

The First International Conference on Transitioning Away from Fossil Fuels – April 2026 ING Contribution to Synthesis Report

The transition away from fossil fuels is not just an energy shift — it requires a change to the economic system. This system is built on interdependencies: between governments, industry, consumers, technology providers, and finance. Commercial banks like ING are part of that ecosystem. **The biggest impact banks can make is through our financing. Our ultimate impact depends on how well those system interdependencies are managed.**

Supporting clients to drive down emissions

Supporting our largest corporate clients in their transition is the most significant enabler in driving down emissions. We manage our lending portfolio in line with governmental climate goals, prioritising the most carbon-intensive sectors. In 2025, ING became the first global systemically important bank to receive 1.5°C-aligned science-based target validation from the Science Based Targets initiative (SBTi).

In managing the risks linked to our financing activities, we are gradually reducing financing of fossil fuels in line with international climate guidance and regulatory requirements to manage risks. We stopped providing dedicated finance to new oil and gas fields, along with midstream infrastructure that unlocks these new fields. Also, we have committed to phasing out our financing of oil and gas extraction and production to zero by 2040. And we have put in place a data-driven assessment (Client Transition Plans) that has led to a step up in how we advise and support large corporate clients.

Building up a sustainable future

However, our real impact sits in financing the technologies, infrastructure and business models that reduce demand for fossil fuels: supporting homeowners, and clients in transport, shipping, aviation and heavy industry as they transition. Building up the affordable supply of green energy alternatives is a necessary and powerful opportunity for the transition.

That is why we are scaling up our financing for renewables and mobilising sustainable finance more broadly. ING financed €9.6 billion in annual renewables in 2025 (2024: €7.0) and we [mobilised €166 billion in sustainable finance in 2025](#) (in 2024: €130 billion). Moreover, our Transition Accelerator incubates innovations and fosters cross-sector collaboration to scale systemic solutions, including critical decarbonisation technologies.

Unlocking financing at scale depends on a few critical external factors:

- **Clear government targets and standards that create predictable market demand.**
- **Strong incentives, such as carbon pricing or fiscal measures, that improve the economics of transition solutions.**
- **Public private risk sharing (e.g. in the form of government-backed loan guarantees), especially for early-stage technologies that commercial banks are not naturally designed to finance alone.**

These policy instruments worked for renewable power. And we now need them again for systemic solutions like alternative fuels. Our contribution below outlines our work in the transition and concrete examples and recommendations to accelerate. Summarized:

- **There are not sufficient interventions from government in the form of mandates or incentives to real economy sectors to transition.** Many sectors continue to operate without clear transition mandates from governments, such as national transition pathways, phase out timelines, or minimum energy performance standards. Many sectors also lack the kind of financial incentives, be they related to taxes or initiatives supporting pricing stability that would encourage more investment in transition solutions. Both mandates and incentives played a key role in the scaling of renewable power and would be critical to spur action for other transition solutions.
- **Increasing finance to emerging solutions that reduce demand,** for example green hydrogen, synthetic fuels, long-duration storage, and biogas, can also face barriers. Such technologies show promise, but they are harder to finance due to (1) high costs, (2) uncertain demand and (3) regulatory delays and policy uncertainty. Commercial banks are required to prudently manage their risks, and their internal systems — from credit risk models to capital allocation processes — are not well suited to financing emerging technologies. As a result, early-stage projects essential for influencing supply and demand can be underfunded from commercial financing.
- **Addressing market and policy barriers for more mature technologies that reduce demand.** There is sufficient finance for more mature solutions such as the installation of renewable power generation, but there are still market and policy barriers that can limit the impact of financing. Renewable power generation has grown rapidly but networks have not kept pace creating congestion, curtailment, and delays in connecting new projects. In addition, slow and complex permitting procedures remain a constant restraint. In residential real estate, most technologies to improve the energy efficiency of homes are mature, and finance is widely available for homeowners, however there is a lack of demand from the market.

Concrete solutions to transform fossil fuel supply and demand

Incentive mechanisms

There are several incentive mechanisms that policy makers can focus on or scale to accelerate the transition. For example, **a robust carbon price** makes fossil options more expensive and clean technologies more competitive, **strengthening the demand for low-carbon solutions, creating bankable markets.**

However, volatility or political uncertainty around carbon prices can deter projects and hence stable or minimum carbon price signals can assure investors. **Contract for Difference schemes or long-term power purchase agreements (PPAs) which guarantee a fixed price for output** (electricity, hydrogen, etc.), are an example of such signals and are critical for first commercial plants that have high costs today. By de-risking future revenue, they enable banks to finance infrastructure on the back of predictable cash flows.

Tax policy can also incentivise bankable projects. Accelerated depreciation or tax credits for clean technology investments improve project cash flows and credit metrics. In 2025, the EC recommended that member states deploy tools like immediate expensing for eligible green capital expenditures and targeted tax credits, aligned with relaxed state-aid rules. All such policies must be designed to avoid windfall profits, undue burden on ratepayers, or rewarding of projects that would have happened anyway.

Stable targets and standards

Long term planning for transition by governments is essential. **Clear government targets and standards can create market expectations that drive private investment.** Investors require certainty to commit to capital intensive technologies with long payback periods, especially in markets with volatile fuel prices (and uncertain carbon pricing) or infrastructure bottlenecks.

Clear government targets (e.g. phasing out combustion cars by 2035, 100% clean power by 2040) and standards (like mandating % of green hydrogen in industrial gas) create market expectations that pull forward private investment. **Banks frequently cite policy uncertainty as a risk; conversely, when a future mandate is seen as ironclad, companies race to comply** (creating loan demand for related investments).

A cautionary tale is when policy reverses consistent direction which can hamper the direction of travel in the market. Clear regional and national transition pathways per sector/industry are valuable in setting clear expectations for all stakeholders about the path to follow. In addition, banks and those we finance benefit from clear transparency standards, such as the CSRD.

Transforming fossil fuel supply and demand

Even with better economics, many clean tech projects – especially first-of-a-kind plants or scale-ups of new solutions – carry technical and execution risks that may be at odds with the requirement for commercial banks to prudently manage risks. This is where **public-sector co-financing and guarantees can make a decisive difference.**

In the EU context, the flagship is InvestEU, which uses an EU budget guarantee to enable the EIB and others to invest in higher-risk projects. According to Invest-NL (a Dutch agency), such EU-backed guarantees “significantly enhanced our ability to take on risk and provide larger investments”. The EU is looking to expand these mechanisms under its Green Deal Industrial Plan, and we note the EBF also urges standardized tools and greater public risk appetite in blended finance.

In this sense, public finance should complement, not compete with, private finance. Public-sector support should focus on the hardest to abate sectors (e.g. aviation, cement, steel), on early-stage technologies, and on helping ensure inclusion.

Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that’s not. See how we’re progressing via [ing.com/climate](https://www.ing.com/climate).