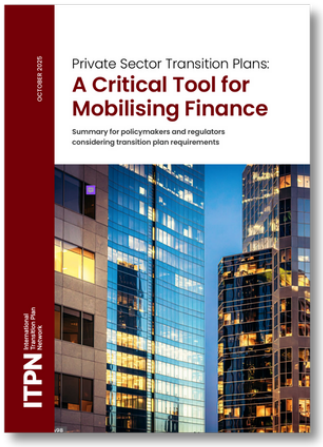
Private Sector Transition Plans: A Critical Tool for Mobilising Finance

Summary for policymakers and regulators considering transition plan requirements



This summary for policymakers introduces five mechanisms through which transition plans can mobilise finance. These mechanisms are based on emerging evidence and supported by a suite of case studies.

This report follows extensive engagement across ITPN's network of over 40 public sector organisations across 24 jurisdictions.

How can transition plans mobilise finance?

1 Enhancing market confidence by providing a means of assessing credibility of commitments and feasibility of planned actions. This can also reduce risk of actual or perceived greenwashing and legal liabilities.

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79% of financial institutions identify a lack of transition planning as an obstacle to financing corporates in line with net zero targets (OECD, 2022)

2 Managing risk by helping financial institutions, companies, and regulators identify and price forward-looking risk. This can reduce uncertainty, increase resilience, and support financial market stability.

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A survey of 37 global banks and insurers shows that 93% are using or planning to use client transition plans in risk management due diligence and stress testing (NGFS, 2024)

3 Identifying investment opportunities by assessing transition plan information when making decisions about financial products, portfolio construction, and capital allocation.

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85% of global banks and investors use transition plans to assess growth opportunities and identify activities and companies with strategies to grow or create value through the transition (Pollination, 2024)

4 Driving value creation and competitive advantage by implementing a credible transition plan. This can deliver measurable financial benefits to companies, including reduced operational expenditure and access to new revenue streams.

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65% of UK corporates believe that achieving transition plan goals will enhance competitive positioning (Lloyds Bank, 2024)

5 Influencing access to capital and financing costs by disclosing transition information. Companies may access financial advantages such as improved access to capital and lower cost of capital.

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Initial evidence shows energy & electric utilities with higher levels of transition plan disclosure experience measurably lower debt costs (University of Oxford, 2025)

What can policymakers and regulators do to support credible transition planning?

1. Send policy signals supporting transition planning
2. Adopt or align with ISSB Standards
3. Go beyond disclosure-only requirements and mandate transition plan implementation
4. Develop jurisdiction-specific guidance
5. Strengthen the broader enabling environment through legal frameworks and capacity building
6. Ensure coordinated approaches across government authorities to streamline requirements for market actors

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