

Making *National Strategies* in the EU *Investable*

Closing the feedback loop between
national strategies and private sector
transition plans

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THE ITALIAN CLIMATE CHANGE THINK TANK

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Executive summary

For Europe to achieve prosperity, competitiveness and continued relevance in an increasingly volatile world, it must leverage sustainability as a competitive advantage, as outlined in the Clean Industrial Deal and in Mario Draghi's report on competitiveness.¹ Yet to achieve the transition to a decarbonised and resilient economy, money needs to flow urgently to close the existing investment gap.² Making national transition strategies more useful for investors, while also leveraging insights from private sector transition plans, provides an opportunity to improve the environment for public and private transition finance to flow.

Transition planning has emerged as a vital tool to address and mitigate climate-related risks, and support the required transformation of economies and businesses. Regulations, policy tools and strategies have been developed in the EU and internationally in recent years, and 2025 saw the first required sustainability disclosures by EU-based companies.

This planning holds great potential to facilitate the flows of finance needed to effect a sustainable transition and maintain EU competitiveness. However, as yet this is not happening at the scale required. A major issue is the fragmentation among the layers of frameworks and requirements that have been implemented. Misalignment between governance frameworks means objectives are not clear and consistent, brings regulatory burden, and can ultimately limit investments in transition projects.

There are significant, under-explored opportunities to improve how national transition strategies at the Member State level work together with private sector transition plans. Creating the conditions for a positive feedback loop between these levels of planning is critical to strengthen both.

One of the levers to set this feedback loop in motion is to ensure national strategies give the private sector the information, clarity and confidence they need to allocate capital towards activities that support the national objectives. That is, the strategies need to be "investable". In our report, we characterise what "investability" means for national transition strategies, and how to achieve it.

¹ European Commission, [Clean Industrial Deal](#) (webpage), European Commission, September 2024, [The Draghi Report: The Future of European Competitiveness](#)

² E3G, 2024, [Investing in Europe's Prosperity](#)

Creating the conditions for more investable national strategies

Using National Energy and Climate Plans (NECPs) as a case study, we identify four principles for making national strategies “investable”.³ These principles are grounded in the obstacles to investability identified by stakeholders in existing NECPs. These principles can be applied more broadly to improve the investability of other national strategies.

Principle 1. Design national strategies using a whole-of-economy approach

Investors need to see how national strategies are supported by sector-specific targets, decarbonisation pathways, and technology strategies. This information would enable more informed and timely investment decisions, bringing efficiency gains in public and private capital allocation.

In the current context this is likely to be most feasible through a modular approach. That is, using NECPs as a keystone document for transition planning, cross-referenced to other national transition strategies and sector transition plans for key sectors.

The European Commission should issue guidance on relevant information that Member States should include in NECPs for the benefit of the private sector.

Principle 2. Systematically integrate 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 geographic risk assessment, and on adaptation investment needs.

The forthcoming European Commission proposals for an integrated framework for climate resilience and risk assessment⁴ should develop a shared understanding and methodology to assess climate resilience, to be incorporated into Member State NECPs.

Principle 3. Ensure policy signals are credible and consistent, supported by a high-level budgeting exercise

Inconsistency in planning across ministries and government agencies creates a lack of clarity for investors. Member States should follow a whole-of-government approach, including all relevant ministries, in formulating NECPs and related funding of climate and energy objectives.

³ These principles were derived through a process that began with initial discussions with public sector representatives and international experts, followed by desk research and in-depth stakeholder engagement among ministries, national agencies, private sector associations and businesses.

⁴ European Commission, [European climate resilience and risk management – Integrated framework](#) (webpage)

Visibility of finance strategies is key, with every policy objective in NECPs accompanied by a private or public capital allocation. This includes insights into de-risking strategies, use of state guarantees, and visibility of EU funds and co-financing.

Principle 4. Evaluate and consider private sector insights for national planning of public investments

Granular sectoral information from the private sector would allow governments to assess the economy's needs, opportunities and bottlenecks. Yet, most NECPs lack a comprehensive overview of private investment needs.

Ministries developing NECPs should strengthen their engagement strategy with all representatives who can contribute to delivering the climate transition, including with private sector representatives on how to fund the NEPC objectives.

A framework for aggregating information from private sector transition plans to inform national strategies

Transition plans are key instruments guiding companies through decarbonisation pathways aligned with the Paris Agreement. Beyond supporting corporate alignment, these plans provide forward-looking insights into investment needs, policy dependencies and potential transition risks across value chains.

In line with investability principle 4, this information is vital to allow governments to develop national strategies in which public funding allocation is in line with private finance forecasting. However, consulting each individual plan is impossible, and there is poor availability of representative, aggregated insights from across the private sector.

We propose a framework to allow Member States to aggregate and analyse information from private sector transition plans, allowing them to use the resulting insights in the development of more investable NECPs. This is intended as a modular framework: a set of options that relevant ministries in charge of NECP formulation can implement either complementarily or as standalone components, depending on their national context.

The framework comprises two options for existing authorities that could carry out the aggregation of information, and two additional elements that can support the process.

Pillar 1. Mandate financial market authorities to aggregate transition-related information in CSRD reports of listed companies

National financial market authorities already have a mandate to ensure that publicly available information such as sustainability disclosure data, is accurate, complete and clear. They are therefore already well-placed to access information needed to identify sectoral

needs, opportunities and bottlenecks within their jurisdictions, and share this with government ministries.

Pillar 2. Expand the functions of national environmental agencies to include the aggregation of transition-related information

An expansion of the mandates of environmental agencies can include their accessing and aggregating sustainability information in CSRD reports of companies operating within their jurisdiction. Given financial market authorities only supervise listed companies, environmental agencies can be given a complementary role focusing on non-listed companies.

Pillar 3. Engage with business associations to establish industry dialogues and explore opportunities to collaborate with private organisations

Given resource constraints, national authorities and agencies may be limited in their ability to undertake the full scope of aggregation of transition plan information. Relevant ministries can engage with business associations to gather supplementary insights, for example through recurring, targeted dialogues. Ministries could also consider how private organisations, such as data providers, research institutions and auditing firms, could support the aggregation process.

Pillar 4. Implement and support the European Single Access Point's (ESAP's) functionality as a database for transition plan data

ESAP will act as a digital, open access database for publicly available information, including sustainability-related data. CSRD-compliant information from listed companies is due to be displayed starting from July 2027. ESAP can be a key technological enabler for aggregating transition-related insights, and finance ministries should plan to analyse and make use of the data when it becomes available.

Introduction

Coherence in transition planning frameworks at different levels of governance is crucial to achieving decarbonisation and resilience goals

To meet the EU's competitiveness objectives, the European economy must rapidly decarbonise while simultaneously strengthening its resilience to climate change. The Draghi Report calls for embedding decarbonisation within competitiveness strategies as a driver of growth.⁵ At the same time, well-designed climate policies have been found to drive competitiveness, with investment in clean energy and energy efficiency driving innovation and productivity.⁶ Analysis by the European Central Bank and Financial Stability Board has furthermore shown that building greater climate resilience will support competitiveness and financial stability.⁷ To be fit for the future, Europe therefore urgently needs to improve finance flows for the transition, both to deploy new technologies that are becoming bankable and to mitigate medium- and long-term risks.

Transition planning holds great potential to help facilitate these finance flows, address and mitigate climate-related risks, and support the strategic transformation of Europe's economy and businesses. Over the past years, a plethora of requirements and policy tools has been developed in the EU and internationally to promote better information flows for sustainable investments, including under the EU's 2021 Strategy for Financing the Transition to a Sustainable Economy.⁸ However, as these have developed across different timelines, levels of governance and pieces of regulation, gaps in policy coherence present challenges to the effectiveness and implementation of the overall transition planning framework. At the same time, the layering of multiple international, European and national, and corporate frameworks and requirements has led to more fragmented approaches to implementation.

To fully seize the potential of the various national transition strategies and private sector transition plans to help achieve finance for Europe's strategic goals, it is necessary to move towards an integrated, holistic approach to transition planning that is simpler, more efficient and effective at driving the EU's climate and competitiveness objectives. To do so, we must **promote alignment and coherence across policy tools and levels of governance** – from international⁹ to EU and Member State policies¹⁰, down to private sector transition plans.

⁵ European Commission, September 2024, [The Draghi Report: The Future of European Competitiveness](#)

⁶ OECD-UNEP, June 2025, [Investing in Climate for Growth and Development: The Case for Enhanced NDCs](#)

⁷ FSB, October 2023, [Progress Report on Climate-related Disclosures: 2023 Report](#)

⁸ European Commission, July 2021, [Strategy for Financing the Transition to a Sustainable Economy](#)

⁹ Such as NDCs, G20 principles for National Transition Plans, etc.

¹⁰ Such as EU-required National Energy and Climate Plans (NECPs) and equivalent national strategic documents.

This coherence between governance levels, which we term “vertical alignment”, is critical to:

- Improve interoperability across different governance frameworks, while reducing the regulatory burden.
- Increase the investability and bankability of transition projects.
- Improve engagement and alignment between public and private objectives.
- Embed climate resilience into international, national and private strategies.

Figure 1 illustrates the main layers of frameworks, regulation and planning tools that deal with transition planning at different levels of EU governance, as well as the channels through which vertical alignment can connect national strategies with financial actors and corporates.

Achieving vertical alignment in the governance of transition planning

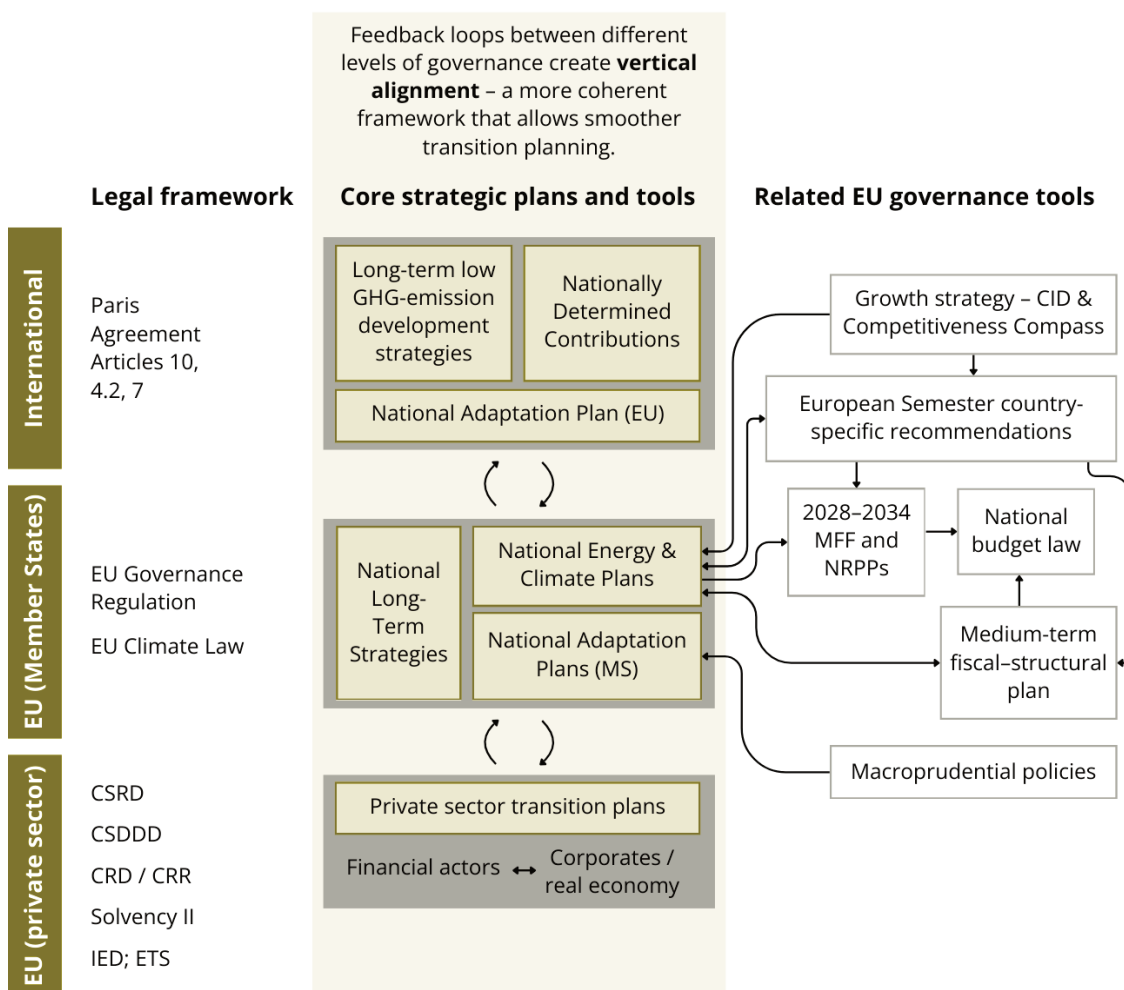


Figure 1. Smooth transition planning that encourages investment in the right areas depends on coherence and feedback between different levels of governance – or vertical alignment. The national strategies at the heart of this governance structure are further informed by, and affect, other policymaking processes.

Importantly, **achieving such vertical alignment and its related benefits requires the creation of structured feedback loops between governance levels**: between strategic plans at EU level and at Member State level, and between Member State national strategies and private sector transition plans. As Figure 1 shows, several national strategies – such as National Energy and Climate Plans (NECPs) and National Adaptation Plans (NAPs) – are involved in this dynamic. In turn these national strategies are informed by many other EU policy processes, as we have discussed in other publications.¹¹

The feedback loop between national strategies and private sector transition plans

To develop the concept of vertical alignment and identify useful avenues to implementation, E3G and ECCO jointly hosted **two high-level roundtables** under the Chatham House rule with European and national policymakers, governmental agencies, financial supervisory authorities and international experts.

Through these discussions, we identified the feedback loop between national strategies and private sector transition plans as a useful area of focus. In this under-explored interplay lies significant potential to achieve benefits for both national governments and the private sector, and ultimately enhance Europe’s competitiveness and resilience by ensuring that both public and private capital is directed towards assets that deliver decarbonisation and long-term value, rather than stranded assets.

The initial, high-level finding from these discussions is that **making national strategies more “investable”** (that is, providing the information that will give the private sector the knowledge and confidence to allocate additional finance where it is needed) **and private sector plans more “credible”** can unlock the potential of both to mobilise more and better investments for the transition. The dynamic of how this establishes a productive feedback loop is illustrated in Figure 2. Key findings on each of these elements are presented below.

Making national strategies more “investable”

Investors will only commit capital at scale if national strategies provide sufficient clarity on priorities, financing conditions and risk-sharing mechanisms. Strengthening this link can therefore improve capital allocation, thus increasing the likelihood that projects move from planning to implementation.

¹¹ E3G, March 2025, [Improving Climate and Energy Policy Coordination through the Next EU Budget](#); E3G, June 2025, [Making Every Public Euro Count](#)

The national strategy / private sector feedback loop

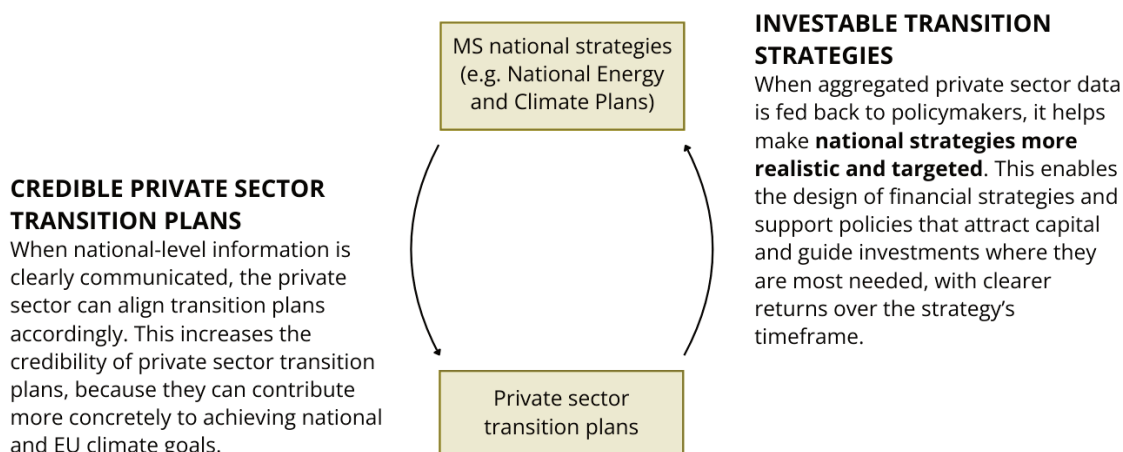


Figure 2. Creating a feedback loop between national transition strategies and private sector transition plans can help to make the former more credible, and the latter more investable. This strengthens both levels of governance, and drives both better planning of and more financing for the transition.

Using data from private sector transition plans, governments can design national strategies that are grounded in real dynamics. Aggregating and structuring this data could reveal concrete insights into sectoral bottlenecks (e.g. lack of grid capacity) and dependencies,¹² the types of public investments that are feasible, and under what scale and conditions they can succeed.¹³ This information would thereby support more efficient decision making and national strategies would then become true “investment plans”: documents that are more relevant to the private sector and more useful for planning and financing the transition.¹⁴

Including this wider range of information from the private sector¹⁵ would give governments clearer visibility of the type and volume of capital required to deliver the transition, and allow them to design complementary measures (such as guarantees, or targeted incentives) that de-risk and mobilise private investment. Many stakeholders additionally identify sector transition plans as an essential part of identifying sectoral solutions.¹⁶

¹² Dependencies are particularly relevant, and defining them in a common language is crucial to enhance the decision-usefulness and policy responsiveness of this information. This could build on common typologies for information on dependencies and the actions to address them. A recent guide emphasises the importance of a structured approach and common language: WBCSD, Oxford Sustainable Finance Group, September 2025, [A Practical Guide on Transition Plan Dependencies](#)

¹³ CDP, November 2025, [From Plans to Capital: Unlocking credible Transition Finance at scale; Data as the Catalyst: Powering National Transition Planning Across Climate and Nature Goals](#)

¹⁴ NDC Partnership: [NDC Investment Planning Guide and Checklist](#)

¹⁵ Importantly, a “wider range of information” can also include geographical-based dependencies, as shown in this report from JRC, November 2025, [Company transition plans for climate change mitigation: identifying external factors to analyse geographical dependencies in energy-intensive industries](#)

¹⁶ ITPN, November 2025, [Sector Transition Plans: A bridge between national ambition and company transition plans](#); UK Transition Finance Council, September 2025, [Sector transition plans: the finance playbook](#).

Making private sector plans more “credible”, with improved access to finance

Private sector transition plans can provide valuable data for governments, and in turn, national strategies can give the private sector clarity and predictability to plan and invest in their transitions. Private sector transition plans thereby become more credible, as they are anchored to policy priorities and investment strategies. For financial institutions, this provides a more stable environment to track progress, manage risks, and channel capital into viable businesses and projects. For corporates, it can reduce uncertainty, improve access to financing and create incentives to align business strategies with EU policy goals.

More credible transition plans ultimately reinforce the feedback loop as a whole. Over time, with the data in transition plans being more credible and closely linked to national strategies, the insights from that data will be more pertinent to the development of further iterations of investable national strategies.

It is worth noting that the credibility of private sector transition plans is influenced by many factors, not only by the increased investability of national transition strategies (see Box 3 on page 32). An important factor outside the scope of this report is the quality of the policies that require the private sector to report on transition plans. The most relevant ones are listed in Figure 1.

Investable national strategies: from concept to practice

In the remainder of this report we focus on how to achieve one side of the feedback loop described above: more investable national strategies. However, this should be seen as a key part of driving the feedback loop as a whole. With a stronger sense of policy direction in national strategies, the private sector is more likely to respond and allocate additional finance to close identified investment gaps, thereby reinforcing the feedback loop.

The initial insights from the roundtables described above provided the basis for the desk research that led to many of the findings in this report. This was combined with a stakeholder review process involving ministries and private sector stakeholders to collect more in-depth views on the focus areas of the following two chapters.

In Chapter 1, we first **explore in detail what characteristics make a national strategy “investable”, and how this could be made operational in the EU context**. Using NECPs as a case study, we draw up four investability principles, which cover aspects of their scope and design that would make these strategies useful to the private sector. We offer recommendations on how to put these principles into practice – with NECPs foremost in mind, but the principles can be applied more broadly to other national strategies.

In Chapter 2, **we suggest a practical framework that Member States can implement to aggregate data from private sector transition plans** so that it becomes more insightful for the development of “investable” national strategies. Currently, data aggregation is still

in its early stages, with no established structure or governance framework. Our recommendations aim to support the creation of data flows that can eventually reach ministers' desks, proposing pragmatic approaches to data aggregation within the EU governance context.

Chapter 1: Achieving more “investable” National Energy and Climate Plans

In the EU, National Energy and Climate Plans (NECPs) represent one of the most promising avenues for achieving “investable” national strategies as they are required by EU law (see below).¹⁷ NECPs were not intended as national-level integrated transition plans that cover all sectors of the economy. However, they present a useful case study for how to achieve a more investable national strategy for the climate transition by leveraging existing processes and requirements.

In this chapter, we analyse the grounding of NECPs in the existing EU regulatory framework and the current challenges that prevent their use as effective investment strategies, and suggest what concrete approaches can be taken to improve their investability. These approaches are centred around **four investability principles**, which can be applied not only to NECPs but also to other national strategies more broadly to make them more effective in encouraging investors to channel finance into the transition.

The legal basis of the NECPs: the Governance Regulation as a keystone of EU transition planning

Entering into force in 2018, the Governance Regulation of the Energy Union and Climate Action (“the Governance Regulation”) forms the backbone of climate and energy policy coordination in the EU. It was developed as a means to track how each Member State intends to achieve its energy and climate targets, monitor the alignment of these actions to EU-wide objectives, and report progress towards the implementation of the five dimensions of the Energy Union: decarbonisation, energy efficiency, energy security, internal energy market, and research innovation, and competitiveness. It requires the following of EU Member States:

- ▶ **Planning:** 10-year integrated National Energy and Climate Plans (NECPs), to be updated every five years, and 30-year national Long-Term Strategies (nLTSs).¹⁸
- ▶ **Reporting and monitoring:** Procedures to report greenhouse gas inventories, other UNFCCC obligations, and biennial National Energy and Climate Progress Reports (NECPRs).

¹⁷ Though for several Member States, they are simply compiled from other strategic documents that may approach an ideal transition plan even more closely.

¹⁸ National LTSs are submitted as a one-off process, while NECPs go through a two-stage iterative process where the Commission provides recommendations that Member States must address in their final drafts.

While the bulk of the targets and objectives included in NECPs are self-determined by Member States, the plans must deliver EU-level emissions targets set in the Effort-Sharing Regulation and Land Use, Land Use Change and Forestry (LULUCF) Regulation. They also have to outline how each country intends to contribute to sectoral objectives from the Renewable Energy, Energy-Efficiency and Energy Performance of Buildings Directives. In addition to national projections, objectives, targets and contributions for the five dimensions of the Energy Union, NECPs contain the policies and measures needed to achieve these targets as well as an assessment of the impact of planned policies and measures.

The NECP process is generally understood as being more thorough than the nLTS process and will therefore form the basis for this report’s recommendations.

How NECPs are elaborated

The NECP drafting process varies greatly due to Member States’ differing institutional architectures. The main difference is between Member States that draft their NECPs as their main standalone strategic document (for example, Italy), and those that treat it as a compilation of different national strategy documents that have each undergone a separate elaboration and consultation process. This can be sectoral (France’s NECP is made up of its Multiannual Energy Programming, the National Low-Carbon Strategy and the National Plan for Adaptation to Climate Change) or geographic (Belgium’s NECP is a summary of three regional plans and a federal plan).

While the Governance Regulation clearly stipulates specific requirements for public consultation, the involvement of local and regional authorities, neighbouring countries and regional energy cooperation fora, Member States are free to determine the competent ministry for the drafting of the NECP.

Member States choose to (or are able to) mobilise different projection and modelling capabilities, knowledge bases and levels of political capital in the NECP process. In principle, **the outline of policies and measures included in NECPs should include an overview of investment needs**, following guidance provided by the Commission on how to make NECPs more investable.¹⁹ This is understood as the existing investment flows, forward investment assumptions, risk factors and barriers, and an analysis of additional public finance support to fill these gaps.

¹⁹ European Union, 2022, [Commission Implementing Regulation laying down rules for the application of \[the Governance Regulation\] as regards the structure, format, technical details and process for the integrated national energy and climate progress reports](#); European Commission, 2022, [Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans](#) (PDF)

Obstacles to NECPs’ investability

While NECPs are drafted based on a standard template set in the Governance Regulation, there is significant variance in their scope and granularity.

From our desk research and stakeholder engagement with government officials, real economy actors and financiers, we observed that several obstacles remain to their investability. This is consistent with the Commission’s own assessment, even within the existing understanding of the scope of Governance Regulation and the NECPs/nLTSS,²⁰ though it must be noted that not all these obstacles lie within the current remit of the Governance Regulation.

The main challenges to the investability of NECPs, and national transition strategies more broadly, are that they do not:

- ▶ Take a whole-of-economy approach; there is a low level of inclusion of, or cross-reference to, sector transition plans.
- ▶ Systematically embed a climate resilience and risk management framework.
- ▶ Provide sufficiently credible policy signalling or sufficient details on investment needs through a high-level budgeting exercise.
- ▶ Systematically include private sector insights.

These obstacles, and the opportunities presented by addressing them, are consistent with findings from a recent investor survey and interviews conducted by the Principles of Responsible Investment (PRI) (Box 1), which outline what investors are looking for in NECPs to consider them “investable”.

▶ **Box 1: Investors’ priorities for an enabling policy ecosystem to accelerate finance**

Through a survey and interviews with its signatories and other stakeholders, the Principles for Responsible Investment (PRI) engaged with investors to identify their priorities and challenges. NECPs were identified as fragmented and lacking financially relevant, decision-useful information to assess sectoral opportunities and project viability for transition investments. Investment-ready NECPs, accompanied by national transition investment plans, would provide clear signals to financial markets, increase investor confidence, and accelerate capital flows towards the transition to a competitive, resilient and equitable net zero economy.

²⁰ The external review of the Governance Regulation undertaken in 2024 identified several shortcomings to be addressed as part of the revision, drawing on a stakeholder consultation involving ministries, businesses and third-sector actors.

To make NECPs more relevant, credible and actionable for investors, investors recommended they:

- ▶ Link to **sectoral roadmaps** with sector-specific climate targets, decarbonisation pathways, and technology strategies.
- ▶ Include **national transition investment plans** with quantified national and sectoral investment needs, funding gaps, and public-private financing frameworks.
- ▶ Connect to a supportive **policy framework that enhances competitiveness and enables markets**, by providing the right price signals, investing in critical infrastructure, and offering financial de-risking mechanisms to scale clean technologies, industrial innovation, and the circular economy.
- ▶ Simplify **digital accessibility and comparability** of relevant and decision-useful information on Member States’ national transition plans.
- ▶ Support effective **cross-government stakeholder coordination and collaboration mechanisms**, including relevant ministries, investors, public banks, independent experts, and civil society.

This Box was written and contributed by Martin Stavenhagen (PRI). More information can be found in the PRI policy brief *Making the Transition Investable: Investor Priorities for Financing the Clean Industrial Deal*.²¹

Four investability principles for national strategies

Based on the obstacles identified above, we propose four principles for making NECPs more investable. While rooted in an analysis of NECPs, these principles can be applied more broadly to develop other investable national strategies.

1. Design national strategies using a **whole-of-economy approach**, supported by sector transition plans in key sectors of the national economy.
2. Systematically **integrate climate resilience and risk management**.
3. Ensure **policy signals are credible and consistent**, supported by a high-level budgeting exercise, ideally designed within a whole-of-government approach.
4. Evaluate and consider **private sector insights** for national planning of public investments, as a result of more structured engagement processes.

²¹ PRI, November 2025, [Making the transition investable: Investor priorities for financing the Clean Industrial Deal](#)

We outline each of these principles below, together with specific recommendations for how to implement them. Some of these suggestions can be addressed during the upcoming revision of the Governance Regulation expected in Q4 2026.

Principle 1. Design national strategies using a whole-of-economy approach, supported by sector transition plans in key sectors of the national economy

Member State national strategies should provide additional granularity for identified key sectors. Integrating or cross-referencing sector transition plans would give the private sector greater clarity on and confidence in forthcoming national actions, thus enabling more informed and timely investment decisions, bringing efficiency gains in public and private capital allocation.²²

At Member State level, many national transition strategies do not take a whole-of-economy approach.²³ Indeed, there is a lack of sector transition plans at Member State level overall. Where policies, measures and funding instruments for transition-critical sectors do exist, they frequently struggle to be consistent with each other as they result from different ministerial processes or follow different templates.

Looking at NECPs specifically, while they are intended to stimulate planning of the climate and energy transition, and monitor progress in its implementation, their core components concern the deployment of renewables, energy efficiency targets and binding emissions targets for non-ETS sectors.²⁴ While market-based instruments such as the ETS have demonstrated their value in creating a predictable carbon price for real economy actors and remain a priority for investors, they do not allow for the clear communication of intended policies, measures and funding instruments unless Member States choose to incorporate these in their NECPs. This is especially problematic for measures relating to industry electrification.²⁵

In the current political and policy context, operationalising a whole-of-economy approach for NECPs is likely to be more feasible through a modular approach, rather than have the revised Governance Regulation mandate a single and comprehensive national strategy with

²² ITPN, November 2025, [Sector Transition Plans: A bridge between national ambition and company transition plans](#)

²³ It is important to note that “whole-of-economy” is not only full sectoral coverage, but also system coherence. A central barrier is that cross-cutting enablers are fragmented, for example: grid expansion timelines, port and CO₂ transport infrastructure, permitting reform, workforce and skills, and demand-creation mechanisms for new fuels. These horizontal enabling conditions help determine feasibility and cost of capital.

²⁴ The Emissions Trading System (ETS) includes greenhouse gas emissions from electricity and heat generation, industrial manufacturing, aviation and maritime transport sectors. These sectors’ emissions are therefore not covered by the Effort-Sharing Regulation national targets and the NECPs.

²⁵ ECNO, 2024, [Net zero risk in European climate planning](#) (PDF)

all key sectors included. In this context, it is important to underline that alignment across various EU-mandated national strategies is essential to streamline overall consistency.²⁶

Recommendations

- The European Commission should approach NECPs as the keystone for transition planning at national level in the EU. Through the establishment of a “Transition Committee” – which should aim to set out a unified and credible economic direction for the EU’s and Member States’ transition strategies – the EU Commission should issue guidance on relevant information that Member States should include in NECPs for the benefit of the private sector.
- To ensure a whole-of-economy approach, Member States and ministries in charge of NECPs should cross-reference: (i) other national transition strategies (adaptation plans, building renovation plans, etc.) and (ii) sector transition plans from key sectors of the national economy.

Principle 2. Systematically integrate climate resilience and risk management

National adaptation strategies and plans are required by Article 5 of the European Climate Law. While the Governance Regulation mandates that Member States produce and publish these plans, there is no standardised set of indicators or specific requirements for their design. This creates two immediate challenges to unlocking investment in relation to national transition strategies:

- **A structural/financial challenge.** The absence of systematic geographic assessment of climate risks and the policies and measures designed to mitigate them creates structural investor uncertainty in areas exposed to climate risks or perceived as such. This lack of systematic information could potentially hold back investments in areas less exposed or for which adaptation measures are already being put in place.
- **A policy challenge.** The absence of detail on investment needs associated with climate adaptation policies and measures does not give clear direction to investors, hampering the creation/expansion of a market for adaptation finance.

Systematic integration of risk management via international, EU and national risk assessments, mitigation and adaptation strategies, and information drawn from sector transition plans would give the private sector relevant information on the country’s overall

²⁶ In addition to the principle of vertical alignment presented in the Introduction, we advocate following a process of “horizontal alignment” to establish a coherent policy framework for transition governance. Horizontal alignment is the process of consolidating transition plan requirements across existing EU regulations at the same level of governance. For example, for the private sector this would mostly be CSRD, CSDDD, CRR/CRD, Solvency II, ETS, IED. Without this horizontal standardisation, the vertical alignment process between private sector transition plans and national strategies cannot function effectively. See E3G, ECCO, November 2024, [Moving Towards a Holistic Transition Planning Framework in the EU](#)

strategy for managing physical, transition and financial risks related to climate.²⁷ NECPs would become more investable by consistently integrating this information, notably by cross-referencing national adaptation and resilience plans.

Private sector actors are interested in the way countries plan their resilience strategies and use this information for their internal risk assessments and consequent allocation of capital, as it helps them to mitigate and avoid risk as well as prioritise adaptation projects with diffuse benefits which can be deployed together with the public sector. Relevant information includes the financial value at risk in the investment portfolio due to transition risks, regulatory changes, technological shifts, scenario analysis, sensitivity to commodity price shocks, and so on.

Integrating adaptation and physical risk management into national strategies is also about preventing territorial disinvestment and protecting competitiveness, given that unclear adaptation strategies and unfunded resilience measures can translate into higher perceived risk premia, especially in physically exposed regions.

Recommendations

- ▶ The forthcoming European Commission proposals for an integrated framework for climate resilience and risk assessment²⁸ should develop a shared understanding and methodology to assess climate resilience, to be incorporated into the NECPs in the revision of the Governance Regulation.²⁹
- ▶ Member States should develop national climate risk assessments in line with the European Environment Agency EU Climate Risk Assessment.
- ▶ Ministries in charge of NECP formulation should integrate or cross-reference climate resilience and adaptation information into NECPs, in a format that allows the private sector to determine their next steps in terms of management of climate risks.

Principle 3. Ensure policy signals are credible and consistent, supported by a high-level budgeting exercise, ideally designed within a whole-of-government approach

To be investable, strategies (and NECPs specifically) should be credible and consistent across all aspects. Inconsistencies among the forecasts, objectives, targets, policies and measures within a Member State’s NECP can be a barrier to investability due to the lack of clear policy direction signalled.

²⁷ GFANZ, 2025, G20 SFWG Input Paper, [Priority 2: Scaling up financing for adaptation](#) (PDF)

²⁸ European Commission, [European climate resilience and risk management – Integrated framework](#) (webpage)

²⁹ E3G, September 2025, [Response to the European Commission’s Call for Evidence: The EU climate resilience and risk management initiative](#)

Stakeholder feedback compiled by the European Commission³⁰ identifies that obstacles to NECPs’ role as investment strategies include:

- Lack of information with a long-term perspective (the 10-year NECP cycle being too short and 30-year nLTSs being insufficiently granular).
- Information gaps on investment needs and funding sources in NECPs and NECPRs.
- The type and granularity of the data, not sufficiently geared towards investor needs.³¹

While the Commission’s own consultation of national authorities noted that “integrated planning and reporting improved cooperation and coordination between and within different national ministries and governmental agencies”,³² this has not entirely overcome internal inconsistencies which blur the policy signal. This is particularly visible in the case of hydrogen, where many plans feature a mismatch between production and demand forecasts.³³

Furthermore, NECPs are not budget laws, meaning that the policies and measures – and especially the funding underpinning them – can be very easily overturned from one year to the next, especially in a context of fiscal constraint. Policy reversals or deferrals ultimately undermine investor confidence and increase risk premia. In the absence of a broad political consensus, this further shortens the expected lifespan of the plans and makes the prospect of a clear 30-year steer in the nLTSs even more difficult to achieve. The more widely Member States consult across relevant ministries, with local and regional authorities, social partners and other stakeholders, the greater the societal consensus and political buy-in to the content of the plans would be.

To further address these challenges, consistent policy signals and the alignment of public budgets and spending plans with transition objectives – supported by robust sector transition plans³⁴ – would provide greater predictability and confidence to investors. In our stakeholder engagement, private sector companies confirmed that NECPs would be more insightful with clearer and more granular public finance strategies, provided in a more legible format. This includes insights into de-risking strategies through blended and concessional tools, use of state guarantees, and visibility of EU funds and national co-financing pipelines. A high-level budgeting exercise would provide clarity on infrastructural developments, delivery timelines and regulatory sequencing.

³⁰ European Commission, September 2024, [Report on the Review of the Regulation on the Governance of the Energy Union and Climate Action](#)

³¹ Also in format: data spread across the text of a long PDF document is difficult to digest.

³² European Commission, September 2024, [Report on the Review of the Regulation on the Governance of the Energy Union and Climate Action](#)

³³ ECNO, 2024, [Net zero risk in European climate planning \(PDF\)](#)

³⁴ ITPN, November 2025, [Sector Transition Plans: A bridge between national ambition and company transition plans](#)

Box 2 below sets out what such a high-level budgeting exercise might involve. By involving all relevant ministries in a whole-of-government approach, the credibility of government commitments can be strengthened, enhancing the private sector’s willingness to invest.

Recommendations

- ▶ To increase the credibility of NECP objectives throughout multiple annual budgetary cycles, the European Commission should: (i) explore ways to better prioritise NECP-related investments in the medium-term fiscal-structural plans³⁵ and the National and Regional Partnership Plans in the next MFF³⁶ and (ii) update nLTs in line with the NECP cycle to help create an even longer planning horizon. Such activities incentivising whole-of-government planning and coherence could be part of the tasks of the Transition Committee (see recommendations under Principle 1).
- ▶ To follow a whole-of-government approach, Member States should include all relevant ministries generally, and their ministries of finance specifically, when formulating their NECPs and the related funding of their climate and energy objectives.
- ▶ Member States should make sure that every policy objective in their NECP is accompanied by a private or public capital allocation, following the guidance of the high-level budgeting process presented in Box 2 below. If not within the NECPs themselves, the budgeting exercise can be linked to them via the Member State budget law or related instruments.

▶ BOX 2: What high-level budgeting could mean in practice

Identify policies and measures with specific criteria

- ▶ Use aggregated information from private sector transition plans to identify priority actions and measures that can address bottlenecks and key transition dependencies already highlighted by the private sector (see Chapter 2).
- ▶ Identify interventions where public action is indispensable (e.g. infrastructure, enabling frameworks, social measures), either because they have historically been in the public domain or because the private sector alone cannot deliver them.

Estimate investment needs per measure

- ▶ Estimate annual and cumulative investment requirements for each measure.
- ▶ Break down into CAPEX (up front capital expenditure) and OPEX (operational expenditure).

³⁵ European Union, April 2024, [Regulation on the effective coordination of economic policies and on multilateral budgetary surveillance](#), Article 13(c)(i)

³⁶ E3G, June 2025, [Making Every Public Euro Count](#); E3G, March 2025, [Cash for which reforms?](#)

Match measures with potential public finance resources

- ▶ ETS revenues, state budget, MFF funds, development bank financing, and so on.
- ▶ Ensure a systemic approach: this high-level strategy must translate into measure-by-measure implementation, starting with Member States’ budget laws and extending to EU and other funding streams.

Identify the public/private coverage ratio

- ▶ Calculate the percentage of investment needs that can be covered by public resources.
- ▶ Identify the remaining gap that needs to be mobilised through private finance.

Mobilise private capital

- ▶ Define financial instruments and risk-sharing mechanisms to crowd in private investment (such as guarantees, blended finance, concessional lending, tax incentives) and define a strategy to mobilise them.
- ▶ Ensure alignment with EU transition finance frameworks (taxonomy, transition plans under CSRD and CSDDD³⁷, etc.) to give clarity and credibility to private investors.

Principle 4. Evaluate and consider private sector insights for national planning of public investments, as a result of more structured engagement processes

To achieve the NECP targets set by Member States, a strong interplay between government-led strategic direction and private-sector engagement is essential. Governments and businesses have complementary roles to play in delivering both climate and competitiveness objectives. The multi-level dialogues required by the Governance Regulation require Member States to include businesses and investors for this reason.

Yet, most NECPs lack a comprehensive overview of private investment needs. As the European Commission’s evaluation of the Review of the Governance Regulation notes, the NECP framework is missing granular information on short- and long-term investment needs.³⁸ Granular, sectoral information from the private sector would allow governments to assess the economy’s needs, opportunities and bottlenecks, which means public funding allocation could be brought into alignment with private finance forecasting.

³⁷ The CSRD and CSDDD are being revised under the Omnibus simplification package as of December 2025. See Chapter 2.

³⁸ European Commission, 2024, [Report from the Commission to the European Parliament and the Council on the Review of the Regulation on the Governance of the Energy Union and Climate Action](#)

Including this information has been difficult given it is impossible to consult the information in every private sector transition plan, and there is poor availability of aggregated insights from the private sector. Such aggregated information is important to ensure it is representative, rather than being biased towards or informed by narrower interests and positions (see Chapter 2).

Recommendations

- ▶ Ministries in charge of developing NECPs should strengthen their engagement strategy with all the representatives who can contribute to delivering the climate transition, including discussions with private sector representatives on how to fund the NECP objectives. These discussions could additionally be broadened to include public banks, who would have an important role to play in delivering a pipeline of projects in line with the budgeting exercise mentioned above.^{39 40}
- ▶ To increase the private sector engagement around NECPs, insights regarding challenges and needs coming from aggregated private sector transition plans should be included. In Chapter 2, we suggest ways of producing this aggregated information at the Member State level.

³⁹ E3G, June 2025, [Leveraging Private Transition Investment through the EU’s Multiannual Financial Framework](#)

⁴⁰ CDP, November 2025, [From Plans to Capital: Unlocking Credible Transition Finance at scale](#)

Chapter 2: A framework for aggregating private sector transition plans to inform national strategies

Private sector transition plans are strategic instruments for risk management and business strategy, which can be used for a multitude of purposes.⁴¹ The development of a transition plan allows a company to assess and implement the financial planning and strategic decarbonisation actions necessary to achieve its long-term net zero target while decreasing its transition risks. The resulting plans hold valuable information for other users – investors, banks and insurers, and, as we argue in this paper, national ministries – to inform resilient investment strategies and long-term competitiveness through the transition.

Aggregating the information coming from transition plan data could provide policymakers and other stakeholders with a clearer, evidence-based view of sectoral progress. In our stakeholder engagement, national ministries and private sector entities pointed out that such aggregated data can help identify more granular financing gaps, address sector-specific challenges and barriers (such as grid connection delays or permitting constraints) and improve risk management. This in turn can make effective targeting of public funding simpler, as well as inform more tailored blended finance choices based on where private capital needs more de-risking. This is particularly important for scaling renewables, storage deployment, and energy efficiency to ensure a coordinated and financially sustainable energy transition.⁴²

In this chapter, we explore how data from private sector transition plans can be aggregated, so that policymakers can use it to inform more efficient decisions. Given the different national contexts and the different set of actors which are potentially able to aggregate such data, we propose a modular framework that can be tailored to account for different governance structures and bodies active at national level.

⁴¹ For example, the [Transition Plan Taskforce \(TPT\) Framework](#) describes this multi-purpose nature of transition plans with the sentence “one plan, many users”.

⁴² Climate & Strategy Partners, December 2024, [Filling the EU Climate Investment Gap More Efficiently](#)

The state of disclosure of private sector transition plans in the EU

Across EU Member States, companies and financial institutions are required to disclose Environmental-, Social- and Governance-related (ESG) information through the Corporate Sustainability Reporting Directive (CSRD). The technical requirements under the European Sustainability Reporting Standards (ESRS) provide a comprehensive description of ESG criteria relevant for companies to assess and then disclose. Within this framework, the CSRD and its standards provide specific criteria for the disclosure of climate transition plans, including but not limited to greenhouse gas emissions reduction targets, decarbonisation levers and actions, and financial planning.

The CSRD and ESRS were first reported against in 2025, when large, listed EU-based companies were required to disclose their annual reports on financial year 2024. The initial results are promising. An analysis by the European Financial Reporting Advisory Group (EFRAG)⁴³ of over 600 CSRD reports from European companies found that 55% of companies disclosed a transition plan, and this percentage is much higher – ranging from 66% to 80% – in several other analyses carried out by auditing and consulting firms.⁴⁴

However, the information provided in these transition plans is not yet consistent; there is variation in the level of granularity that companies are providing,⁴⁵ which is related to three factors. First, there are several phased-in obligations under the ESRS that will slow down the standardisation of data availability in the short term.⁴⁶ Second, the ESRS were initially meant to be accompanied by implementation guidance for transition plan disclosure, developed by EFRAG. This implementation guidance is to date available only as a draft.⁴⁷ Its finalisation has been delayed due to the regulatory revisions under the first Omnibus simplification package. Third, the Omnibus package raises questions about the availability, reliability and granularity of ESG-related information that will remain in the renewed CSRD framework and its simplified ESRS. Box 3 below provides further insights into Omnibus-related consequences on the usefulness of transition-related data for informing national strategies.

⁴³ EFRAG, July 2025, [State of Play 2025, Implementation of the European Sustainability Reporting Standards \(ESRS\): Observed Practices based on statements issued as of 20 April 2025](#) (PDF)

⁴⁴ Sources here include: (i) EY, April 2025, [CSRD Barometer 2025](#); (ii) PwC, April 2025, [In search of sustainable value: The CSRD journey begins](#); (iii) KPMG, September 2025, [The first wave of CSRD reporting: What you need to know](#); (iv) Deloitte, April 2025, [CSRD reporting benchmark study on Finnish companies](#); (v) Forvis Mazars, May 2025, [Insights from the first sustainability reports of Dutch listed companies - Part 1](#)

⁴⁵ EFRAG's [State of Play 2025](#) points out that only few companies, out of the 600 analysed, have fully disclosed the ESRS criteria for transition plans. Frankbold, October 2025, [Delivering on Sustainability: Evidence from the first year of CSRD implementation](#), similarly finds many companies not disclosing the full list of ESRS data points.

⁴⁶ For instance, the [ESRS Delegated Act](#) allows very large companies (>750 employees) the option to opt-out from Scope 3 disclosure in their first year of reporting (Appendix C, ESRS 1).

⁴⁷ EFRAG's [draft Implementation Guidance on Transition Plans](#), from EFRAG SRB Meeting of 26 February 2025

The benefits of aggregating transition plan information

As discussed in Chapter 1, achieving national climate targets requires an interplay between government-led, strategic direction of travel and private sector contribution. To create the dynamic and data-driven feedback loop discussed in the Introduction, well-structured aggregation of private sector transition plan information is critical.

Private sector transition plans contain various data points that can be helpful to policymakers. For example, information on company emissions and emissions targets may be useful to track progress towards national climate goals, as also seen in Brazil where the Ministry of Science, Technology and Innovation is using corporate climate data from CDP to support tracking of progress towards its NDC.⁴⁸ Other useful data points include the decarbonisation levers that a company will adopt and the dependencies on which the transition plan relies. The Joint Research Centre of the European Commission is developing tools that help financial institutions and policymakers assess the feasibility of a company's decarbonisation levers and the associated transition risk.⁴⁹ Dependencies may help policymakers identify the key blockers to private sector action; a CDP analysis of 2,018 companies with transition plans identifies common dependency types.⁵⁰

To define the benefits of aggregating transition plan information, we combined insights from a stakeholder engagement process involving national ministries, agencies and private sector entities, with information from desk research.

We conclude that aggregating insights from private sector transition plans allows governments to:

- ▶ Improve the credibility and pragmatism of national targets by linking them to market activity and private sector readiness.
- ▶ Integrate private sector considerations, such as sectoral bottleneck maps, capital needs estimates, and identification of risk-sharing measures, in national strategies such as NECPs. Information helps map out how businesses can contribute to achieving sectoral and national targets.
- ▶ Tailor and better regulate structured dialogues with industry coalitions and business associations on specific top-down financing instruments – such as loans, guarantees, risk-sharing facilities and grants – that can de-risk investments and support corporate transition efforts.

⁴⁸ CDP, 2025, [MCTI and CDP Sign Technical Cooperation Agreement to Boost Climate Transparency](#)

⁴⁹ See Pickard Garcia et al., 2024, [Credible company transition plans for climate change mitigation: a geographical dependency assessment](#); Pickard Garcia et al., 2025 [Company transition plans for climate change mitigation: identifying external factors to analyse geographical dependencies in energy-intensive industries](#)

⁵⁰ CDP, 2025, [From Plans to Capital: Unlocking Credible Transition Finance at Scale](#)

- ▶ Develop strengthened and targeted public-private partnerships to cushion and manage identified risks and bottlenecks.
- ▶ Perform granular monitoring of progress towards national and sector-specific climate and investment targets.

Businesses, if their data were to be aggregated, can:

- ▶ Provide quantitative and qualitative information on the transition progress and pace of private companies, aggregated by specific sectors.
- ▶ Highlight sectoral and regional market needs and opportunities, to inform better state-market interactions.
- ▶ Showcase bottlenecks and dependencies hindering transition efforts in specific sectors and regions – such as supply chain constraints, permitting issues, or grid capacity shortcomings.
- ▶ Provide average benchmarks for transition plan data in specific sectors, shedding light on how to reduce transition risk at sector-specific level.

Challenges in aggregating transition plan information

Through our stakeholder engagement process and research, we have identified three challenges in aggregating transition plan information that could be overcome through specific actions outlined below.

A potential mismatch between the scoping of corporate transition plans and national strategies

Corporate transition plans prepared under the ESRS framework follow the principle of matching the boundaries of financial statements, which include the full value chain. This means transition plans can cover Scope 1 (direct emissions from owned or controlled operations), Scope 2 (indirect emissions from purchased energy), and Scope 3 (indirect emissions along the value chain). As a result, the coverage of transition plans often extends beyond the borders of a single Member State – and in many cases beyond the EU itself. In contrast, the perimeters of national strategies such as NECPs are geographically defined and include mostly domestic measures. This can be solved by companies providing a geographical breakdown for Scopes 1 and 2. For example, the CDP questionnaire quoted above already requires this.

Data comparability and credibility are necessary to ensure high-quality and reliable aggregated information

As mentioned above, the disclosure of transition plan information is not yet a standardised exercise that yields granular and comparable outputs. However, companies will likely experience a learning curve in the coming years which will improve the comparability of reported information. European policymakers should assist this process to accelerate the quality of information flows, for example by developing shared guidelines on how to prepare transition plans.

The usefulness of aggregated information additionally depends on the reported information being credible and reliable. This highlights the need to clarify, through guidance and criteria, what makes a transition plan “credible”. Policymakers could build upon existing work on criteria that determine a transition plan's credibility. For example, the Assessing Transition Plans Collective (ATP-Col) has developed a fully-fledged framework for assessing the credibility of transition plans,⁵¹ while the European Commission's JRC has developed two tools analysing geographical KPIs that determine such credibility.⁵²

SMEs and start-ups risk not being systemically captured in the aggregation framework, if voluntary reporting is not duly incentivised

Among other changes, the first Omnibus package will exclude SMEs from standardised, mandatory reporting under the CSRD. Box 3 below describes the package in detail. This exclusion underscores the importance of systematic, voluntary reporting of transition plan information. The cleantech industry is prolific with start-ups and innovative companies, often SMEs, which have significant impacts on regional and national markets. Reflecting their needs and bottlenecks in the aggregation framework is essential. Given the absence of mandatory requirements, SMEs and start-ups should be encouraged to voluntarily disclose transition plan information, as doing so would allow their specific needs and bottlenecks to be properly captured by ministries in the aggregation process.

⁵¹ Assessing Transition Plans Collective, September 2024, [Assessing the credibility of a company's transition plan: framework and guidance \(version 1\)](#)

⁵² European Commission, Joint Research Centre, August 2024, [Credible company transition plans for climate change mitigation: a geographical dependency assessment](#)

► **BOX 3 – How the first Omnibus package will affect the availability of transition plan data**

The European Commission's first Omnibus simplification package will propose substantive amendments to the CSRD and ESRS disclosure framework.

The first Omnibus simplification package, launched in February 2025, aims to reduce the administrative burden of corporate sustainability reporting and compliance under the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD). While yet to be finalised, the proposal tabled by the European Commission is set to narrow the data pool of ESG-related information in the European market and risks diluting the usefulness of aggregating transition plan data for national strategies.

Among measures already adopted is the “stop-the-clock” legislation, which has delayed by 2 years the implementation of CSRD for the European companies that were yet to report in the year 2025. Progress on data availability will therefore be frozen during this period.

Additionally, the package substantially restricts the scope of CSRD, excluding a large number of European companies from mandatory reporting practices. The European Commission proposed to raise the employee threshold for mandatory reporting from more than 250 employees to more than 1,000 employees. The European Parliament subsequently proposed taking this even further, to 1,750 employees,⁵³ creating the risk of further cuts during the negotiations on the Omnibus. The Commission proposal would remove approximately 80% of European businesses previously under the directive from its scope,⁵⁴ while the Parliament's positioning is estimated to take this further to a 92–95% reduction. Such changes would substantially reduce the availability of transition-related information.

At the time of writing, the ESRS simplification process does not modify the data points that are required to be included in transition plans, and ESG information for smaller European companies would still partially be captured in reporting of Scope 3 emissions by large entities and, potentially, from the requests stemming from prudential regulators and investors. This could yet change during the ESRS negotiations in Q4 2025.

Another issue for transition-related data availability lies in the proposed modifications to Article 22 of the CSDDD, which currently requires large European companies to adopt and implement transition plans. At the time of writing, the European Commission and Council have proposed some amendments to Article 22, while the Parliament has agreed on a complete deletion. The CSRD and the CSDDD

⁵³ European Parliament, November 2025, [Sustainability reporting and due diligence: MEPs back simplification changes](#)

⁵⁴ European Commission, DG FISMA's newsletter of 1st April 2025, URL: https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en

play a complementary role in ensuring the availability of credible and comparable data on transition plans, and while transition plan disclosure, and thus data transparency, is ensured by CSRD, CSDDD's Article 22 promotes standardisation and better data comparability through its legal requirement for companies to adopt transition plans. This article could therefore have a significant impact on the landscape for transition plan aggregation.

The outcome of the Omnibus simplification package will play a large role in affecting the requirements pertaining to transition plans in the EU. Nonetheless, the information published through the CSRD-compliant annual reports should be actively used as a resource, regardless of changes to the regulatory landscape.

A modular framework for aggregating transition-related data

Within the existing landscape for private sector transition plans in the EU, there are avenues for progressing the aggregation of transition plan data that could be carried out chiefly at the level of Member States. We propose a modular framework comprising four pillars for action that relevant national ministries can implement. The four pillars outline **two options** to carry out the aggregation of data and **two elements** to support the process. These pillars may be implemented either as a comprehensive package or as standalone components. This framework aims to ensure a minimum degree of standardisation across Member States, while providing flexibility and adaptability to national circumstances. The first two pillars are options for how data from transition plans could be aggregated; the second two pillars are additional elements to support the process.

Relevant national ministries can:

1. Mandate financial market authorities to aggregate transition-related information disclosed in CSRD reports of listed companies.
2. Expand the functions of national environmental agencies to include the aggregation of transition-related information.
3. Engage with business associations to establish industry dialogues and explore opportunities to collaborate with private organisations to support the aggregation ecosystem.
4. Implement and support the European Single Access Point's (ESAP) functionality as a database for transition plan data.

We examine the functionalities and shortcomings of these four pillars below, to further clarify how Member States could implement them in practice.

Pillar 1. Mandate financial market authorities to aggregate transition-related information in CSRD reports of listed companies

National financial market authorities, also called securities regulators, are well positioned to carry out the aggregation of corporate transition plan information for listed European companies, as they already access relevant information in the course of their duties. Regardless of differing national market circumstances, such authorities have a twofold mandate enshrined in EU law.

First, financial market authorities are responsible for investor protection. This includes the mandate to ensure that publicly available information, such as sustainability disclosure data, is accurate, clear and non-misleading to investors. Second, they must ensure the good functioning of financial markets and avoid misconduct. Through this mandate, financial market authorities supervise the consistency, completeness and clarity of disclosed sustainability information, enabling them to tackle greenwashing as a type of misconduct or miscommunication.⁵⁵

The CSRD legislation sets out that Member States are required to designate National Competent Authorities (NCAs) responsible for the oversight of disclosed sustainability information. These designated authorities are typically, though not exclusively, financial market authorities. They are therefore mandated to perform consistency checks on the reported information, with the purpose of identifying eventual material misstatements or omissions. To standardise the oversight process, the European Securities and Markets Authority (ESMA) developed the Guidelines on Enforcement of Sustainability Information (GLES).⁵⁶

To carry out compliance oversight, financial market authorities access the CSRD-compliant annual reports from listed companies. They perform compliance checks on the consolidated information disclosed, which includes corporate transition plan data. They can access information needed for identifying sectoral needs, opportunities and bottlenecks within their jurisdictions. This information could then be shared by the authorities themselves with the ministries responsible for the monitoring, update and implementation of NECPs and other national transition strategies.

Financial market authorities have already occasionally derived targeted insights from CSRD reports to support practical analyses and fact-finding exercises. For example, ESMA gathered information from national counterparts regarding the 2025 CSRD sustainability statements to inform a report on materiality practices under the ERS framework.⁵⁷

⁵⁵ See ESMA, 2024, [Final Report on Greenwashing](#), Annex 2

⁵⁶ ESMA, 2024, [Final Report on Guidelines on Enforcement of Sustainability Information](#)

⁵⁷ ESMA, October 2025, [Results of a fact-finding exercise on 2024 corporate reporting practices under ERS Set 1](#)

However, financial market authorities currently do not have a legal mandate to aggregate sustainability-related information.

Given that financial market authorities are mandated to supervise only listed companies, we recognise the limits of their role in the aggregation framework. These authorities would not be able to access transition plan information disclosed, whether voluntarily or mandatorily, by non-listed SMEs and large private sector actors. For this reason, our proposed modular aggregation framework also includes roles for other bodies (see below). Financial market authorities may wish, initially, to work with established transition data providers who are starting to develop data analytics relevant for policymakers.⁵⁸

Recommendation

Finance ministries should consider mandating financial market authorities to aggregate the transition-related information disclosed in the CSRD reports of listed companies.

Pillar 2: Expand the functions of national environmental agencies to include the aggregation of transition-related information

National environmental agencies are similarly well placed to perform aggregation of information from transition plans through an expansion of their existing mandate. Environmental agencies in Europe are typically mandated to monitor environmental-, climate- and pollution-related issues, exploring climate adaptation projects, and occasionally energy efficiency measures. Such agencies have structured engagements with governmental ministries for the development of national and regional projects.⁵⁹ Mandating such agencies would establish a structured governance approach to the collection of transition-related insights for informing national strategies such as NECPs.

Tasking national environmental agencies with the purpose to aggregate corporate transition plan information can include:

- Accessing and aggregating the disclosed sustainability information in the CSRD reports of companies operating within their jurisdiction. Where financial market authorities are also given this mandate, Member States could require environmental agencies to focus their data collection activities on non-listed companies to ensure the processes are complementary.
- Establishing internal credibility controls, to ensure the consistency and integrity of transition-related information ahead of aggregation.

⁵⁸ For example, Brazil's Ministry of Science, Technology and Innovation are using corporate climate data from CDP to support tracking and reporting towards its NDC.

⁵⁹ For example, Italy's environmental agency, [ISPRA](#), performs research and analyses on a series of environmental-related topics, such as sustainable development, water and waste management, and sustainable finance. Similarly, the [Germany Environment Agency \(UBA\)](#) supports the work of the Ministry of Environment in relation to climate-related projects, environmental concerns and even emissions trading enforcement.

- Setting up targeted industry dialogues with business associations and individual companies, to ensure that key opportunities and bottlenecks not fully reflected in the CSRD reports are taken into consideration by governmental ministries. In this context, agencies may also initially wish to work with established transition data providers.

It is important to note that the extent to which environmental agencies can take on a leading role depends on national economic and political circumstances. We expect agencies to be able to take a stronger leadership role in Member States where there is (i) a stronger political leadership on industrial decarbonisation and climate neutrality, and/or (ii) the agency has greater flexibility to establish strong governance through a dedicated workforce.

Recommendation

Environmental ministries should consider expanding the functions of national environmental agencies to include the aggregation of data from private sector transition plans.

Pillar 3: Engage with business associations to establish transition-oriented industry dialogues and explore opportunities to collaborate with private organisations

Pillars 1 and 2 represent the principal bodies that could be mandated to aggregate information from transition plans. However, given resource constraints, national authorities and agencies may be limited in their ability to undertake the full scope of aggregation activities by themselves. To streamline and support their efforts, national ministries should consider exploring whether business associations and private organisations can play additional roles in providing useful insights. We discuss the example of business associations here.

European business associations consider industry dialogues a relevant forum to discuss key enablers of competitive investments and resilient business practices. They recognise that constructive engagement with governments is essential to pinpoint where public finance can most effectively unlock private investments in support of transition objectives. Business associations can host recurring, targeted dialogues between their members and governmental and European stakeholders. These dialogues, if held under the premises of industrial decarbonisation and climate efforts, could include sectoral information on financing needs, bottlenecks and opportunities which may not be fully reflected in transition-related information.⁶⁰

⁶⁰ Importantly, a transition plan is a periodic output of the broader transition planning process, and therefore contains largely static information. What is also useful, however, is the aggregation of “insights” from those plans and disclosure against a company’s stated ambitions. This is precisely the information that can feed back through policy and market feedback loops, enabled by interoperable transition planning frameworks and regulation as well as these dialogues. More info at CDP, November 2025, [From Plans to Capital: Unlocking Credible Transition Finance at scale](#)

Often, business associations in Member States have developed their own sectoral roadmaps for reaching climate targets. For example, Italy's Federbeton (Association of the Cement and Construction Material Sector) developed a roadmap for the cement sector, built on the climate framework of the Italian NECP and informed by thorough consultations with industry representatives.⁶¹ Industry co-creation of sector transition plans, in partnership with governments and others, can generate valuable insights for two reasons. First, it can enable identification of barriers and enablers for finance flows, project pipelines and technology deployment. Second, companies' transition plan progress could be aggregated to monitor progress towards sector-wide goals, using KPIs related to transition finance flows, technology deployment, or emissions reductions.⁶²

Even though this use of industry dialogues can yield useful insights, Member States should be judicious about the involvement of business associations in the aggregation of transition plan information. Associations can have vested interests in the European legislation that affects their members, and may lobby strongly to influence the policymaking processes.

Recommendations

- National ministries should proactively engage with business associations to establish transition-oriented industry dialogues aimed at facilitating data aggregation and the creation of sector transition plans in line with the Paris Agreement.
- National ministries could additionally consider exploring how private organisations with collection and analytical activities can support the aggregation process. Organisations to consider could include data providers, research institutions, auditing firms, and non-governmental organisations.

Pillar 4: Implement and support the European Single Access Point's (ESAP's) functionality as a database for transition plan data

A properly implemented and well-functioning European Single Access Point (ESAP) can act as a key technological enabler for the aggregation of transition plan data. When operationalised, ESAP will act as a digital, open-access database for publicly available information, including sustainability-related data. Through a series of implementation phases, it will slowly gather climate-related information from the CSRD, the CSDDD, and other sustainable finance legislation including the Sustainable Finance Disclosure Regulation (SFDR), Capital Requirements Directive (CRD) and Solvency II. ESMA will be responsible for the functioning and maintenance of this database.

ESAP will make large-scale ESG data, including transition-related information, accessible for analysis by third parties, private stakeholders and government authorities alike. By July 2027, ESAP will begin displaying CSRD-compliant sustainability information disclosed by listed companies. More complex ESG disclosures coming from CSRD reports of non-listed

⁶¹ Federbeton, June 2020, [La strategia di decarbonizzazione del settore del cemento](#)

⁶² UK Transition Finance Council, September 2025, [Sector Transition Plans: The Finance Playbook](#)

firms, SFDR and CRD obligations, will be gathered and accessible starting from January 2028.⁶³ This data could be analysed by government officials and other entities to inform NECPs and other national strategies.

It should be noted that ESAP will not, at the outset, capture the full range of sustainability information currently available. This is partly by design, as its implementation will occur in multiple phases, and partly due to concurring legislative measures – such as the first Omnibus package – which are expected to delay the integration of certain data flows in the database.

Importantly, ESAP is not intended to function as an interactive tool. Its primary purpose will be to display transition-related information. Government authorities, or other entities responsible for aggregating transition-related insights from the private sector, will be required to retrieve and analyse the information available through ESAP independently.⁶⁴

Taken together, these aspects underscore that ESAP can be a key technological enabler for aggregating transition-related insights. However, on its own, ESAP functions merely as a database. It becomes a truly valuable tool only when effectively implemented and leveraged by relevant authorities tasked with analysing the displayed insights.

Recommendation

Finance ministries should support ESAP's functionality as a database for transition plan data, and make use of that data to inform national strategies when it becomes available.

⁶³ ESMA, [Final Report on draft Implementing Technical Standards specifying certain tasks of collection bodies and certain functionalities of the ESAP under Regulation \(EU\) 2023/2859](#)

⁶⁴ Moreover, machine-readable data – specifically digitally tagged sustainability information in XBRL format – will be accessible in ESAP only where companies are legally required to provide it. At present, the technical requirements under the European Single Electronic Format (ESEF) regulation have been put on hold, due to ongoing regulatory adjustments under the first Omnibus package. Consequently, CSRD-related information will be displayed in ESAP in PDF format until the ESEF regulation update is implemented.

Conclusion

Making national strategies more investable – designing them in such a way that they provide a compelling prospect for investors to allocate their capital to activities in line with national objectives – requires producing those strategies with investors in mind.

The recommendations in this report show how National Energy and Climate Plans and similar strategies related to climate transition and resilience can be elaborated in such a way that they give investors the information and confidence they need to participate in areas of the transition that governments cannot fund alone. Investors need to see that strategies cover relevant sectors of the economy and take into account evolving climate and transition risks, proposing activities to manage them. Investors need the confidence of signals like high-level budgeting to support the strategies with key projects, and visibility of where the funding gaps – and opportunities – are.

Strategies can additionally only be effective if they take bottom-up information from the private sector into account. With transition plans as an emerging source of information about how the private sector is planning to tackle the transition, and the obstacles they face, there is an un-grasped opportunity to ground national strategies in real-world developments. We have highlighted how Member States can expand the mandate of existing authorities, develop and frame dialogue with business organisations and others, and prepare to make use of the information in the European Single Access Point, to make this work.

However, all this is still only one side of a productive feedback loop between national strategies and private sector transition plans. The other side is the credibility of transition plans, which also partly depends on reporting obligations at EU level. While outside the scope of this report, it is worth noting the importance of maintaining standardised reporting requirements in supporting greater availability and reliability of data. Against the backdrop of the Omnibus package, new ways to incentivise the provision of granular, comparable and high-quality data must be explored.

Focusing on this one interplay between national strategies and private sector transition planning demonstrates the value of holistic thinking.⁶⁵ Given the challenge – but also the opportunity – of climate transition, all strategies and planning tools at all levels of governance need to work together in harmony. In this report, we have shown that the practical tools to make that a reality are within reach. Next steps should include looking at other areas of vertical alignment, for example how the EU Nationally Determined Contribution can become more useful in framing national strategies at Member State level; as well as how coherence among the various national transition strategies (NECPs, adaptation plans, building renovations plans, etc.) can be improved.

⁶⁵ E3G, ECCO, November 2024, [Moving towards a Holistic Transition Planning Framework in the EU](#)

ABOUT E3G

E3G's mission: A safe climate for all

A safe climate for all underpins a future where humans and the natural environment can survive and thrive, where the most vulnerable are protected from climate impacts and economic systems prioritise people and the planet.

To achieve our mission, we build the policy solutions and political conditions for systemic action on climate. We:

- ▶ Work to win the politics and geopolitics of climate.
- ▶ Build the political conditions and policy solutions to drive the phase-out of coal, oil and gas from the global economy.
- ▶ Promote reforms to financial systems to secure the investment needed for mitigation and adaptation.

We are strategic thinkers

We combine deep strategic understanding with policy expertise. We analyse the political economy of climate and develop scenarios of how the future may evolve and what can be done to manage risks and exploit opportunities for action.

We are architects of climate action

We bring diverse stakeholders together to align action and foster dialogue. Through our collaborative approach we build connections and bridges, open windows of opportunity and create coalitions for change.

We are trusted brokers

We work closely with those driving climate politics forward, supporting them to tackle challenges behind the scenes. Governments rely on our knowledge of how to get things done in climate policymaking.



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