

# 'Now or never': 590 per cent climate tech investment spike needed to hit 2030 green goals



[Stuart Stone](#)

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**New report argues that despite a record investment year, climate tech financing must increase to almost \$4.5tr to meet 2030 environmental targets**

European investment in climate tech reached a record \$13.2bn last year, but according to new a first-of-a-kind analysis funding needs to hit \$4.35tr annually - an increase of 590 per cent - to meet EU and global climate targets by 2030.

The inaugural white paper from World Fund in partnership with Cleantech Group, titled *Climate Tech Investments: An Opportunity for Europe* calculated that although climate tech funding represented 13 per cent of total venture capital investment last year, only 16 per cent of climate tech financing needs are currently being met.

Consequently, investment requirements are outstripping volumes at a rate which is widening exponentially - with a \$13bn annual funding gap emerging for firms seeking later-stage VC funding alone.

According to Danijel Visevic, founding partner at World Fund, Europe's VC community has a fight on its hands to hit climate targets and fulfill its role at the head of a "global climate tech revolution".

"Europe has the potential to lead the global climate tech revolution, and whilst we have lost a lot of time, it's not too late to prevent the worst consequences of the climate crisis," he said.

"We must grasp the full economic and environmental potential of the technological revolution unfolding before us. This first-of-its-kind analysis of the private markets in climate tech illustrates that much is still to be done - in terms of ensuring there is sufficient funding to secure a regenerative world - and the VC community has a particular responsibility to fight to secure that future.

"That means doubling down on climate deep tech, and the innovative solutions that replace carbon-heavy industries."

Richard Youngman, CEO of Cleantech Group, added that technological, financial, and policy innovation is urgently required "everywhere and in all its facets" to help tackle the climate crisis.

"The so-called tried and tested instruments are simply not fit for purpose for the extent of the transformations needed and the speed at which the action gap needs to start closing," he said.

The white paper added that in addition to securing increased funding, the European climate tech community and its backers needed to urgently fast track the adoption of climate technologies, push for effective regulatory advances, develop workforce skills, and accelerate the roll out of enabling low carbon infrastructure.

Andreas Feiner, partner at PwC Germany - which professionally reviewed the white paper - warned it was a case of "now or never" if the world is to deliver on its 1.5C warming target.

"The European climate tech community has the potential to offer viable and effective solutions," he said. "That's why the investments in and the support of new technologies and business models aiming to reduce CO2 emissions and accelerate decarbonisation is essential.