



University Venture Capital as a Driver of Europe's Growth and Resilience

Time to Act:

Build a European Policy Framework for University Venture Capital

2026

HIGHLIGHTS

UVC refers to venture-capital activities run by universities —either through a dedicated fund or an investment arm— that provide early-stage equity to university spin-outs, typically filling the financing gap before traditional investors step in.

- ▶ UVCs are a key vehicle to bridge the funding gap for university spin-offs, targeting particularly deep tech sectors. They contribute to fortify the regional entrepreneurial ecosystem
- ▶ UVCs pursue dual objectives: financial sustainability and societal impact aligned with university missions
- ▶ UVC in Europe exist since the mid nineties and have been steadily increasing in number and size over the past decade.
- ▶ Most UVC activity is concentrated in Western and Northern Europe
- ▶ Based on governance structure, maturity, and ecosystem role, UVCs fall into one of four categories—Anchor, Sleeping Giant, Foundational or Catalyst.
- ▶ EU policy can accelerate the promotion of UVC through capacity-building, co-investment schemes and alignment with broader R&I instruments (e.g., EIC Fund, Lab-to-Unicorn initiative)

Purpose and Context

While University Spin-offs (USOs) and Research Technology Organizations (RTOs) are recognised as key drivers of Europe’s innovation capacity, they continue to encounter persistent financing barriers in accessing early-stage private finance due to information asymmetries, intangible assets and long development cycles. To address this gap, universities increasingly establish University Venture Capital (UVC) structures — investment vehicles directly linked to universities that invest equity in early-stage, research-based ventures.

A robust European UVC ecosystem directly contributes to the European Startup and Scaleup Strategy [2]. It contributes also to the objectives of the EU’s Industrial Strategy and particularly its Startup and Scaleup Strategy. It thus would support the EU’s pursuit of competitive sustainability, technological sovereignty and regional cohesion — core pillars of the Union’s Open Strategic Autonomy.

Dataset

We have constructed a database combining data from several sources including Reuters, UniRank, Global University Venturing, Dealroom and Pitchbook, verified through official institutional disclosures. It comprises UVC funds managed by universities and RTOs in Europe and North America (US and Canada) in the period between 2015 and 2024.

The dataset links universities, funds, and GPs, including fund sizes, structures, vintages, and affiliations. The descriptive statistics of the UVC database is summarised in Table 1.

Table 1 – Descriptive Statistics

Indicator	Value
# unique funds	215
# unique GP	217
# Univ & RTO	209
average fund size	€ 50.5 m
median fund size	€ 24.0 m
average fund size in EU	€ 59.0 m
average fund size in USA & Canada	€ 45.2 m

Source: Authors’s database [1]

Findings

Expanding and Heterogenous UVC Landscape

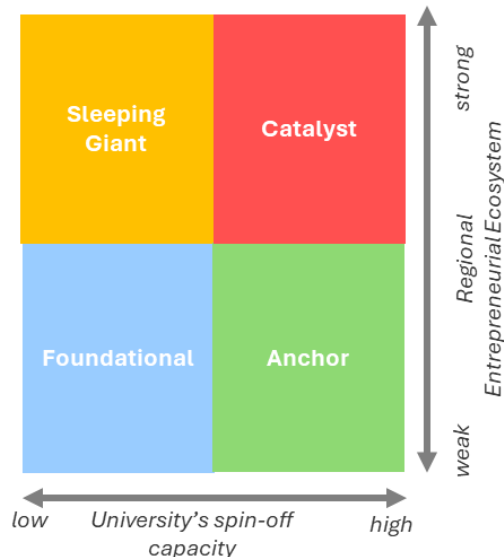
During the reporting period (2015-2024), at least 215 university-venture-capital (UVC) funds were active across Europe and North America, linked to more than 200 universities. The fund sizes are highly diverse, ranging from a modest €0.15 million to as much as €371.1 million. The average fund size stands at €50.5 million, and this average has risen markedly over the last five years.

Diverse Governance Models

The spectrum of the governance structures ranges from complete university-led to fully external professional funds. The most common European models are Mixed UVC Funds (42.1%),¹ blending academic and market-oriented management. These hybrid models balance institutional mission with financial performance.

UVCs Strategic Role for the Ecosystem

Figure 1 – Typologies of University VC by role in regional and institutional development



Source: Authors

UVCs are meant to fulfil different roles [3]. The most important one is to bridge finance gap at early-stages, which is particularly capital demanding for research-intensive start-ups. Investing in the own spin-off demonstrates a firm commitment and kind of quality label to external private investors. At a regional level, these investments strengthen the

¹ Based on a sample of 57 European UVCs

local innovation ecosystem, particularly when aligned with public and private investment interests [4].

We classify University Venture Capital (UVC) into four archetypes, based upon the university's capacities to generate spin-offs and the entrepreneurial environment the university is located (Fig 1):

The *Anchor UVC*: These are cases where universities generate promising USOs, but the regional innovation ecosystem is lacking capacity to maximize the full benefits of the USOs, often due to missing private VC. Here, UVCs can play the role of a trusted anchor organisation to attract external investors.

The *Catalyst UVC*: When the entrepreneurial ecosystem is strong and the local universities do provide a steady flow of startups, UVCs serve to bridge the funding gap faced by early-stage USOs and preparing them for growth, thus serving as a catalyst for growth.

The *Foundational UVC*: When both the regional entrepreneurial ecosystem and university's capacity for creating spinouts are weak, setting up a UVCs can be regarded as a strategic vehicle to develop new capacities at the university (TTO, incubators, entrepreneurship education...) and link them to regional ecosystem (IPR, development of policies governing university third mission, incubators...).

The *Sleeping Giant UVC*: In some cases, universities are not generating as many spin-off as expected given the innovation context in which the university is located. In such cases, UVCs can serve to promote institutional reforms at the university to align research and entrepreneurial activities and to support capacity building at the institution by providing collaboration connections between the different actors, including external investors, incubators, accelerators or departments.

Regional Asymmetries

Regional policy makers and university managers may use this typology to draw the pathway from the current to the future (desired) situation. Used as a dynamic framework, rather than static snapshot, the framework informs policy making. For instance, a university in a peripheral region may set up a UVC to complement emerging spin-off capacity (foundational UVC). As the capacity of the university

increases, the UVC can serve to attract external investors (anchor UVC). Later, when a regional entrepreneurial ecosystem has been created or upgraded, the UVC can serve to increase the available funds to spin-offs, preparing them for growth (Catalyst UVC).

UVC Features

For seventeen European countries, Table 2 summaries when the first University VC fund was launched, the number of UVCs created since then alongside with the total funds raised and the average expeditudures.

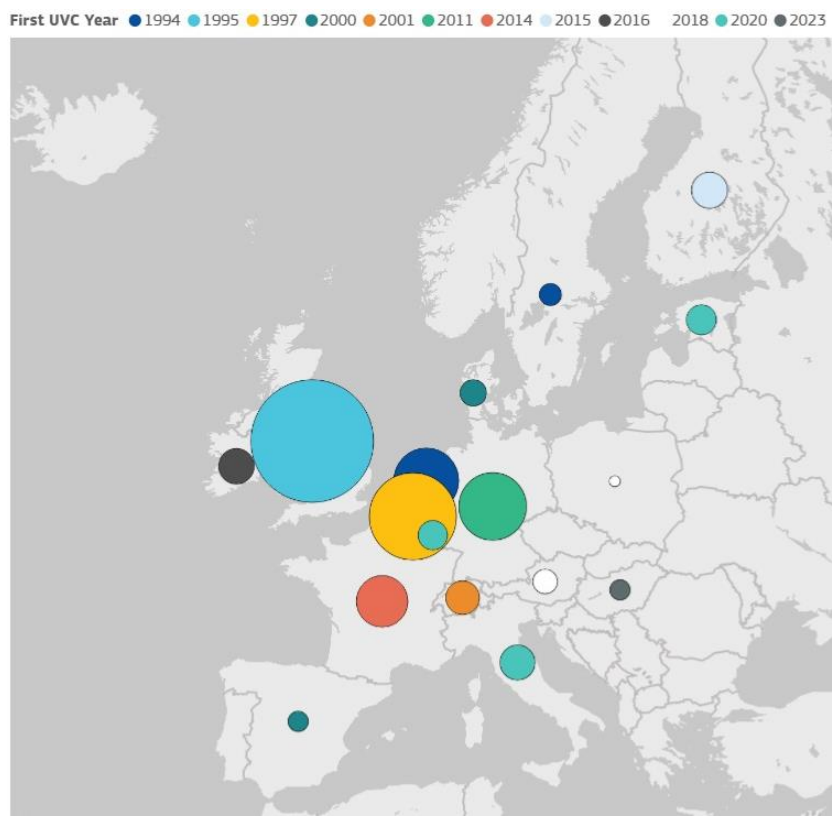
Table 2 – UVC Features

	First UVC	# Funds	Avg size (m€)	Total size all Funds (m€)
Austria	2018	1	45,0	45,0
Belgium	1997	14	68,0	956,4
Denmark	2000	1	55,0	55,2
Estonia	2020	1	80,0	80,0
Finland	2015	2	62,0	124,0
France	2014	6	59,0	296,0
Germany	2011	5	109,0	545,2
Hungary	2023	1	25,0	25,4
Ireland	2016	2	62,0	123,3
Italy	2020	2	57,0	114,0
Luxemburg	2020	1	75,0	75,0
Poland	2018	1	3,0	2,7
Spain	2000	4	6,0	26,0
Sweden	1994	5	8,0	32,7
Switzerland	2001	2	54,0	108,1
Netherlands	1994	17	39,0	503,2
United Kingdom	1995	42	67,0	2006,6

Source: Authors's database [1]

Belgian and Dutch universities have a three decades standing tradition to fund own spin-offs. Luxembourg, whose University was created in 2020 also joined implemented a UVC from the beginning. The total amount of funding raised in the Benelux countries is considerable with regard to their population or other metrics, as university staff or number of students. Figure 2 indicates the appearance of the first UVC (by its colour) and the amount raised since then (diameter of the bubbles)

Figure 2 – Funds raised and date of the first University Venture Capital established



Source: Authors's database [1]

Policy Messages

#1 Make clear strategic choices & formulate ambitions when developing policies

Setting up or improving a UVC can address different needs, as outlined in the Anchor-, Catalyst-, Foundational- and Sleeping-Giant archetypes. Consequently, the UVC's design must serve the purpose that has been defined, based on a realistic assessment of the local entrepreneurial context and the broader innovation landscape.

UVC design involves trade-offs. A key decision is whether to fund widely (many start-ups with modest support) or deeply (few startups but with intensive backing). VC is selective by definition and decision makers may be tempted to give in to external pressure to widen the selection, which risk turning the UVC into a 'grant channel' in disguise.

Therefore, policy makers should, first define the strategic choice up-front, particularly on the depth of investments. Furthermore, formulate clear, written instructions that translate this choice into concrete investment criteria and governance rules.

Having strategic choices and ambitions clearly articulated serves to keep the UVC focused on its intended mission and preserves its venture-capital character.

#2 Build capacity, clear governance structures & empower UVCs

Successful UVCs are those that have proven VC expertise and delegated authority to take rapid, investment-oriented decisions; the UVC governance structure is lean, with well-defined processes and clear operational competences. The expectations of the university, the general and the limited partners must be aligned from the beginning.

UVC standards for investment shall be similar to private VC. To achieve investment-ready ventures targets, technology transfer offices shall screen only for ventures aligned with the General Partner's (GP) expectations and prepare researcher and teams accordingly, if necessary, recruiting external expertise.

#3 Construct a conducive regulatory framework & entrepreneurial ecosystem

While all EU Member States have set of general rules to the creation of spinoffs, universities do have a large degree of implementing these. As a matter

of example, governments do not fix the amounts for the licencing fees for transferring IP rights or the university equity share of spin-offs. While some flexibility is convenient to accommodate the diverse natures of ventures, the flip side is that negotiations between university and startups may take very long until a final agreement is reached.

Therefore, policy makers should address barriers across the EU and regions that generate regulatory frictions, such as intellectual property regulations, university equity stakes or tax regimes, that may alter the feasibility and attractiveness of UVCs.

A dense entrepreneurial ecosystem, combining specialised university knowledge, local industry and investors, increases the effectiveness of UVCs: UVCs alone are not sufficient.

If a UVC is your starting point to develop the regional entrepreneurial ecosystem (Anchor, Foundational), be aware of its need for additional capacities, longer development timelines, and additional roles (ecosystem development).

#4 Transparency, Monitoring and Evaluation

'You cannot improve what you cannot measure'. Thus, it is advisable to evaluate impact and inform future decisions by improving transparency, monitoring and evaluation to ensure systematic reporting and by tracking the performance of funds and USOs

#5 Public co-funding

Governmental co-funding of VC as limited partners (LPs), regardless of its type (UVC, GVC, or PVC), should be considered, and its potential negative effects carefully weighed against potential benefits. Negative effects, such as crowding out private investment or incentivizing excessive risk-taking by making investment 'too cheap', should be considered when matching money from private sources.

#6 Manage expectations

Turning scientific results or technical inventions into marketable products generally requires substantial funds over a long time period. UVC often just presents an early-stage investment source to diminish technological risk. The market risk, however, remains. Therefore, all stakeholders, including policy makers, investors, founders, or university management, ought to adopt realistic expectations with regard to UVC returns, timelines and outcome.

References

- [1] Crispeels, T., De Buyser, E., Gavigan, J. P., & Compañó, R. (2025). *University venture capital in Europe and North America: Evidence, models, and EU policy implications*. Public Management and Governance Review, 2(1).
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- [4] N. Magomedova, N. Villaescusa, and A. Manresa, "Exploring the landscape of University-affiliated venture funds: an archetype approach," *Venture Capital*, vol. 25, no. 3, pp. 317–349, July 2023,

Suggested Citation

Crispeels T., De Buyser E., Gavigan J. P. and Compañó R., 'University Venture Capital as a Driver of Europe's Growth and Resilience', European Commission, Seville, 2026, JRC145719

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