

## The role of Finance: from barrier to enabler

The transition to a renewable, circular economy is capital-intensive and technology-driven, yet today's financial system is not designed to finance new technologies at scale. The core issue is not lack of capital, but misalignment between financial instruments and the risk profile of new technologies, particularly in the journey from demonstration to commercial scale.

Corporate based finance works well for established companies with track records, and project finance works well for mature technologies with fixed contracts (e.g. for wind & solar).

New industrial technologies sit in between with high capex, limited operating history, and technology, construction, market and regulatory risks. This creates the well-known "valley of death" between demonstration and scale-up, where capital needs peak but finance availability collapses.

In my presentation I will present insights in how the role of finance can move from being a barrier to an enabler, taking the perspective of a systemic transition, in which finance should move beyond isolated deal assessment and act as a system enabler.

The insights will be illustrated with real life case studies.