

PRI CONSULTATION RESPONSE

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

March 2026



About this consultation

The Regulation on the [Governance of the Energy Union and Climate Action](#) establishes mechanisms to help the EU and Member States meet their climate and energy objectives through strategic planning, reporting, and monitoring. The European Commission’s [initiative](#) to [update this regulation](#) aims to keep Europe on track to meet its climate goals, while mainstreaming, strengthening and modernising the existing rules. It also seeks to put forward an enabling framework for the decade ahead that reinforces Europe’s competitiveness and sustainability.

The PRI is the leading organisation in advancing responsible investment globally. Set up with United Nations’ support, our unique community contributes to stable financial markets and a more prosperous world for all. We bring together signatories, amplify their voices and provide resources and guidance for complex sustainability challenges. The six Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the Commission’s consultation for a proposal to update the Governance of the Energy Union and Climate Action.

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While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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PRI response

The PRI welcomes the revision of the Energy and Climate Governance consultation.

To support the EU energy and climate transition, investors need coherent policies, corporate transition plans, and sustainability information. This includes an adequate 2040 climate target to achieve climate neutrality by 2050, robust National Energy and Climate Plans (NECPs) to specify targets and implementation measures, and sectoral roadmaps with investment-useful data.

PRI has published a policy brief on '[Making the transition investable: Investor priorities for financing the Clean Industrial Deal](#)' which presents recommendations for a more coherent governance framework, strengthening markets, and an enabling financial environment (see figure below).

NECPs with clear policy signals can serve as transition roadmaps, guiding capital allocation and sending long-term signals on governments' commitment to the transition.

As the [Commission's 2024 review report](#) on the functioning of the Governance Regulation highlights, opportunities exist to turn the NECPs into real investment plans. It suggests that the Governance Regulation can be better utilized to mobilize the necessary investments for the transition.

In this regard, the [Action Plan on Affordable Energy](#) calls for the NECPs to evolve into genuine investment plans that efficiently direct public and private funding and outline impactful national reforms for the transition of each sector, thus fostering investment predictability, consumer confidence, innovation, and market growth for clean technologies. This is also reflected in the [Commission's MFF proposal](#), which explicitly lists NECPs among the plans guiding funding under the next MFF. The evaluation also points to several deficiencies on how climate resilience and adaptation are addressed.

This is supported by investor experience, where investors currently see NECPs as being too fragmented and insufficiently relevant for financial decisions. They often lack the information needed to assess overall market developments and projects' viability in specific industry sectors. NECPs could be made more useful for investors similarly to how [NDCs can be improved](#) to increase both their credibility and bankability.

Credible, investment-ready NECPs, accompanied by detailed sectoral investment plans can accelerate energy and climate transition investments.

NECPs have the capacity to send important signals to global markets that efficiently identify private and public fundings needs and opportunities. This would facilitate greater flows of private capital for the transition to a resilient European net zero economy that promotes affordability, competitiveness, decarbonisation, energy security and strategic autonomy. NECPs can also act as [coordinating vehicles to bring together public and private sector finance](#) for national transition investments.

To accelerate transition investments, NECPs need to address investors' priorities:

1) PROVIDE CLEAR POLICY SIGNALS

- Send **credible policy signals** – including clear renewable energy and energy efficiency targets as part of supportive policy mechanisms – to strengthen market certainty, investor confidence, and a long-term investment horizon
- Provide **decision-useful information for investors**, linked to sectoral decarbonisation pathways and carbon budgets aligned with the EU 2040 target and 2035 NDC
- Include **national investment plans** that quantify both economy-wide and sectoral investment needs and timelines, funding gaps, public-private split and funding plans, and private sector support instruments to attract capital and identify transition investment opportunities



2) INCLUDE SECTORAL ROADMAPS

- **Integrate sectoral decarbonisation roadmaps in NECPs**, including sector-specific targets, investment needs, policy dependencies, implementation timelines, and financial support instruments to de-risk and crowd-in private capital
- **Reflect recommendations on sectoral roadmap requirements** from the Science- Based Targets initiative (SBTi), the Transition Plan Taskforce (TPT), and the CEN/CENELEC' standard [EN 18074:2025 on "Industrial decarbonization - Requirements and guidelines for sectoral transition plans"](#). The recent [Sector Transition Plans: Finance Playbook](#) by the UK's Transition Finance Council and the [Sector Transition Plan Guidance](#) from the UK Net Zero Council are also relevant in their focus on what makes these plans investable
- **Clarify investments in public goods** necessary for creating a physical, technological and financial enabling environment, e.g., transboundary electricity grids, climate-resilient infrastructure, low-carbon public transport, etc.

3) ENSURE POLICY ALIGNMENT

- **Align NECPs with an enabling post-2030 policy framework** – i.e., revising Fit for 55 files including ETS, REDIII, and EED, and implementing effective Clean Industrial Deal policies such as the Industry Accelerator and the Circular Economy Act – to achieve EU transition objectives, including workforce preparedness, skills development, social support measures, and climate resilience and risk management
- **Align NECP information with EU disclosure and due diligence regulation** – such as the SFDR, CSRD/ESRS, and CSDDD - and create feedback loops between private sector transition data and national investment planning
- **Align NECP activities and investment needs with Taxonomy definitions** of sustainable and transition activities – including 'do no significant harm' (DNSH) criteria – to help policy makers and investors assess long-term capital expenditures in industrial decarbonisation and green technologies

4) MAKE DATA INVESTMENT-USEFUL

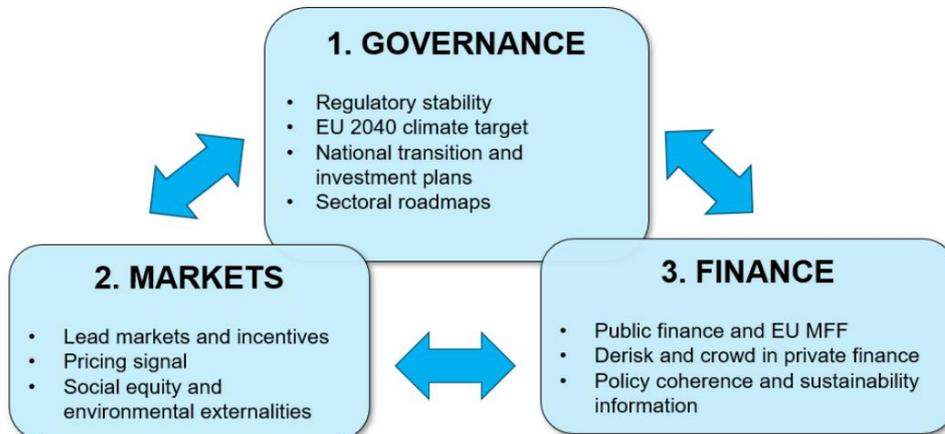
- **Require NECPs to be submitted in a structured, interoperable format** – not solely as PDF documents – and accessible via a digital platform that enables cross-Member State comparison of sector-specific data, e.g. sectoral transition roadmaps, funding plans, investment needs and opportunities, and financial support mechanisms, to make the information easily navigable and actionable for investors

5) STRENGTHEN STAKEHOLDER ENGAGEMENT

- **Ensure broad stakeholder engagement** on NECPs with the private sector – companies, industry practitioners, investors, financial institutions including EIB and national development banks, etc. – as well as civil society and independent experts and initiatives
- **Establish a public-private dialogue on transition implementation** via a stakeholder platform – like an EU Transition Platform or Council – to discuss investment barriers, infrastructure needs, transboundary investment opportunities, and effective financing tools. This could build on previous initiatives like the EU Transition Pathways Stakeholder Support Platform, and existing [European Climate Law-aligned EU sectoral decarbonisation pathways](#) to develop robust sectoral roadmaps



10 priorities from investors to accelerate finance for the Clean Industrial Deal



PRI (2025): *'Making the transition investable: Investor priorities for financing the Clean Industrial Deal'*

The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to further support the work of the European Commission to revise the EU Energy and Climate Governance Regulation for a competitive, resilient and equitable EU net zero economy.

Please send any questions or comments to policy@unpri.org.

More information on www.unpri.org