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ThinK 2030

Science-policy solutions for a more sustainable Europe

29 September 2025 Session Brief

Mobilizing Private Capital for the Green Transition

Institute for European Environmental Policy

CONCITO

Mobilizing Private Capital for the Green Transition

The Think2030 Dialogue Denmark, held on 29 September 2025, gathered decision-makers and analysts from policy, business and research communities across Europe to debate the key sustainability issues at stake for EU policy. The Think2030 Dialogue Denmark is one of several activities within the Think2030 platform, created by the Institute for European Environmental Policy in 2018 to provide science-policy solutions for a more sustainable Europe.

As part of the Think2030 Dialogue, CONCITO organised a session titled "*Mobilizing Private Capital for the Green Transition*", and this session brief summarizes the key take-aways from this session.

Lead: CONCITO
Moderator: Tommy Ahlers, CEO, Tech Investor, former Minister for Higher Education and Science
Speakers:

- Kim Jørgensen, Head of Institutional Relations (EMEA), Temasek Brussels office
- Jurei Yada, Director, Strategic Member State Engagement & Head of EU Sustainable Finance, E3G
- Eulalia Rubio, Senior Research Fellow at CEPS and the Jaques Delors Institute
- Lars Krogsgaard, CIO, Impact Fund Denmark

Key recommendations

- **Strengthen regulatory coherence and simplify implementation without deregulating.**
  A stable, coherent, and ambitious regulatory environment is essential to attract long-term private capital. Simplification is needed, but deregulation risks undermining investment certainty and climate ambition.

- **Scale up EU-level de-risking instruments, even for mature technologies.**
  De-risking instruments, such as EIB guarantees, must be expanded to improve business cases, reduce perceived risk for commercial banks, and unlock capital for green technologies, even proven ones such as grids.

- **Establish a fully operational Savings and Investment Union (SIU) with clear governance and conditionalities.**
  Mobilising Europe's vast private savings for the green transition requires harmonised national pension systems, a single EU supervisory body, and clearly defined investment priorities aligned with EU strategic objectives.

- **Link EU budgets (e.g., MFF) and investment instruments to clearly defined climate and energy priorities.**
  Public funds must be targeted, strategic, and designed with expert input to ensure maximum impact and alignment with EU green industrial goals.

- **Position the EU as a safe, stable, and profitable green investment destination.**
  In a context of rising political uncertainty globally, the EU should leverage its regulatory frameworks and market size to present itself as a reliable location for sustainable investment.

Summary of policy session 1

Political narratives questioning the cost and credibility of climate action are on the rise, particularly from populist and right-wing parties in both Europe and the United States. While these narratives may not directly impact investor sentiment, they can translate into policy volatility and regulatory rollback, creating uncertainty that discourages private capital.

To maintain its global position as a green investment leader, the EU must offer stability, clarity, and long-term policy coherence. Private investors remain interested and willing to finance the green transition, but many are hesitant due to fragmented regulation, bureaucratic complexity, and perceived risk.

Unlocking Finance for Mature Technologies and Infrastructure

A significant share of technologies needed to reach climate neutrality by 2050 already exist or are nearing commercial maturity. Yet even proven technologies often fail to attract adequate investment due to perceived risk or weak business cases.

De-risking instruments are essential, even for proven technologies, to make them more investable. EU initiatives such as the wind power package and Clean Industrial Deal (CID) are steps in the right direction. Mechanisms such as counter-guarantees from the EIB can reduce investor risk and unlock commercial bank financing for key green investments such as grids.

Even for mature technologies, an important role remains for public financing, for instance through the MFF. Prioritization must precede financing. We need to ask ourselves: what are the EU's key priorities, and what types of investments are required to achieve them? For example, if we aim for large-scale electrification, integrated markets across the EU are essential, making grid investments a logical priority for EU funding.

Regulation plays a dual role. While a complex and fragmented regulatory landscape can hinder investment, preserving clear and ambitious key frameworks, like the EU Taxonomy, can enhance investor confidence.

Innovation and Risk Capital: Addressing Europe's Scale-Up Gap

Europe is home to world-leading innovation but lacks the capital ecosystem to scale it. The lack of a fully-fledged Savings and Investment Union (SIU) limits the EU's ability to channel pension and venture capital into green innovation. Harmonizing national frameworks, establishing a central EU supervisory body, and introducing conditionalities tied to strategic technologies are critical steps.

Scaling up green innovation requires both public and private capital. Public investment alone will not be enough. We need to mobilise far more private finance. There is plenty of capital out there, but it will flow where the returns are. That is why de-risking projects are essential, and here, public finance plays a key role.

While in volume the MFF may be less important, it is essential for strategy and de-risking, e.g. by enabling the EIB to take greater risks. To be effective, the MFF needs stronger governance and a clearer link to EU priorities. Public funding must follow a plan, and policymakers should define strategic green technologies and sectors first, then design instruments to support them. Public funds like the Competitiveness Fund and the planned public-private tech and scale-up fund must be operationalized, better governed, and strategically targeted to support European green tech.

Regulatory coherence is key. Fragmented or overlapping rules delay implementation and complicate access to capital. Rather than dismantling regulations, streamlining and aligning them can enhance their effectiveness and investor confidence.

Grids and electrification must be prioritized. As a backbone of the green transition, energy grids require substantial private capital. EU-level solidarity and coordinated action are essential to ensure equitable development across regions. Phasing out fossil fuel subsidies and aligning regulatory incentives can boost the relative attractiveness of green investments without direct budgetary costs.

From Ambition to Action

Closing the green investment gap will not be easy, but with the right mix of clarity, strategy, and financial innovation, the EU can get close.

Private capital is ready. Investors want to support the transition, but need policy stability, de-risking, and clear project pipelines.

Europe has the tools. From the EIB and MFF to the SIU and taxonomy, the EU has already built much of the architecture needed to lead the global green finance revolution.

What’s missing is alignment. A clear strategy linking policy priorities to financing instruments, and doing so with coherence, solidarity, and long-term ambition, will be essential for unlocking the trillions needed for a sustainable future.

About Think2030

Launched by IEEP and its partners in 2018, Think2030 is an evidence-based, non-partisan platform of leading policy experts from European think tanks, civil society, the private sector and local authorities.

By focusing on producing relevant, timely and concrete policy recommendations, Think2030's key objective is to identify science-policy solutions for a more sustainable Europe.

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