

Brief: Taking the lead on climate action and sustainable development¹

The global economy must transition to a just, low-emissions, climate-resilient and nature-positive future. As it does so, every sector will need to transform. But unlike previous economic transitions, this one cannot happen entirely organically. Informational frictions and coordination failures are inhibiting progress. Technical, social, economic, political and institutional complexities also come into play.

The case for national transition planning

Taking the lead on climate action and sustainable development argues that strategic, but adaptive, transition planning is required across the system to accelerate transformation. Transition planning turns targets into concrete and accountable actions – identifying what needs to be done; when; in what sequence; by whom; and at what cost. And transition plans can be the foundation for credible transition finance, giving investors and lenders confidence to commit capital.

Many relevant tools are now available, and pressure from investors, regulators and civil society is starting to build momentum in private sector planning. But transition planning in the private sector has important dependencies on government policy. Private actors are increasingly calling for clearer policy signals and incentives from government to inform and support their decisions. And there is evidence that well targeted catalytic interventions by government can unlock innovation, changing the economics of climate solutions and accelerating behavioural change in the economy and society.

This argues for *national transition planning*. Strategic, credible and suitably ambitious national transition plans (NTPs) could enhance confidence and trust in countries' climate and sustainability commitments and mitigate legal challenge: steering a fair transition, while advancing climate resilience, sustainable development and energy security goals.

Building on countries' existing plans and strategies – enhancing nationally determined contributions (NDCs) and long-term low emission development strategies (LT-LEDS) – national transition planning would help governments target resource and capital allocation more effectively. And it would give actors across the economy greater certainty, confidence and incentive to invest in the transition – thereby scaling private finance in both advanced economies and emerging market and developing economies.

The G20 has recognised this opportunity. National transition planning is also under consideration at the Coalition of Finance Ministers for Climate Action. And civil society campaigns such as *Mission 2025* are similarly calling on governments to show leadership as they develop their next NDCs.

Our recommendations

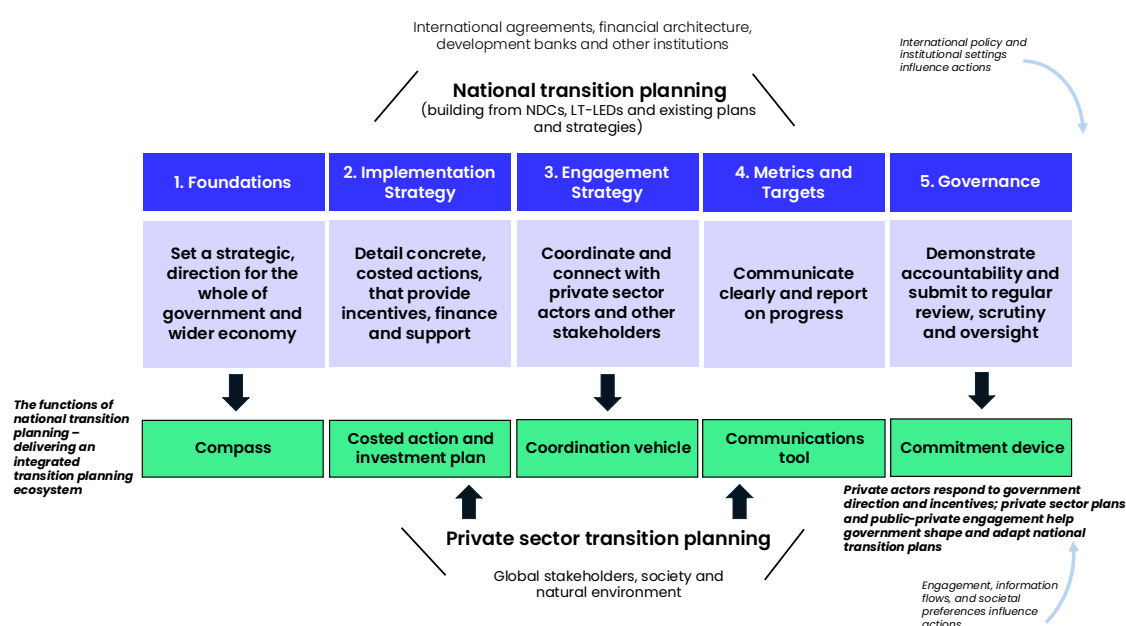
To further the policy debate, *Taking the lead on climate action and sustainable development* recommends a set of key considerations and action areas for national

¹ Manning, M, Bowhay, R, Bowman, M, Knaack, P, Sachs, L, Smolenska, A, Stewart, F, Tayler, T, Toledano, P and Walkate, H (2024) *Taking the lead on climate action and sustainable development, Recommendations for strategic national transition planning at the centre of a whole-of-system climate response*.

transition planning. These recommendations are organised under five pillars (in blue, in Figure 1 below; see also Annex Figure A1), which align with the Transition Plan Taskforce Disclosure Framework and the framework of the Glasgow Financial Alliance for Net Zero (GFANZ). Our detailed recommendations also reflect the expectations of sovereign debt investors, captured by the framework for Assessing Sovereign Climate-related Opportunities and Risks (ASCOR).

Our recommendations support five key functions of national transition planning (in green, below): compass; costed action and investment plan; coordination vehicle; communications tool; commitment device. Together, these '5 Cs' can help to connect national and private sector transition planning, delivering an integrated transition planning ecosystem and driving whole-of-government and whole-of-economy action.

Figure 1. An integrated transition planning ecosystem



Note: NDCs = nationally determined contributions; LT-LEDs = long-term low emissions development strategies.

Source: Authors' analysis, informed by [TPT \(2023\)](#)

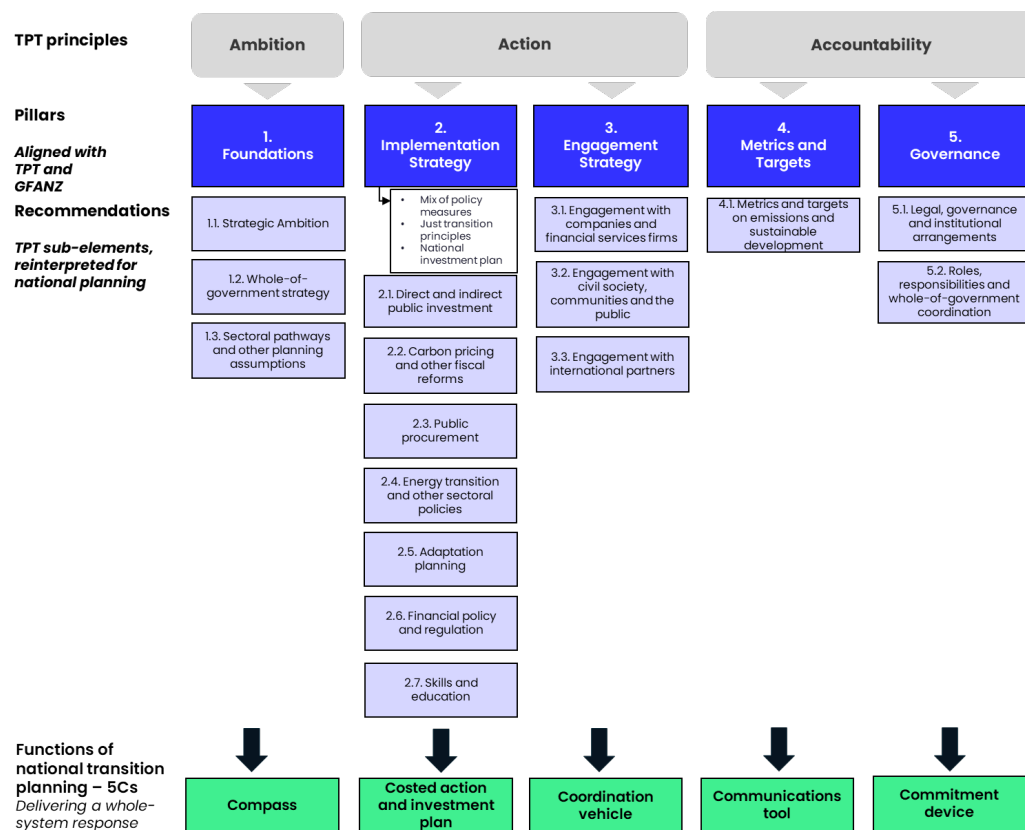
The path to implementation

Of course, governments around the world have different starting points, different socioeconomic and political contexts, and different resources, capacities and priorities. Depending on the stock of existing climate and development plans and strategies (see Annex Figure A2), and other initial conditions, the nature of implementation of comprehensive national transition planning will vary by country, as will the timeframe. A partial or phased implementation approach may therefore be a pragmatic one. Governments may prioritise sector-specific strategies initially, as they build capacity. EMDEs in particular may need to access new technical, human and financial resources.

There is an opportunity for governments to consult our recommendations as they develop their next NDCs, due in 2025, and future LT-LEDs. As the physical risks of a changing climate grow, governments must accelerate progress – or else bear the rising social and economic cost of inaction.

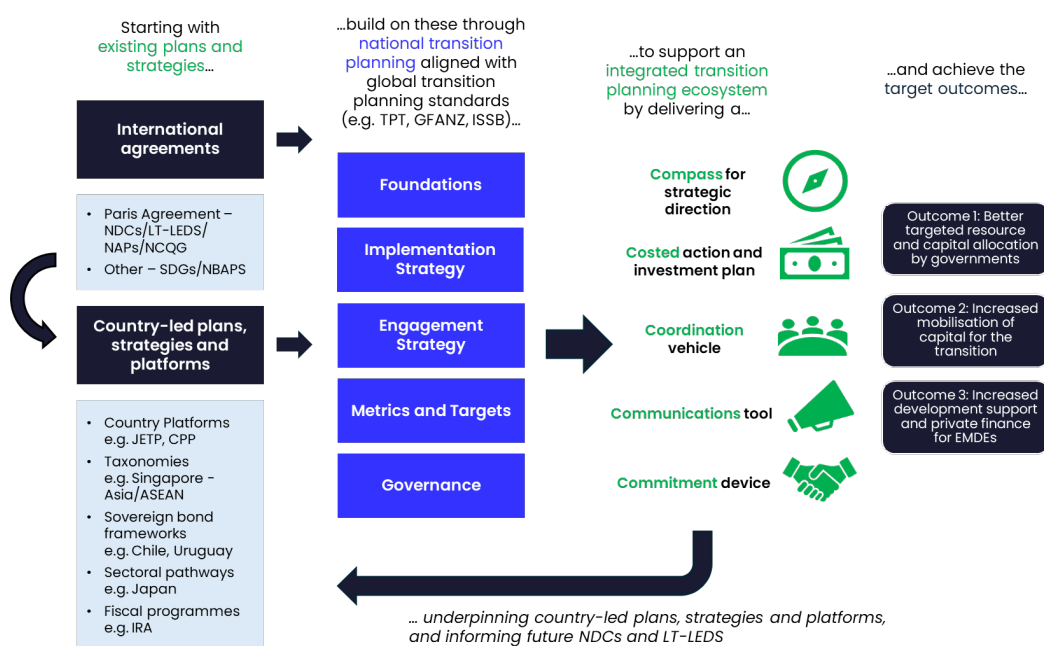
Annex

Figure A1. Recommendations for national transition planning, informed by TPT



Source: Authors' analysis, informed by TPT (2023)

Figure A2. Building from NDCs and other existing initiatives



Note: International agreements: NAPs = National Adaptation Plans; NCQG = New Collective Quantified Goal; SDGs = Sustainable Development Goals; NBAPS = National Biodiversity Action Plans. Country-led inputs: JETPs = Just Energy Transition Partnerships and CPPs = Country Prosperity Plans.

Source: Authors' analysis, informed by TPT (2023)