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Plan to Accelerate **Creation and Adoption of Transition Plans for Financial Institutions**

Axis: [6. Unleashing Enablers and Accelerators including on Financing, Technology and Capacity Building](#)

Key objective: [20. Climate and sustainable finance, mainstreaming climate in investments and insurance](#)

Solution: [Creation and Adoption of Paris-Aligned Transition Plans](#)

Host initiative: UNEP FI

Scope:

- Geographic: Global
 - Sectoral: Financial Services
 - Other aspects: The deliverability of transition plans for financial institutions is dependent on the transition of the real economy sectors that they finance
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Levers assessment: *(each lever is described in the guidance document)*

- **Risk-informed decision-making:** [Medium maturity](#)
 - *Rationale: [Guidance and tools for risk-informed decision-making around both the transition planning process and the final FI transition plans exist but mostly on a voluntary basis, therefore integration is patchy and highly dependent on regional developments and each FI's institutional drive and capacity.]*
- **Technology shifts:** [Medium maturity](#)
 - *Rationale: The technical stack needed to create and operationalize the adoption of transition plans by financial institutions (carbon accounting, scenario analysis, sectoral pathways) is widely available and financial institutions have advanced the design and testing of tools such as scenario planning. However, there remain challenges around obtaining accurate data and using these tools as an input for decision making, as well as gaps in the technology needed to extract and interpret decision-useful information from FI transition plans. In addition, the delivery of FI's transition plans is heavily dependent on the technology shifts in the real economy, the maturity of which varies significantly across sectors and geographies (linking to Activation Group 2).*
- **Knowledge & Capacity building:** [Medium maturity](#)
 - *Rationale: [There are several widely accessible tools and resources that FIs can leverage toward the design and delivery of their transition plans as well as the assessment of their clients' transition plans. FIs are increasingly training staff and embedding implementation capacity, as well as expanding institutional understanding around credible transition pathways in specific industries. However, the governance of these plans and the capacity of executive teams to implement them is highly dependent on the individual FI, and the knowledge around financing strategies in specific industries can vary significantly. FIs could also play a more significant role in exchanging insights and building capacity across the private sector (e.g., with their clients and investees).]*
- **Inclusive decision-making governance & design:** [Low maturity](#)
 - *Rationale: [The design and delivery of transition plans by FIs can be informed by the feedback of their internal teams, clients' transition plans, and other stakeholders, however these decisions are typically driven by the individual institution's internal strategy and planning*

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process in a top-down manner. Transition plans are not always operationalized across governance and decision-making layers, and there may be a lack of participation from underserved and vulnerable populations in the design of the plans.]

- **Standards & Taxonomies:** High maturity
 - *Rationale: [Several references and transition planning frameworks have emerged across various jurisdictions that can be used by FIs to inform the creation and adoption of transition plans (e.g., TPT). While there is currently less standardization in the process of how transition plan are developed by FIs, the International Standards Organization (ISO) is in process of developing a standard that outlines requirements that enable finance sector organizations to implement and maintain credible processes for transition planning, consistent with the goals of the Paris Agreement. In addition, there are regional and national sustainable finance taxonomies that can act as core inputs for institutions to develop their plans. That said, there is limited standardization in the national / regional taxonomies and interoperability between standards remains a gap. There is also limited connection between the standards developed by UN entities and NGOs, and the proprietary methodologies used by common evaluators in the private sphere (e.g., MSCI)]*
- **Supply:** [N/A]
 - *Rationale: [N/A]*
- **Demand:** Medium maturity
 - *Rationale: [There is increasing demand from regulators, governments, investors, and other stakeholders for credible financial institutions transition plans. What exists today is primarily voluntary guidance but given the imperative to advance the climate transition from regulators, this guidance is likely to form the backbone for future regulatory mandates. Currently, there is some momentum for ISSB-aligned disclosures across jurisdictions, primarily requiring FIs to disclose existing transition plans. There are significant variations in the regulatory appetite for further disclosure requirements or mandate FIs to go through the transition planning process itself, and the current demand for mandating specific topics within FIs transition plans is more limited.]*
- **Public/private finance:** Medium maturity
 - *Rationale: [Funding to deliver these plans typically sits with the private sector entity, but implementation of many of the solutions identified within the plans requires both private and public sector financing. The availability of private sector finance for transition solutions is highly dependent on the region, with financing particularly limited in areas of the Global South.]*
- **Partnerships and collaboration:** Medium maturity
 - *Rationale: [Voluntary multi-stakeholder platforms exist, but coordination is not fully embedded at national/regional levels.]*
- **Policy & regulatory:** Low maturity
 - *Rationale: [Several countries have rules that promote the development and disclosure of transition plans, however there are very few jurisdictions where transition plans are mandatory at the moment. Awareness of transition planning is relatively high amongst securities markets and prudential regulators, however alignment amongst policymakers is relatively low. There is also limited capacity from regulators and policymakers to delve into the content of those plans, and understand how they can be aligned with the Paris Agreement and play into national climate goals and targets.]*
- **Public opinion:** Low maturity

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- *Rationale: [The topic is technical and multi-faceted, making it difficult to translate in terms that are accessible and resonate with the public. That said, there is an increasing public awareness of financial institutions' role on climate more generally.]*
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Expected impact of this plan on the 2030 targets (if any): []

By 2028, this plan aims to unlock measurable progress through three main impact pathways:

1. Harmonization of approaches for financial institution transition plans:
Convene standard setters, regulators, and policymakers to harmonize and accelerate global approaches for financial institution transition plans, aligning on shared norms and baseline expectations, improving comparability for investors and supervisors and lowering preparation and assurance costs for financial institutions.
2. Connecting financial institution transition plans with country targets:
Facilitate dialogue between financial institutions, industry associations, and governments to reflect national level climate targets into transition plans. This would enable greater alignment between private and public sector targets and improved regionalization of transition planning guidance, while ensuring that standards are contextualized for vulnerable populations that are underrepresented in the typical transition plan processes at private sector FIs.
3. Development of practical, scalable transition finance mechanisms for key sectors:
Work with governments, regulators, and standard setters to establish common transition finance approaches for key economic sectors to enable financial institutions to implement their transition plans.

Expected contributions to global processes:

- 2030 Climate Solutions targets: Supports a number of the Finance sector targets, including Private Finance Adaptation, Insurance Finance Adaptation, Finance for Net Zero, and Private Finance for Net Zero.
- COP30 Action Agenda: Establishing transition plans as a core pillar of the Activation Group agenda on climate finance, ensuring these plans will make private finance flows for both mitigation and adaptation consistent with the Paris Agreement.

Output	Action Scope	Action	Type of action	Implementation Lever	Responsible	Time horizon	Stakeholder engagement ¹	Committed Stakeholders
Convene financial	Global harmonization	Map and track transition plan	Existing action	Standards &	ITPN	June 2026	Multi-stakeholders platform	Oxford Climate Policy Monitor (TBC)

¹ Such as national governments, companies, investors, cities and local governments, technical institutions, MDBs, regulators & public agencies, utilities & system operators, youth & indigenous peoples groups, multi-stakeholders platform (non-exhaustive)

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regulators on guidance, interoperability, and mandates for transition planning	of approaches and shared norms	requirements of key jurisdictions		taxonomies Policy & regulatory frameworks				
International Standard “Net Zero Transition Planning for Financial Institutions” enabling global harmonization and an auditable, conformity-assessment pathway	Global harmonization of approaches and shared norms	Develop ISO standard to support foundation for global harmonization and interoperability, establishing common principles, terminology, and data expectations	Existing action: technical standardization process ISO/TC322:	Standards and taxonomies	ISO/TC 322 Secretariat (BSI), with support from the ISO Central Secretariat	June 2026	Multi-stakeholders platform	ISO members (TC322 experts)
International Standard “Net Zero Transition Planning for Financial Institutions” enabling global harmonization and an auditable, conformity-assessment pathway	Global harmonization of approaches and shared norms	Publish the standard and lay out pathway for future translation into auditable requirements and conformity assessment, enabling consistent and verifiable transition plans across jurisdictions	Existing action: technical standardization process ISO/TC322:	Standards and taxonomies Knowledge & capacity building	ISO/TC 322 Secretariat (BSI), with support from the ISO Central Secretariat	June 2026	Multi-stakeholders platform	ISO members (TC322 experts)
Dedicated platform or hub for policy dialogue to foster alignment and share best	Global harmonization of approaches and shared norms	Confirm governance and format for network, stand up the basic platform	Existing action	Policy & regulatory Inclusive governance	ITPN	November 2026	Multi-stakeholders platform	ITPN Community of Practice Global Capacity Building Coalition (TBC)

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practices				Partnerships & collaboration				
Dedicated platform or hub for policy dialogue among regulators from key jurisdictions to foster alignment and share best practices	Global harmonization of approaches and shared norms	Design and execute ongoing work program including capacity building for regulators and policymakers through regular Learning & Exchange Series, and regular convenings in key regions	Existing action	Policy & regulatory Inclusive governance Partnerships & collaboration	ITPN	June 2027	Multi-stakeholders platform	ITPN Community of Practice
Capacity building for regulators on assessing transition plans	Practical implementation of transition plans	Design and execute capacity building workshops for regulators in key regions, ensuring the plans address both mitigation and adaptation topics	New action	Policy & regulatory Knowledge & capacity building		November 2027	Regulators & public agencies	
Pilot projects that co-develop FI–client transition plans in real-economy sectors	Practical implementation of transition plans	Convene leading FIs that have developed SBTi-aligned plans to share insights	New action	Partnerships & collaboration	UNEP FI	June 2026	Investors	UN-backed PRI
Pilot projects that co-develop FI–client transition plans in real-economy	Practical implementation of transition plans	Shortlist 5-6 key sectors and identify potential project stakeholders	New action	Risk-informed decision-making Partnerships & collaboration		November 2026	Companies Investors MDBs	

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sectors								
Pilot projects that co-develop FI–client transition plans in real-economy sectors	Practical implementation of transition plans	Establish 3-4 pilot projects with at least one pilot focused on a sector critical for climate resilience and adaptation (e.g., agriculture, water infrastructure)	New action	Risk-informed decision-making Partnerships & collaboration		June 2027	Companies Investors MDBs	
Pilot projects that co-develop FI–client transition plans in real-economy sectors	Practical implementation of transition plans	Publish results and practical guidance to help other organizations replicate similar transactions	New action	Risk-informed decision-making Partnerships & collaboration		June 2028	Companies Investors MDBs	
Connect transition plans with national economic and climate targets	Practical implementation of transition plans	Selection of 6-8 countries to begin mapping financial institution transition plans against country targets, particularly engaging actors from developing countries	New action	Risk-informed decision-making Inclusive decision-making		June 2026	Countries Technical Institutions	ITPN (TBC)
Connect transition plans with national economic and climate targets	Practical implementation of transition plans	Engage stakeholders and develop analysis of transition plan contribution to national climate targets in selected geographies	New action	Risk-informed decision-making Inclusive decision-making		November 2026	Countries Technical Institutions Investors	
Connect transition plans	Practical implementation	Publish results of the analysis and	New action	Risk-informed		November 2027	Countries	

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with national economic and climate targets	of transition plans	recommendations for other countries to undergo similar mapping		decision-making Inclusive decision-making			Technical Institutions Investors	
Online Transition Plan Registry to track publicly available plans	Transparency and visibility	Standardizing the metrics and details to be included in registry	Existing action	Technology shifts		November 2026	Multi-stakeholders platform	NZDPU (TBC)
Online Transition Plan Registry to track publicly available plans	Transparency and visibility	Launch of website and portal for ongoing transition plan submissions	New action	Technology shifts		June 2027	Multi-stakeholders platform	
Role of corporate transition plan unlocking system-wide transition	Practical implementation of transition plans	Launch of report focusing on how transition plan data can support national governments to inform their national transition planning process and national commitments	Existing action	Partnerships & collaboration	CDP	November 2025	Countries	