BRIEFING

Clifford Chance | ADB INSIGHTS THE LEGAL INNOVATION FORUM

Convergence Summit London

Unlocking Europe's resource and industrial potential

17 November 2026



At the 2026 Convergence Summit, hosted by Clifford Chance and the Legal Innovation Forum, a New York based media company focused on the intersection of business, policy and law, senior leaders from industry, government and the investment and finance sectors explored the challenges Europe faces in building competitive and resilient supply chains. These have become a strategic priority amid mounting geopolitical tensions, economic concerns and the AI-driven industrial revolution, which are accelerating demand for critical minerals, materials and energy. Meeting these challenges will require close co-ordination between policymakers, capital providers and industry. There is also an extensive value chain to consider, ranging from the hyperscalers, data centres and defence contractors which are driving demand, to the miners, processors and energy companies which are meeting it.

Key takeaways from the summit were:

1. Resilience is now part of investment cases.
2. Building resilience faces commercial hurdles.
3. Investment barriers extend beyond capital availability.
4. Governments should work to reduce risks and create consistent market signals.
5. Partnerships and flexible finance can deliver more than M&A.
6. Success means credible delivery at scale, not self-sufficiency or more targets.

Resilience is now part of investment cases.

Critical minerals are increasingly viewed as vital to energy, industrial and national security. Where supply chains are concentrated (for instance, in rare earth processing and magnet manufacturing, where China enjoys a dominant position, and there are growing trade and export restrictions), there is growing interest in diversifying supply. This interest has strengthened investment cases, but it is important to note where the demand is coming from: electric vehicles (EVs) and renewables dominate rare earth volumes, while defence and AI / data centres are smaller but nonetheless highly critical markets. Copper and lithium also face longer-term supply constraints, though these owe more to an insufficient mine development pipeline than AI or defence demand specifically.

Building resilience faces commercial hurdles.

Recognition of supply chain risk does not consistently translate into willingness to pay a premium for domestic or allied supply. Tight margins, particularly in the automotive industry, customer inertia and lengthy qualification cycles constrain commitments to new suppliers. This creates a circular challenge between financing and offtake: projects need customer commitments to secure finance but customers want confidence that projects will be funded and delivered. Price floors and trading-house participation can help bridge the gap, though producers may resist restrictive pricing terms. Some customers are beginning to agree to pay a premium for diversification but willingness to do so remains limited, and speakers at the summit debated whether even a modest premium would be commercially realistic.

Investment barriers extend beyond capital availability.

Upstream projects face geological, processing, infrastructure, water, community and sovereign risks, alongside development timelines that lag policy targets and fast-growing demand. Midstream and downstream projects face high energy and operating costs, uncertain customer commitments and the challenge of competing at scale. Speakers thought that it would be difficult to make standalone European processing viable without vertical integration. Innovative businesses also struggle to move from pilot to commercial production – they often have limited cash flow to absorb research and development risk and weak domestic financing and exit routes. Recycling and process innovation, including lower energy magnet recycling, may help but recycling is no substitute for primary supply.

Governments should work to reduce risks and create consistent market signals.

Speakers identified a clear wish list in terms of the role governments can play, encompassing coordinated policy, faster and better aligned permitting, competitive energy costs, enabling infrastructure and sustained engagement. Local or allied sourcing requirements can create reliable demand, while funding, guarantees and risk-sharing tools such as price floors or contracts for difference reduce investment risk. Support should

reflect the mineral and the market: small, concentrated supply chains may warrant targeted intervention, while bulk commodities and battery materials require different approaches. There was no single preferred public finance model. Some speakers favoured governments sticking to addressing the risks they can influence rather than taking equity. Others emphasised how minority debt, equity and guarantee participation from government bodies and multilateral institutions could crowd out private capital.

Partnerships and flexible finance can deliver more than M&A.

Mechanisms for developing resilient supply chains that were raised frequently during the summit included commercial offtakes, supplier-customer research and development partnerships, public-private risk sharing and government-to-government cooperation. M&A reallocates assets; it only adds supply where it unlocks output or makes projects investable. Similarly, original equipment manufacturers (OEMs) moving upstream may not be the best solution, given their financial profiles. Integrated UK-EU supply chains could create opportunities for joint procurement and co-investment, while wider allied partnerships can combine different comparative advantages. Financing options discussed included more flexible export credit agency (ECA) support, royalties, prepayments and selected bond structures, although European bonds were seen as more plausible for refinancing than primary project finance at this time. Standby capacity and stockpiles may be suitable for some critical uses, but speakers distinguished defence stockpiling from the structural market solutions needed for AI / data centre supply chains.

Success means credible delivery at scale, not self-sufficiency or more targets.

Across the discussions, the five-year priority was a credible pipeline of projects and tangible supply that manufacturers can use. This requires alignment of capital, policy and customer behaviour, stronger co-ordination between government and industry and sustained support through the scale-up process. Europe does not need to replicate every link in every supply chain domestically – midstream and downstream capabilities, innovation and partnerships can complement primary supply from elsewhere. The recurring call from attendees was to move from policy design to execution. Speakers said Europe should accept that some initiatives will fail and move at the pace set by external pressures, not domestic timetables.



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