

## ***Joint Statement: Collaboration between the Net Zero Council and the Transition Finance Council on sector transition plans***

Date: 15 September 2025

### **1. Purpose**

This Joint Statement sets out the shared commitment of the Net Zero Council (NZC) and the Transition Finance Council (TFC) to work together on the development and delivery of sector transition plans, ensuring our respective efforts are aligned and mutually reinforcing.

### **2. Scope of Collaboration**

The NZC and TFC are both supporting the UK's net zero transition, with distinct but complementary focuses:

- The NZC is a partnership between government, business, civil society, local government and trade unions. It provides strategic leadership for the accelerating to net zero pillar of the UK's Clean Energy Superpower Mission, including through the development and delivery of holistic sector transition plans.
- The TFC, co-launched by the City of London Corporation and HM Government, aims to position the UK as a global hub for transition finance. Its work on sector transition planning and roadmaps focuses specifically on strengthening the finance plan components within them, to mobilise capital for the transition of high-emitting sectors.<sup>1</sup>

Both Councils are committed to:

- Close coordination to ensure guidance is aligned, avoids duplication, and builds on existing work.
- Clear communication and shared messaging to the market, government, and stakeholders.
- Working together to support delivery and implementation of sector plans that drive real world transition outcomes.

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<sup>1</sup> The TFC is time-limited, running for an initial 12 months through to March 2026, with an option to extend for a further 12 months.

### 3. Forthcoming Outputs

The TFC and the NZC are developing distinct but complementary sector transition planning guidance to be published in Autumn 2025.

The TFC's *Sector Transition Plans: The Finance Playbook*,<sup>2</sup> released today, sets out how to design and implement a robust finance plan within sector transition plans, highlighting both opportunities and gaps in the finance dimensions of existing sector plans globally. The Playbook is designed to inform and complement the Net Zero Council's forthcoming Sector Transition Plan Guidance (October 2025), ensuring alignment and, where appropriate, integration.

Later this Autumn, the NZC will publish comprehensive sector transition planning guidance, which will incorporate and build on the finance elements set out in the TFC Playbook. Together, the two documents apply a shared framework and provide a cohesive set of resources to support the development and implementation of credible sector transition plans.

### 4. Ways of Working

To support this collaboration, the NZC and TFC will:

- Maintain regular engagement between relevant workstreams and secretariats.
- Coordinate publication timelines, content, and communications.
- Align terminology, structure, and messaging across outputs to ensure coherence.
- Where appropriate, collaborate on joint engagement activities and stakeholder outreach.

### 5. Status

This Joint Statement of collaboration was agreed and endorsed on 15 September 2025 by the respective governance structures of the NZC and TFC. It is not legally binding but represents the shared intent of both Councils. It will remain in place until 31 March 2027 unless amended or concluded by mutual agreement.

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<sup>2</sup> Transition Finance Council, 2025. [Sector Transition Plans: The Finance Playbook](#)

## Appendix: Clarification of terminology

*This appendix is provided to aid understanding and does not form part of the formal Joint Statement.*

### Key transition planning tools at the sectoral level:

- **Sector transition plan** (the focus of the NZC's forthcoming guidance) – sets out a sector's forward-looking ambition and strategy for its transition towards a lower-carbon and climate-resilient future, including interim and long-term targets, a range of technological and process-related transition levers, associated financing needs and overarching policy support.
- **Technology scale-up roadmap** – sets out the pathway to accelerate the deployment and commercialisation of a specific transition-enabling technology or suite of technologies, such as offshore wind, solar, or heat pumps. A sector transition plan may include several technology roadmaps, which may evolve as new technologies emerge.
- **Finance plan** (the focus of the TFC's Playbook) – outlines a quantification of public and private financing needs, how to mobilise and direct finance towards the solutions, technologies, infrastructure needs, and actions required to deliver a sector transition or scale-up a critical technology. The finance plan is a critical component of both sector transition plans and technology scale-up roadmaps.

### Related transition planning concepts:

- **Sector transition pathway** – Outlines how a sector can transition over time, considering a complex interplay of technological, economic, and policy factors. Various organisations develop such pathways including the UK's Climate Change Committee (CCC) and the International Energy Agency (IEA).<sup>3</sup> While the terms are sometimes used interchangeably, the Transition Finance Council distinguishes between a *pathway* – which provides an overview of *potential* options, and a *plan* – which translates these into an actionable course with *commitment to its implementation*, driven by a dynamic and collaborative co-creation process. Transition plans and roadmaps at all levels are typically informed by sector transition pathways.
- **Company transition plan** – Outlines how an individual business or entity intends to adapt and transform its operations, strategies, and business models

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<sup>3</sup> The UK's CCC develops sector pathways which identify options to reduce emissions to net zero by 2050, based on detailed sectoral modelling, assumptions and analysis. The IEA's [Net Zero by 2050](#) roadmap provides sector transition pathways that include a sequence of more than 400 milestones across the global energy system.

to align with its transition towards a lower-carbon economy, informed by the wider transition planning ecosystem.

- **National transition strategy** – Integrates net zero ambition across government departments, policy frameworks, and investment strategies, providing a clear framework for sector and company-level planning.<sup>4</sup>

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<sup>4</sup> In its 2024 publication: [Taking the lead on climate action and sustainable development](#), the Centre for Economic Transition Expertise (CETEx) recommends flexible, iterative national transition planning with effective engagement, information flow, and system-wide coordination.