

YERUN Response to the EU Consultation on the Startup and Scale-up Strategy

YERUN welcomes the European Commission's initiative to launch a <u>call for evidence</u>, gathering input for the forthcoming **EU Startup** and **Scaleup Strategy**, aiming to improve conditions for innovative startups and scaleups across the Single Market.

As pointed out by the study *Spin-offs: reinforcing a vector of value creation for EU-27*, universities are key drivers of economic development, knowledge dissemination, and technology transfer. They leverage their academic expertise and innovation capabilities to benefit society, emphasising their influential position at the regional level, and in overall socio-economic progress. The majority of university spin-offs launched after 2012 remain operational; this stability is unique when compared to other start-ups.

However, universities need to be surrounded by adequate framework conditions and resources to realise their mission and full potential. As pointed out in the aforementioned study, within the EU-27, a significant concentration of spin-off activity is observed, with very few universities (10) accounting for 1/3 of all spin-offs. This represents a highly disproportionate share, especially when compared to the median rate of 0.08% spin-offs per university.

YERUN broadly agrees that startups and scale-ups face the hurdles identified by the consultation. When it comes to university spin-offs, special attention may be devoted to:

- The regulatory, bureaucratic landscape and fragmentation spin-offs face when applying for certifications or recruiting talent outside of Europe.
 - For example, many spin-offs in life sciences to resort to FDA certifications (with the big investment that comes with establishing an office in the US) because the European regulatory environment is highly bureaucratic and fragmented.
- The small and fragmented venture capital market within the EU that obstructs scaling.



- Intellectual property (IP) protections and quick access to the market: Although clear guidelines should govern IP protections and spin-offs regulations, a focus should also be placed on enabling startups to quickly reach markets. The primary challenge is accelerating early-stage inventions towards commercialisation. In this sense, being first-to-market is critical.
- Access to expert support and funding -especially in the pre-seed and seed phase (before startup and during the early development)- is necessary in order to support an entrepreneurial culture at universities through initiatives such peer mentorship networks or promoting proofof-concept (POC) and translational research.

The success of university-led spin-offs largely depends on actions taken at the Member State and regional levels, where well-designed framework conditions and funding opportunities can be established. Across Europe, there is a wealth of best practices that regional and national policymakers can share, particularly regarding financial instruments that support academia in fostering spin-off creation and entrepreneurship.

The limited -and often challenging- collaboration routes between the academic and entrepreneurial sectors represent **another critical barrier not sufficiently covered** by the identified hurdles. In this sense, it will be crucial to continue investigating how to develop more programmes where entrepreneurs could be matched with the researchers and their projects.

In order to effectively address these hurdles, **YERUN encourages further action in the following** areas:

- Realise the 28th regime to simplify cross-border collaboration and enhance the mobility of researchers, innovators, and startups across Europe, fostering an integrated European innovation ecosystem. Consider the inclusion of the so-called "special passport" to enhance the mobility of researchers within Europe in the ERA Act, as proposed by EU Commissioner for Startups, Research, and Innovation, Ekaterina Zaharieva.
- Increase dedicated funding for universities to advance in their capacity to commercialise innovations through:
 - Enhancing investment in high-risk, deep-tech and BlueSky research ideas by creating structured pipelines that advance early-stage inventions at universities, increasing their likelihood of successful commercialisation.
 - Allocate resources for university-based startup scouting programs to identify promising entrepreneurial projects, strengthening regional connections between academia and the broader entrepreneurial ecosystem (fourth generation universities).
 - Enhance the development and accessibility of innovation hubs and incubation spaces, specifically targeted towards facilitating practical support and networking opportunities for startups.
 - Investing in European researchers' entrepreneurial skills through trainings programmes, peer mentorship networks, innovation fellowships, etc.
 - Investing in knowledge valorisation offices staffed by highly skilled professionals.
 - Support state-of-the-art research infrastructures with incentives for universities to open them to startups. Promoting hybrid campuses where universities and companies share strategic facilities can strengthen innovation, commercialisation, and industry-academic collaboration.
- Expand and integrate market size and talent pools across the EU, enhancing both the demand and supply side of innovative businesses and skilled workforce engagement.



Lastly, YERUN emphasises the extensive knowledge generated within the <u>Knowledge Valorisation Platform</u> and its potential. The conclusions from the *Final List of Recommendations* (5 July 2023) by the Community of Practice should be streamlined into concrete actions, extending beyond intellectual assets and standardisation to drive meaningful industry-academia collaboration.

YERUN encourages the EU and its Member States to implement these targeted actions to favour the framework conditions mentioned in the introduction and to foster a more robust innovation environment more conducive to spin-offs. Strengthening conditions for spin-offs will enable universities to fully leverage their academic expertise and innovation capabilities, ultimately driving substantial regional and socio-economic progress across Europe.



- About YERUN -

YERUN - Young European Research Universities Network - founded in 2015 and based in Brussels, brings together excellence and value-driven young research universities. The network's objective is to strategically represent its members in the decision-making process at EU level, thus shaping their future and promoting their role in European societies. Further to its policy advocacy activity, the network also strengthens cooperation opportunities among its members in areas of mutual interest and raises their visibility via a dedicated communication strategy.

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