

- ▶ **Renew the commitment and ensure the homogeneous implementation** of the interconnection and cross-border capacity targets across MS.
- ▶ **Optimise European-wide network planning** by strengthening coherence between national and EU-level planning, including through more transparent and harmonised NECPs with comparable indicators and modelling assumptions, and by leveraging the European Grid Package's proposed Central EU Energy System Scenario as a common benchmark to better inform cross-border infrastructure and investment decisions.

Energy efficiency: a system principle to drive affordability and lower import dependence.

Energy savings is a structural driver of affordability, competitiveness and security. Without a strong efficiency framework, the EU risks higher system costs, continued exposure to volatile imports and unnecessary infrastructure expansion.⁴

Energy efficiency also shields consumers and economies from price shocks. By structurally lowering demand, efficiency reduces exposure to volatile fossil fuel markets and limits macroeconomic vulnerability

Embedding the Energy Efficiency First (EE1st) principle across planning and investment decisions is critical. EE1st ensures that the most cost-effective solutions are prioritised before expanding supply or grid infrastructure. It reduces demand pressures, eases system

¹ E3G, 2025, [How EU market design can make power clean and affordable](#)

² Beyond Fossil Fuels (BFF), Ember, E3G & the Institute for Energy Economics and Financial Analysis (IEEFA), 2025, [How Europe's grid operators are preparing for the energy transition](#)

³ European Commission, [Electricity interconnection targets, interconnectivity levels](#)

⁴ E3G, 2025, [Clean energy has already made the EU more secure – and more can be done](#)

balancing, limits network overbuilds and strengthens resilience, while supporting efficient electrification.

- ▶ **Maintain an overall savings target** to provide predictability for emissions reductions, fossil fuel import reductions and investment planning.
- ▶ **Embed the EE1st principle across the energy system**, thereby enabling cost-effective electrification, optimising the use of existing and future assets, avoiding unnecessary overinvestment and escalating system costs.
- ▶ **Complete the implementation of existing efficiency legislation** to provide a stable and predictable regulatory framework and reinforce long-term investment signals.

Innovation and competitiveness

Innovation policy should remain closely integrated with decarbonisation objectives, supporting industrial competitiveness, domestic value chains, and strategic autonomy.

Through sustained innovation and decarbonisation efforts, Europe holds a commanding position in several cleantech sectors and related value chains. For instance⁵:

- ▶ The EU is a global leader in offshore wind, with EU firms holding a 23% global market share and nearly 90% of the European market.
- ▶ In heat pumps, EU manufacturers lead in high-end innovative solutions and industrial applications, while commanding significant market shares. Planned expansions mean European manufactures could nearly service all demand by 2030.
- ▶ For electrolyzers, European firms provided around a third to a quarter of global manufacturing capacity in 2024, with strong patent leadership.

Overall, the EU leads globally in public R&I spending on clean energy, while Europe accounts for about 1/5th of global venture capital investments in cleantech.⁶ Europe's clean energy sector now employs over 1.8 million people in Europe, 1/3rd of which in related tech manufacturing. Europe is now home to more than 400 clean tech manufacturing facilities, and the EU exported €80 billion in clean technologies in recent years.⁷

This leadership extends beyond clean energy tech, for example to industry decarbonisation, too. Europe remains a global leader in heavy engineering projects, being home to early movers and pilot projects ranging from hydrogen-based direct reduced iron for steelmaking, to thermal storage, carbon capture of process emissions and electrified steam cracking for chemicals production. Europe accounts for around 25% of the global

⁵ DG ENER, February 2025, [2025 progress report on competitiveness of clean energy technologies](#).

⁶ Cleantech for Europe, December 2025, [EU Cleantech Annual Briefing 2025](#) (available online, accessed on 04/03/26).

⁷ Bruegel, 2026, [European Clean Tech Tracker](#) (available online, accessed on 04/03/26)

pipeline of clean heavy industry projects, including ~50% for steel and over 70% for cement.⁸

These strengths are rewiring the economy by creating new value chains, attracting growing international capital reducing dependencies, and fostering high-quality jobs through scaled innovations. To build on these advantages and secure the clean economy of tomorrow, predictable policy frameworks and continued support for investment certainty are essential – ensuring long-term signals that mobilise private capital, protect domestic value chains, and accelerate Europe's strategic autonomy in a competitive global landscape.

Decarbonisation: the key to competitiveness

Decarbonisation underscores and contributes to all other pillars of the Energy Union, serving as a foundational driver for energy security, efficiency, market integration, and innovation. As a resource-poor continent, the EU's decarbonisation efforts decrease exposure to volatile fossil fuel markets, enhancing energy security by reducing import dependence and geopolitical vulnerabilities while fostering domestic innovation and affordable energy systems.

The EU has delivered substantial progress: net GHG emissions fell by over 37% between 1990 and 2024, while GDP grew by 71% over the same period.⁹ Much of this has been driven by decarbonising power supply, where emissions have been cut in half since 2005, and clean energy sources now make up 48% of generation (with renewables 30%).¹⁰

Providing continued predictability through a renewable energy target is essential to continue delivering. When revising the Governance Regulation, it is important that the legal integrity of the Renewable Energy Directive and its delegated acts are preserved. While not a renewable energy source, **consider adding flexibilities for nuclear** energy for MS with existing nuclear energy generation, with particular attention to avoid undermining ambition of a renewable target while allowing flexibility in line with decarbonising the energy system.

The success of the power sector is now paving the way for broader decarbonisation of the European economy. Transport, buildings and industry together account for well over 80% of final energy consumption with heavy reliance on direct fossil fuels (including 80% of the EU's fossil gas consumption). This represents the next phase of the decarbonisation journey, where most end-use sectors are to be electrified or otherwise decarbonised. The revised governance regulation should pay much more attention to how this is achieved and how decarbonisation of these sectors will interact with the Energy Union – introducing new sources of demand while enabling flexible loads, storage, and system efficiency.

⁸ Mission Possible Partnership, November 2025, [Global Project Tracker](#) (available online, accessed on 04/03/26)

⁹ DG CLIMA, 2025, [Climate Action Progress Report 2025](#).

¹⁰ Ember, January 2026, [Wind and solar generated more power than fossil fuels in the EU for the first time in 2025](#). (available online, accessed on 04/03/26).

Industrial decarbonisation in particular has so far been insufficiently reflected in planning (see section on streamlining), yet there is a strong rationale to integrate industrial and energy policy far more closely going forward. Energy-intensive industries are the largest concentrated consumers of energy in Europe. Decisions on the future location and integration of European value chains – for example, co-locating energy-intensive industries with abundant, low-cost renewable sources such as wind in the north or solar in the south¹¹ – will have massive implications for energy system costs, infrastructure requirements, and overall efficiency; as well as the competitiveness of European industry¹². Failing to align these policies risks fragmented transitions, higher system costs, and missed opportunities for economic convergence and high-value growth.

Coordinated planning is therefore essential to prevent imbalances, optimise value chains, and support resilient, competitive development across the EU.

Electrification: a strategic lever requiring an enabling framework

Electrification is central to a cost-effective, secure and competitive energy transition. Today's energy system wastes nearly two-thirds of primary energy, largely due to reliance on combustion systems based on thermal conversion¹³. By contrast, renewable-based electricity sources are inherently more efficient, making direct electrification one of the most effective pathways to reduce structural system waste, lower emissions and cut fossil fuel imports. As electrification rates are expected to more than double by 2040, renewable generation, grids, flexibility and demand-side uptake must scale up in parallel.

An effective electricity-based system requires the necessary demand-side uptake and an appropriate supporting framework to avoid incurring risks such as weakened investment signals for renewables, higher financial costs to governments underwriting CfD schemes, grid bottlenecks and unnecessary infrastructure overbuild, ultimately increasing network charges and consumer bills.

- **Embed an electrification KPI** (based on the KPI already introduced by the Clean Industrial Deal and Affordable Energy Action Plan) within the Governance Regulation to support visibility and set a clear direction, while also providing accountability for progress.

However, electrification ambition must be underpinned by a **comprehensive regulatory framework that enables demand-side uptake**, including:

- Accessible solutions and knowledge for consumers in households, industry and transport sectors, and including a focus on identifying and developing the right skills aligned with the new needs required by a system in transition.

¹¹ E3G, May 2023, [Making clean technology value chains work for EU economic convergence](#).

¹² For example, integrating sunny countries like Greece or Spain in the transformation of the energy intensive parts of the steel value chains can reduce the cost of European steel by 16% – see Agora Industry, June 2023, 15 Insights on the Global Steel Transformation

¹³ Ember, 2026, [Reframing Energy for the Age of Electricity](#)

- ▶ Affordable prices, upfront cost support and measures to ensure that the right price signals are put in place and ensuring the cost of related infrastructure upgrades and buildout are fairly distributed across consumers.
- ▶ Clear investment signals and predictability through stronger governance and long-term planning, ensuring investments are driven by clear public interest and underpinned by accessible and transparent data. This must be enabled by a clear, shared and stable commitment to common targets.
- ▶ Spatial planning that ensures RES buildout is aligned with targets and coordinated with relevant industrial, sectoral and cross-vector strategies, to ensure optimal and cost-efficient placement of assets according to real demand trajectories.

Streamlining implementation through goal-oriented simplification

Simplification and implementation are not synonymous. Successfully managing the transformational decarbonisation of the European economy will require complexity at every stage of the policy cycle. The greater the clarity and predictability that national plans provide, the simpler the task for private sector actors to plan investment decisions over the medium and long term.

The original introduction of the Governance Regulation was itself a first landmark effort to consolidate and simplify these processes. However, the incremental evolution of the EU's climate and energy policy framework – as well as the international climate framework – since 2018 has inevitably led to the emergence of inefficiencies, duplication and gaps in the Governance Regulation.

► **Ecologic Institute's eight recommendations for a smarter, simpler and more effective climate policy framework¹⁴**

1. Integrate NECPs and their reports (NECPRs) iteratively to reduce duplication.
2. Align monitoring of decarbonisation, competitiveness, and just transition aims.
3. Common core set of indicators for planning, reporting and assessments.
4. Merge LTSs and NECPs (and possibly more) for fewer submissions and more aligned long-term planning.
5. Streamline by cutting low-value, purpose unclear obligations.
6. Enhanced digitisation and AI-supported tools for data flows.
7. Merge Reportnet 3 and ReportENER.
8. Build a single EU transition dashboard across domains.

This section outlines how these recommendations can be leveraged to place NECPs at the core of a mutually reinforcing set of plans with modular components that can be updated in line with national policy cycles. Strengthening the climate-energy-economic governance nexus, overall credibility, consistency and ease-of-implementation could be improved.

¹⁴ Duwe, M & Evans, N., December 2025, [Smarter, simpler, more effective: Options to improve EU clean transition policy](#). Ecologic Institute.

Lastly, it explores the opportunities for goal-oriented simplification of the 2030-2040 energy policy framework.

Reducing the need for overlapping process by making NECPs the ‘keystone’ plans

NECPs should take on a whole-of-economy approach - not by covering all sectors themselves *per se* but rather by serving as a keystone around which other plans are articulated, reusing similar data and projections. Unless otherwise stipulated by separate legislation, NECPs should be required to incorporate policies and measures for decarbonising all sectors (ETS1, ETS2, ESR and LULUCF). This would avoid any gaps appearing in planning for decarbonisation, thereby strengthening the credibility and consistency of policy signals. For example, the use of biofuels (in industry, energy generation or transport) has implications for LULUCF; infrastructure and energy planning has implications for pace of buildings, transport and industry decarbonisation; while transformation of industry and broader manufacturing have material and technological inputs for everything else.

By combining decarbonisation with energy system planning in one document, NECPs do already, in practice, extend beyond the Effort-Sharing Regulation (ESR) sectors and into policies and measures affecting the decarbonisation of ETS1 sectors. However, this often leads to a gap regarding the trajectories, policies and measures foreseen for industry decarbonisation in particular.

To this end, a more complete set of progress indicators on decarbonisation, beyond GHG emissions, would allow member states and the Commission to develop a more complete picture of the enablers of decarbonisation according to sectors and sub-sectors. For progress towards industry decarbonisation, the ECNO Progress Tracker looks beyond GHG emissions to the share of electricity in industrial energy and feedstock use, the share of renewables and biofuels in industrial energy and feedstock use and industry GVA; progress towards delivering the enabling conditions for industrial transformation are tracked by looking at the amount of CO₂ captured, renewable and low-carbon hydrogen production capacity, or the electricity-to-gas price ratio for industrial consumers (see above).¹⁵

Harmonising indicators across the climate-energy-economic governance nexus

Embedding new progress indicators of the climate-energy-economy nexus into parallel EU frameworks would improve the visibility and credibility of plans and progress reports, and allow for synergies in compliance monitoring within and between national governments and the Commission. While this would *prima facie* add complexity to the Governance Regulation/NECPs/NECPRs, the deployment of the same set of indicators across different

¹⁵ European Climate Neutrality Observatory, [Industry](#) (accessed on 23/02/26).

climate, energy, economic (and ultimately social) policy areas could promote overall simplification.

In order to improve their clarity and credibility over time, the NECPs/NECPRs should be embedded more systematically and visibly into the EU's economic governance framework: European Semester country reports, country-specific recommendations (CSRs), Medium-Term Fiscal-Structural Plans (MTFSPs) and future National and Regional Partnership Plans (NRPPs). This integration across policy frameworks creates a need for a streamlined set of indicators that can be used and monitored across policy frameworks.

While the output and result indicators in Annex 1 of the Performance Framework regulation for the 2028-2034 MFF¹⁶ are not oriented towards the enablers of decarbonisation, these indicators could form the basis for a set of core indicators to be deployed across policy coordination frameworks (for instance through the NECP/NECPR template), which would allow for streamlined monitoring across the NRPPs and other strategic planning exercises. The ECNO Progress Tracker¹⁷ could offer a model in that regard.

Streamlining the energy framework

The benefits of coherence in the energy framework are manifold. However, there are important goal-oriented simplification measures that should be adopted. We have three proposals for a more streamlined energy framework

Reporting: Improving the bureaucratic burden on member states should be a priority. Finding accountability standards that are uniform and comparable across the directives and complementary legislation should be prioritized in tandem with a review of which indicators are *necessary* for reporting. Excessive reporting requirements undermine capacity of member states to deliver on implementation, often leading to poor quality reporting submissions and undermine EU coherence.

Member state support on implementation: Member states need better tools to help implement the energy framework. While continuous proposals from the Commission is not helping investment security nor the build out of infrastructure, there are available solutions. For instance, making better use of existing digitalization tools will be critical to more streamlined energy framework. The Commission can play a more central role in sharing digital tools which help speed up the permitting process, for instance, a major barrier to delivery on clean energy infrastructure.

Enforcement: there are currently infringement proceedings ongoing against 26 EU member states for failures in transposing REDIII. The Commission will need to consider new smarter methods to ensure compliance with implementation. Greater support and

¹⁶ EC, 2025, [Proposal for a Regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities](#)

¹⁷ European Climate Neutrality Observatory, [Progress Tracker](#) (accessed on 17/02/25).

clarity for member states on what and how to implement EU directives should go hand-in-hand

Improving investability to drive transition finance

Making NECPs *investable* does not only mean making them investment plans. Clarity, credibility and consistency of policy signals is central to mobilising investments in the transition. Investors need clear headline national targets for GHG emissions and energy policy, first and foremost. Without this high-level and predictable statement of ambition, underpinned by rigorous reporting and monitoring, sub-targets and/or KPIs become less credible and impactful, calculations of investment needs less meaningful and commitments to specific funding instruments less relevant. Asset managers, asset owners and investor networks already use aggregated info from NECPs to demonstrate various crucial aspects of a country's climate performance, confirming the importance of the targets and policy signals as the main factor in driving investor decisions.¹⁸

Ensuring credible and consistent policy signals through a whole-of-government approach

While the macro-level argument for credible and consistent planning across the five dimensions of the Energy Union has been laid out above, further refinements are needed within the NECP/NECPRs to promote investability. At the micro-level, inconsistencies in planning across ministries and government agencies creates a lack of clarity for investors, with different projections across different national and EU planning documents. Member states should follow a whole-of-government approach, including all relevant ministries – in particular finance ministries – in the formulation of NECPs and related funding plans for climate and energy objectives. Visibility of finance strategies is key, including insights into de-risking strategies, use of state guarantees, and visibility of EU funds and co-financing. However, these can only function with a clear sense of the direction of travel stemming from credible and consistent targets set out at macro-level.

Integrating the NECPs into the NRPPs and MTFSPs (see section on streamlining) would also allow for the stronger embedding of climate and energy policy and investment planning over time, thereby increasing the credibility of EU and member states' policy signals in front of investors. Such an integration of policy tools would further result in a more integrated and harmonised approach, communicating more credible and consistent signals that enjoy more obvious buy-in from all relevant ministries, notably finance ministries.

Robust multilevel governance structures, based on Article 11 of the Governance Regulation, are also essential to ensuring the credibility and consistency of policy signals across government. Local and regional authorities are central to the implementation of the Energy Union and decarbonisation, and have been developing climate and energy strategies for decades. These plans constitute an underutilised source of information regarding investment needs, capacity issues, obstacles to bankability and regulatory bottlenecks, which should be leveraged by national authorities responsible for the formulation of NECPs.

¹⁸ TPI Global Climate Transition Centre & LSE, 2025, [ASCOR tool](#). (available online, access on 04/03/26)

Using a whole-of-economy approach based on the five dimensions of the Energy Union, supported by sectoral information

As articulated above, the five dimensions of the Energy Union remain the relevant whole-of-economy, horizontal planning framework for the energy transition. However, further efforts are required to improve the legibility of the NECPs and NECPRs for private actors outside of the energy sector. This stems partly from old-fashioned reporting formats (static documents and large spreadsheets) that do not make effective use of online tools (see recommendations from Ecologic above) but can also be attributed to the thematic structure of the documents. Put simply, an investor or real economy actor needs to be able to easily identify all the relevant policies, measures, preferred decarbonisation levers and financing instruments for their sector.

Connecting five-dimensional NECPs to the 24 European Climate Law-aligned sectoral decarbonisation pathways published by DG CLIMA and the JRC in 2025¹⁹ and the transition pathways for European industrial ecosystems prepared by DG GROW and the Industrial Forum²⁰ would allow for the clearer communication of relevant information. This information would enable more informed and timely investment decisions, bringing efficiency gains in public and private capital allocation.

Not all 24 economic sectors are major emitters in all 27 member states. Rather than impose a complete matrix structure for the NECPs/NECPRs, with planning/reporting according to both the five dimensions and *all* sectors, one option could be for member states to prepare complementary sector *fiches* for a subset of their most polluting sectors. The method for identifying the most relevant sectors would depend on the emissions target structure and the coverage – or not – by ETS/ETS2.

Integrating climate resilience and risk management

The current lack of standardised requirements for the design of national adaptation strategies creates uncertainty for investors in terms of their geographic risk assessment and related capital allocations, and on adaptation investment needs. The forthcoming European Commission proposals for an integrated framework for climate resilience and risk assessment should develop a shared understanding and methodology to assess climate resilience also at national level, to be incorporated into member state NECPs through a ‘resilience by design’ assessment of policies and infrastructure projects. Our engagement with private sector stakeholders allowed us to identify that, when included, structured information from member states regarding geographical risks increased the investability of the plans, as investors treat this information as a proxy for public awareness of the policies and measures necessary to increase resilience and manage risks.

¹⁹ DG CLIMA, ICF, CLIMACT, 2025, [European Climate Law-aligned transition pathways](#).

²⁰ DG GROW, 2026, [Transition pathways for European industrial ecosystems](#) (accessed on 19/02/2026)

Incorporating private sector insights

The aggregation of transition-related data disclosed by private sector entities can provide insights on the investment needs, decarbonisation opportunities and bottlenecks, and climate-related risks affecting a given sector in a given member state. Factoring in aggregated insights into national strategies could allow national governments to tailor investment policies and budget allocations to support a cost-efficient decarbonisation of the private sector, including the insights of a larger pool of representatives. Yet, in their current framework, most NECPs lack a comprehensive overview of private sector insights.

Across member states, large companies and financial institutions are required to disclose environmental-, social- and governance-related information through the Corporate Sustainability Reporting Directive (CSRD), including current GHG emissions, emissions reduction targets, decarbonisation levers, financial planning, and dependencies.

The data extracted from climate transition plans could provide an outlook of an entity's decarbonisation strategy, coupled with financial planning and risk estimations. The aggregation of comparable, CSRD-compliant transition data can provide a range of relevant insights, such as sectoral market needs and opportunities, bottleneck maps, capital needs estimates, identification of risk-sharing measures, and more. This range of sectoral insights can inform national governments in designing improved NECPs with strategic prioritisation of public finance allocation and impactful policies, and better inform EIB, national promotional banks, commercial banks, investors and asset managers when developing bankable projects on the ground.

For instance, both the Dutch and French financial market authorities recently published analyses on the first wave of CSRD reports disclosed by leading national companies. The former analysed corporate data and outlined key insights on transition plans for the financial sector,²¹ while the latter compiled climate-related corporate data to inform the ongoing review of the ESRS standard.²² Establishing a practice of providing such corporate insights to national ministries can prompt a structured dialogue between public and private stakeholders.

²¹ Autoriteit Financiële Markten, December 2025, [First steps in the right direction towards transparent reporting on climate transition plans and financed emissions](#) (available online, accessed on 04/03/26)

²² Autorité des marchés financiers, October 2025, [Corporate sustainability reporting: the way forward](#).

ABOUT E3G

E3G is an independent think tank working to deliver a safe climate for all.

We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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