BMW Foundation
Herbert Quandt



BERLIN | OCTOBER 2026

Capabilities, Collaboration, and Capital: The Role of European Foundations in Advancing Innovation and Societal Benefit

nesta

ERSTE Stiftung

Novo Nordisk Foundation

<norrsken>

"la Caixa" Foundation

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Foreword

Europe's ability to shape its future depends on turning knowledge and innovation into solutions that strengthen the economy and deliver lasting societal benefit. Europe has strong science, entrepreneurial talent, and capital, but these strengths do not consistently connect across the innovation chain. The challenge is therefore not only to generate innovation, but to create credible pathways from research and development through implementation, deployment, and scale.

European foundations already contribute at every point along this journey. They fund science and research, strengthen entrepreneurial capabilities, build infrastructure and networks, convene relevant stakeholders, and, in some cases, deploy investment assets. The six case studies in this paper show the breadth of what is already being done across Europe. They also reveal recurring gaps: promising initiatives can stall when the next capability, partner, or form of capital is missing; preparation does not automatically lead to financing; and capital does not automatically reach implementation.

Closing these gaps requires trust and collaboration across the innovation chain. European foundations can help connect actors sooner, highlight requirements and responsibilities, build stronger pipelines from one stage to the next, and mobilize private, institutional, and public capital toward implementation. Collaboration does not require identical missions or pooled resources. It requires clarity about where capabilities are complementary, where selected efforts can be coordinated, and where legal and institutional conditions need to improve.

At the BMW Foundation Herbert Quandt, we believe that effective collaboration must go beyond dialogue. At a time when Europe faces profound economic and societal challenges, understanding the facts and sharing knowledge, as well as bringing the right people together around the

right solutions matters more than ever. The question is how to turn these connections into joint action.

This white paper provides a knowledge base on how European foundations already contribute to innovation and societal benefit, where coordination gaps remain, and where closer cooperation could help move innovative solutions forward. Our ambition is not to create another layer of structures, but to identify concrete opportunities where foundations and other partners can achieve more together than alone.

Success will ultimately be measured by what comes out of this dialogue: new partnerships, connected capabilities, mobilized capital, and concrete initiatives that move toward implementation. This means connecting capabilities that already exist, exploring opportunities for collaboration, and mobilizing capital toward implementation and scale.

This paper is therefore not the end of the conversation, but the starting point for a debate on how we can best join forces to advance innovation and societal benefit across Europe.

1.
From dialogue to deployment: A European strategic dialogue

1.1
Connecting the European innovation chain

Europe's future competitiveness and societal resilience depend on its ability to translate transformative ideas and technologies into application at scale. The central challenge is to connect Europe's strengths across the innovation chain: research, entrepreneurial expertise, infrastructure, potential users, and capital must come together at the right times to enable promising innovations to progress toward deployment and scale.

European foundations already contribute by deploying different capabilities: grant-making, programs, infrastructure, networks, convening power, and, in some cases, investment assets. Their role is not to replace markets, industry, investors, or public institutions, but to connect complementary contributions, identify missing links, and help create the conditions in which others can participate.

In this paper, the innovation chain describes the connected stages through which knowledge, ideas, and technologies move from research and validation through development, demonstration, and adoption to deployment and scale. The term "chain" is shorthand: innovation is rarely linear and often involves feedback between different development stages and stakeholders.

Transitions are critical steps in the innovation process that often require new expertise, partners, or sources of funding. They include moving from research to validation, from pilot projects to practical adoption, from grant-funded development to commercial investment, and from initial deployment to scale.

These transitions are often where promising innovations stall because the next stage requires different capabilities, additional funding, and partners willing to take responsibility and risk.

A pipeline is the practical route through these stages and transitions: a sufficiently connected flow of opportunities, capabilities, partners, and financing that allows promising innovations to progress toward deployment and scale. Foundations do not need to finance the entire pipeline; they can help coordinate so that appropriate private, institutional, and public capital can enter at the right stage.

In this paper, societal benefit means tangible improvements in people's lives and a stronger capacity for society to address shared challenges and adapt to future demands.

Depending on the field of activity, this may include better health and education outcomes; affordable, secure, and clean energy and access to essential infrastructure; quality employment, economic opportunity, and job creation; greater social, economic, and environmental resilience; and ecological sustainability.

Societal benefit and economic competitiveness together form the backbone of Europe's long-term prosperity. Innovation can strengthen both by addressing societal needs while creating markets and building productive capacity through development, deployment, and scaling in Europe and globally.

1.2
From the German dialogue to a European perspective

The dialogue builds on four years of experience with the German Roundtable initiated by the BMW Foundation, the German Federal Ministry for Economic Affairs and Energy, and UnternehmerTUM. The Roundtable brought together foundations, investors, and public actors to explore pathways for mobilizing capital for innovation and the legal conditions governing their participation. The Ministry's Praxischeck and the BMW Foundation's 2025 white paper,

"Promoting Innovation Through Venture Capital," provided concrete reference points. This experience offers a starting point for examining approaches across Europe and developing a shared agenda for more effective cooperation.

Against this background, this paper uses six foundation case studies to examine where capabilities can be connected, where collaboration can strengthen innovation pipelines, where capital can be mobilized, and which legal and institutional conditions enable joint action. The analysis is guided by two questions:

- How can European foundations use and connect their capabilities, collaboration platforms, and capital with the contributions of other actors to strengthen innovation pipelines and generate lasting societal and economic benefit across Europe?

- What practical, institutional, and legal conditions are needed to build trust around these transitions, enable cooperation, and mobilize capital toward implementation?

The six case studies provide the practical evidence base for the analysis that follows. They show how European foundations already support innovation through different resources and forms of intervention; they describe approaches, constraints, and ambitions rather than provide a comprehensive survey or comparable impact assessment. A country deep dive on Germany is included within the wider European discussion.

2.
Capabilities: How European foundations contribute across the innovation chain

2.1
Capabilities and contributions along the innovation chain

European foundations and comparable tax-exempt organizations operate in a variety of ways to achieve their objectives. They award grants, develop programs, support organizations in their institutional development, provide research and innovation infrastructure, build networks, and, in some cases, invest portions of their assets through mission-aligned or impact-oriented strategies. All of these are ways in which foundations already support innovation today.

The assembled case studies show foundations working at different points between identifying a societal problem and bringing a solution into wider use. Nesta designs challenges and connects innovators with organizations. The Novo Nordisk Foundation supports the infrastructure needed to translate scientific work into innovation. ERSTE Foundation develops social ventures and tries to address the shortage of financing for their next stage. Other approaches connect entrepreneurial communities, investment capital, and industrial partners.

These activities respond to different obstacles. A research project may need facilities and expertise before it can attract investors. A social venture may need financing on terms that fit its development and purpose. A cleantech founder preparing for industrial deployment may need customers and partners as well as capital. Treating all these needs as a single funding gap obscures the choices partners must make.

Foundations can contribute through grants, programs, infrastructure, and

relationships. Some can also participate as asset owners. Their contribution depends on their purpose, capabilities, and legal setting. A long horizon may allow sustained support, but it does not make every foundation able or willing to take the same risks. Nor should every foundation be expected to work across the entire chain.

2.2
Investment assets and program budgets

Two routes of participation need to be distinguished. A foundation may invest part of its assets, making decisions about financial return, risk, and liquidity. Where its approach permits, it may also consider the societal or environmental contribution of those investments. It may use its grant-making or its operating budget to finance activities that fulfill its mission. These routes can address related objectives, but they involve different decisions and responsibilities.

An investment in a venture capital fund is an allocation of assets. It is subject to investment scrutiny and does not constitute the same intervention as a grant or a program supporting founders. Operating resources are used in different ways, based on the foundation's purpose and legal framework. Whether that budget is spent on mentoring, research, or coordination is an expenditure decision guided by the foundation's governing documents.

The BMW Foundation case study illustrates that distinction. Through the Eberhard von Kuenheim Fund, it invests in venture capital funds as an asset owner. Through RESPOND Scaleup, it provides capacity building and access to networks. Fundación "la Caixa" is another example: It supports research through grants and may subsequently invest, while retaining financial scrutiny of the investment decision.

Loans, guarantees, and recoverable grants require further examination of their source, purpose, and terms. Naming an instrument does not establish whether it belongs to asset management or a mission-related activity. The distinction must be made in the proposed structure, under the foundation's governing documents and applicable law. Shared societal objectives do not make a foundation's entire capital base freely available for program expenditure.

2.3
Connecting capabilities across transitions

A useful starting point for cooperation is the transition an organization cannot manage alone. Who will support the research after the first grant? What will make an industrial partner willing to participate? Which provider can finance a venture that has outgrown grant support but cannot yet obtain conventional investment or a bank loan?

At these interfaces, foundations can bring partners together around a defined need. They can support preparation, clarify responsibilities, and maintain relationships across stages. This way, they can help build stronger pipelines: not by financing every stage themselves, but by paving the way to the next capability, partner, or source of capital. As the example of the ERSTE Foundation shows, building a pipeline of well-prepared ventures does not necessarily create a suitable supply of finance by itself.

Coordination should therefore connect the work already being done to an identifiable next step. Shared platforms allow partners to contribute without requiring identical missions. Where activities overlap, partners can examine whether combining selected resources would reduce duplication or strengthen delivery. The benefit must justify the time and cost of coordination.

Six approaches to supporting innovation

Foundation	Principal contributions	Interface addressed
Nesta	Challenge Works programs & support for innovators	Societal problem | Solutions developed with potential users
ERSTE Foundation	Capacity building & catalytic support	Grant support | Suitable growth finance
Novo Nordisk Foundation	Research infrastructure & incubation	Scientific discovery | Venture development
Norrsken	Communities & networks alongside investment funds	Founders | Expertise, customers, and investors
Fundación "la Caixa"	Research grants & investment assets	Research support | Subsequent investment
BMW Foundation Herbert Quandt	Venture capital fund investments & support for founders	Technology development | Industrial deployment

Selected contributions and interfaces based on the six case studies.

3.
Capital: Connecting actors and financing European innovation

Unleashing capital for European competitiveness and societal benefit requires the participation of many actors across the innovation chain. Public institutions, philanthropic organizations, investors, companies, research organizations, and users contribute different resources and capabilities. Their contributions must connect at the stages where innovations need further development, validation, financing, adoption, or industrial deployment.

A central objective of this dialogue is to mobilize European capital for innovations developed, deployed, and scaled in Europe. Connecting European funding sources with these opportunities can help build productive capacity, retain expertise, and strengthen Europe's competitiveness, resilience, and technological sovereignty. This requires credible investment opportunities and pathways through which capital can reach them.

Cooperation does not require participants to adopt identical objectives. It requires clarity about their respective mandates, the resources they can contribute, and the conditions under which they can participate. This section gives a brief overview of the different types of actors and the contributions they provide; their roles may overlap, depending on the organization and the cooperation model.

3.1
Public institutions and financing initiatives

National governments, European institutions, and public finance bodies shape the conditions under which innovation develops and attracts investment. Their contributions include research funding, grants, loans, guarantees, advisory services, and enabling legal and regulatory frameworks. Each operates within a defined mandate and applies its own eligibility

requirements and accountability standards.

At the national level, relevant actors include ministries, public authorities, and promotional and development finance institutions. Government-supported initiatives can also help mobilize private investment. Germany's WIN initiative and France's Tibi initiative, for example, seek to strengthen financing for innovative companies by encouraging greater private and institutional investor participation.

At the European level, the European Commission, the European Investment Bank (EIB), and the European Investment Fund (EIF) contribute through distinct policy and financing functions. Programs such as Horizon Europe support research and innovation, while the European Tech Champions Initiative (ETCI) and the Scaleup Europe Fund address financing needs at the growth and scaleup stages. These programs, initiatives, and investment vehicles provide channels for capital; they should be distinguished from the institutions and investors participating in them.

International development finance institutions may also contribute where their mandates align with a project's objectives and geographic scope. Their participation should be assessed against the specific financing, implementation, or market-access needs of the initiative.

3.2
Foundations and other philanthropic organizations

Foundations and other philanthropic organizations can contribute through grants, research support, capacity building, networks, infrastructure, and long-term partnerships. They may help prepare innovations for their next stage, bring together relevant actors, or support activities that do not yet attract sufficient commercial financing.

As the case studies in this paper illustrate, these contributions reflect different missions and operating models. A foundation supporting scientific infrastructure plays a different role from one developing social ventures or

connecting scaleups with industrial partners. Cooperation can build on these differences by identifying where their capabilities complement those of other participants.

Some foundations also participate as investors through their endowments or investment entities. These asset allocations must remain distinct from program expenditure: they involve different objectives, decision processes, and financial requirements.

Philanthropic participation is governed by each organization's purpose and applicable legal framework. Charitable or tax-exempt status may affect how resources can be deployed and how cooperation can be structured. These conditions are examined in the chapter on legal and institutional frameworks.

3.3
Private investors, asset managers, and companies

Private investors provide financing according to their investment strategies, risk tolerance, and return requirements. Venture capital and growth funds, institutional investors, banks, and other financial intermediaries can support different stages of development.

Asset managers allocate capital on behalf of their clients within agreed investment mandates. They can help foundations and other asset owners assess opportunities to invest in European innovation, taking account of their return objectives, liquidity needs, and risk constraints. Involving potential financiers and asset managers early can help clarify the evidence, governance, and commercial prospects required to attract investment.

Companies contribute more than capital. They may provide technical expertise, production capacity, distribution networks, pilot environments, and access to customers. As industrial partners or purchasers, they can help validate solutions and create a route from development to deployment.

Entrepreneurs and innovative companies are also active participants in the dialogue. Their experiences can identify where existing support fails to meet the practical requirements of building and scaling a business.

3.4
Research organizations, implementation partners, and users

Universities, research institutes, technology-transfer organizations, and other intermediaries contribute knowledge, expertise, and infrastructure. Their involvement helps connect scientific advances with practical applications and the partners needed to develop them.

Implementation partners and users, including public service providers, businesses, and communities, help define needs, test solutions, and establish the conditions for adoption. Their participation allows technical development and financing decisions to reflect how innovation will be used.

Conclusion

Mobilizing capital therefore requires cooperation beyond the organizations that supply funding. Foundations can help connect these contributions, identify gaps in support, and bring the appropriate partners into the process. The practical goal is to create credible and feasible pathways through which European capital enables promising innovations to progress toward deployment and scale in Europe.

4.
European foundations in practice: Six case studies

4.1
Nesta Beyond funding

Why innovation needs more than capital

"Not everyone is going to succeed." It is a simple remark, almost incidental, yet it captures a philosophy that runs through Nesta's work. Innovation, in this view, is not about backing only the winners. It is about creating the conditions in which promising ideas have the opportunity to emerge, evolve, and, where possible, scale.

Nesta describes itself as an independent global innovation foundation working with governments, businesses, and charitable organizations to develop solutions to complex societal challenges. Within the organization, Challenge Works translates that ambition into practice. Funding is one element of the model, but only one. Equally important are the networks, institutions, and partnerships that enable ideas to move from concept to implementation.

Designing for innovation

Every program begins with a clearly defined challenge. Rather than issuing broad calls for ideas, Challenge Works focuses on specific societal problems and invites innovators to develop solutions designed to address them.

Its programs combine financial support with mentoring, technical assistance, capacity building, and access to networks. Innovators are connected with investors, researchers, public authorities, and organizations that may ultimately adopt or enable their solutions.

Nesta's approach extends beyond supporting individual organizations. Regulators, policymakers, and public institutions are brought into the process where they influence implementation. Innovation is therefore treated not only as the development of new ideas but also as the creation of an environment in which those ideas can succeed.

Progress measured by outcomes

Support is structured as a staged process rather than a single grant. Larger groups of innovators enter a program, receive initial funding and support, and progress through successive assessment stages. Additional funding is linked to predefined milestones rather than automatic continuation.

"Looking more at outcomes rather than being prescriptive about the path organizations need to take."

Outcome-based funding sits at the center of this model. Rather than prescribing every step, programs define the outcomes they seek while allowing innovators flexibility in how they achieve them.

When local challenges meet global expertise

Many of the challenges Challenge Works addresses are rooted in specific places. The search for solutions, however, is rarely confined by geography.

A Sustainable Cities Challenge involving Venice illustrates this approach. Innovators from across Europe were invited to develop solutions for sustainable mobility in response to priorities identified by the city itself. According to Nesta, private philanthropic funding created a level of flexibility that would have been difficult to achieve through conventional public procurement processes.

The same thinking shapes collaborations beyond Europe. Working with several European foundations, Challenge Works helped develop a program supporting innovators in other parts of the world. While the partnership itself proved successful, differences in funding rules across participating foundations introduced additional administrative complexity that had to be addressed throughout the program.

These experiences reinforce a consistent principle: societal challenges may be local, but expertise, ideas, and partnerships often extend well beyond national borders.

The friction of collaboration

Nesta does not present collaboration as frictionless.

Different legal frameworks, funding rules, and organizational requirements can complicate joint programs, even when partners share the same objective. The absence of consistent definitions for social enterprises across jurisdictions adds another layer of complexity, making it more difficult in some cases for philanthropic organizations to support certain types of organizations.

The organization also argues that meaningful innovation requires a willingness to accept uncertainty.

"The model is based around the idea that not everyone is going to succeed."

Early-stage innovation, in this view, cannot be approached with the expectation that every project will succeed. Experimentation inevitably involves risk, and programs must be designed with that reality in mind.

A different view of capital

This perspective also shapes Nesta's thinking about funding. Social enterprises, it argues, often follow development pathways that differ from those of more traditional technology ventures. Progress may take longer, and success may require different forms of support.

Looking ahead, Nesta sees greater flexibility in philanthropic funding, increased willingness to support early-stage experimentation, and stronger collaboration between different providers of capital as important directions for future development. Co-funding models and outcome-oriented funding approaches are presented as ways of supporting innovation while recognizing the realities of long-term societal change.

More than a funding organization

By the end, a clear picture emerges. Nesta does not define its contribution primarily by the amount of capital it deploys. Instead, it focuses on bringing together the people, institutions, and partnerships needed for innovation to move from promising ideas to practical implementation.

The opening statement therefore also serves as the closing thought.

"We partner with governments, businesses, and charities to drive innovation for social benefit."

It is less a description of the organization than a concise expression of how it believes innovation happens.

4.2
ERSTE Foundation The capital between grant and growth

In 1819, the founding document of Austria's first savings bank set out a broad idea of access: even the smallest farmer should be able to save, and no one should be excluded because of social status, gender, age, or nationality. It also established a tradition of serving the common good, with Sparkassen reinvesting resources and profits in charitable and community purposes rather than distributing them to private owners.

More than two centuries later, those ideas survive in an institutional structure. ERSTE Foundation is a core shareholder of Erste Group, the largest retail bank in Central and Eastern Europe (CEE). It uses the dividends it receives to support civil-society organizations and social ventures across CEE. The foundation stands close enough to the banking system to understand how finance works, while some of its programs expose it directly to organizations the market still struggles to finance.

That position has made one gap particularly visible. Social ventures can outgrow conventional grants before they are strong enough for bank lending or attractive enough for investment. They may have a viable product, measurable social value, and the potential to scale—and still find no suitable capital for the next step. ERSTE Foundation can help them become investment-ready. The harder question is what happens when the financial system is not ready for them.

A foundation that fosters financial health and democracy

ERSTE Foundation reverses the conventional corporate-foundation model. Rather than being attached to a company that finances its work, it helps anchor the banking group as a core shareholder. Its operational work, grants, and investments are financed from dividends.

Today, the foundation concentrates on social issues, including democracy, free media, financial health, and social entrepreneurship. Its geographic focus is Central and Eastern Europe, with local knowledge embedded in its operating model.

Building the pipeline, venture by venture

MARC, the foundation's capacity-building program, started in 2024 in Austria, Hungary, and Romania. It has since expanded to Croatia, Serbia, and the Czech Republic, with Slovakia due to become the seventh country. More than 70 ventures take part each year. A uniform curriculum soon gave way to six months of coaching and mentoring adapted to each venture and local market. Some participants understand impact but need help with finance and scale; others have strong products but have not yet developed their social-impact model.

In Romania, Help Autism was able to scale its social franchise model from 7 to 50 centers, sign three franchise contracts, and launch a new therapy center in Bucharest. Help Autism also secured a EUR 1 million loan from Erste Social Banking in Romania to support growth.

In Austria, ByeAgain secured a EUR 350,000 subordinated loan from Erste in Austria to expand operations, hire staff, and increase inventory, enabling it to create 30 jobs for vulnerable people by 2030 while saving 10,000 tons of CO2 through circular economy practices.[1]

In Hungary, ssh boards, a social innovator in sustainable straw-based insulation, is moving from relying solely on traditional grants to exploring a catalytic outcome-linked grant, a crucial step in preparing for future equity investment.[2]

After the coaching phase, MARC connects ventures with investors and finance providers through networks and pitch formats. Yet preparing more organizations for finance has revealed that readiness on one side does not automatically create suitable capital on the other.

When "investment-ready" is not enough

ERSTE Group's social-banking teams are integrated into MARC, giving participants a connection to possible financing and bank employees a closer view of social enterprises. Across the group, social banking has built a loan portfolio with disbursements of more than EUR 800 million since it began.

1 https://www.byeagain.eu/
2 https://ssh-boards.com/

Even so, many organizations fall between established categories: too risky for a bank, too advanced for grants, and not yet attractive enough for venture capital. Weak equity ratios, personal guarantees, and collateral create further barriers.

Catalytic grants appear more flexible. Two organizations that had failed to secure finance each received EUR 50,000 to invest in scaling or staff capacity; financing then became possible. But under its current legal framework as an Austrian savings-bank foundation, ERSTE Foundation faces several restrictions when providing grant funding, which limit the possibilities for scaling this approach.

The investment must change the outcome

The same insistence on social purpose shapes ERSTE Foundation's emerging mission-aligned investments, including investments in "housing for all" (covering social and affordable housing) in Eastern Europe.

In several countries in Central and Eastern Europe, ownership rates rose above 90 percent following the post-socialist transfer of housing to residents, leading to little rental supply. Some owners lack reserves for maintenance, while affordable housing is scarce where jobs are located.

The foundation cannot solve that shortage with its own capital. It wants to demonstrate that long-term investment can work and support regulatory conditions that could attract institutional investors.

A vehicle still waiting to be built

The foundation now faces a question created partly by its own progress. It has invested in a pipeline of organizations and helped make them finance-ready. The supply of appropriate capital, especially for early-stage, social-first organizations, has not kept pace.

Impact-investment capital remains scarce in Central and Eastern Europe. Guarantees allow Erste Group's social-banking teams to take risks they otherwise could not, but comparable instruments are not available to foundations.

Innovative solutions are being developed. One Slovak model, for example, combines commercial lending, concessionary finance from Slovak Investment Holding, and a grant component within a single structure.

ERSTE Foundation is currently working on addressing this challenge. It is analyzing catalytic and/or recoverable grants and a possible fund vehicle involving other partners. The desired intervention is precise: after the strongest MARC participants have demonstrated their potential to scale, some may need another EUR 50,000 to EUR 100,000 to cross the gap, and innovative financing solutions are needed to address this.

That constraint defines the next stage of the work. Building investable organizations is possible. Connecting them to banks and investors is possible. What remains unresolved is the capital between the two—the financing that allows a social innovation to survive long enough to become financeable without stripping away the social purpose that made it worth supporting in the first place.

4.3
Novo Nordisk Foundation The infrastructure before the investment

A scientific discovery is not yet an innovation. Between the laboratory and a product lies a chain of obstacles: intellectual property must leave the university, experiments must be extended, specialist infrastructure must be available, teams need new capabilities, and financing must arrive in the right form at the right moment. A grant may support one link. It rarely builds the chain.

The Novo Nordisk Foundation has organized much of its innovation work around this gap. Its approach begins not with a single company or financing round, but with the architecture surrounding them. What funding, competences, and facilities are required at each stage? And what would enable promising science to move further than conventional research funding usually allows?

The answer emerging from Denmark is a deliberately constructed innovation system: research platforms, screening capabilities, experimental models, fellowships, incubation, venture capital, and support for clinical trials. It is an attempt to cover the full journey rather than wait for disconnected parts of the market to assemble themselves.

Building the whole chain

In life sciences, a researcher may identify a peptide, a small molecule, or a potentially valuable target. Establishing its wider potential can require animal studies and capabilities beyond the reach of a university grant or traditional research program. Even compelling science can stall before it becomes investable.

The response has been to work backward from that journey. The foundation has invested in omics and screening platforms, experimental models, and fellowships. It created the BioInnovation Institute, where intellectual property emerging from universities can be developed further with access to expertise, infrastructure, and financing. It is also active in venture capital and supports work extending into clinical trials.

The importance of this model lies less in any single instrument than in how the instruments connect. The surrounding system anticipates the need for facilities, commercial skills, transparent intellectual-property arrangements, and patient capital. A stable platform also gives researchers and venture investors confidence that its infrastructure will endure. Long-term commitment becomes part of the platform's credibility.

From Copenhagen to a European platform

The model is now moving beyond Denmark. The BioInnovation Institute, opened in Copenhagen several years ago, is being expanded into Europe. An office has opened in London, while discussions are under way about potential locations in Germany, how a further initiative could be organized, and who might collaborate.

The focus is cardiovascular and cardiometabolic research, an area in which Germany has strong capabilities. The proposed model would give early discoveries access to grants, convertible loans, screening systems, and specialist expertise. The ambition is to create a platform through which science can be translated more quickly and partners can participate without building every component themselves.

This creates a different role for other foundations. They could bring their own mission, expertise, and capital while using common infrastructure to source and develop projects in Munich or elsewhere. The platform supplies the basic structure; partners retain their own focus.

Even a large foundation cannot carry every part of the work alone. As activity spreads across borders, legal frameworks and institutional requirements multiply. Co-funding becomes crucial—not only because it adds money, but because it distributes responsibility and creates shared urgency.

Capital needs somewhere to go

The same logic applies to European capital. The shortage is not always capital itself. Pension institutions and foundations may be willing to participate in innovation, but they need financial structures compatible with their responsibilities.

The involvement of Novo Holdings, the Novo Nordisk Foundation's investment arm, in the Scaleup Europe Fund reflects this view. Developed with the European Commission and other participants, the fund is intended to help deploy venture capital at European scale. Establishing a first-time fund brought many challenges, including finding the appropriate manager and administrator. Yet the experience also showed what a common vehicle can make possible: private and institutional capital can enter an area that individual organizations may struggle to approach directly.

This shifts the question from whether Europe possesses capital to whether it has built the channels capable of directing it. Pension assets and foundation capital come with responsibilities; calls for more risk-taking do not remove those responsibilities. Appropriate vehicles can, however, give cautious institutions a credible route into the innovation economy.

A fund-of-funds structure is one possible answer. Work is under way on a Nordic model that could later be applied in other European regions. Such structures could aggregate participation by foundations, public institutions, and pension capital while reducing the burden of acting alone.

The friction of crossing borders

European collaboration is slower and more complex than national action. Lead times grow. Legal questions multiply. A Danish foundation operating in Germany or the United Kingdom must determine what it can support, under which rules and with what additional obligations. These are not abstract inconveniences; they affect the willingness and speed with which institutions can commit.

Yet the conclusion is not to retreat. Cross-border work brings different capabilities together, creates shared urgency, and makes larger interventions possible. Acting alone might be simpler, but it would narrow both the work's reach and the number of organizations invested in its success.

Fragmented rules make capital harder to combine and platforms harder to extend. Addressing those barriers is one part of the task; developing structures that can function despite them is another.

Turning connection into collaboration

Foundations possess another asset besides money: the ability to convene. They can map who is working in life sciences, quantum technology, artificial intelligence, or other fields, identify complementary capabilities, and bring institutions together around a practical hypothesis.

Convening, however, is only the beginning; it does not create collaboration by itself. Smaller groups need to test concrete models, identify financing routes, and build mechanisms through which different mandates can connect. Without that operational turn, dialogue risks becoming another record of good intentions.

Foundations do not need identical priorities to act together. They need platforms that allow each organization to contribute its expertise, capital, and mission while sharing infrastructure, risk, and learning. Such structures could support larger investments in research and development and draw additional funders into areas that would be difficult to approach individually.

The Novo Nordisk Foundation's experience suggests that collaboration must ultimately move from mapping possibilities to building something together. Europe already has research, institutions, and capital. What it often lacks are the connections between them. Creating those connections is slow, technical work—but it is also where foundations prepared to think and commit for the long term can make themselves most useful.

4.4
Norrsken Building the infrastructure around innovation

Funding a company is one thing. Building the conditions in which it can grow is another.

That distinction sits at the heart of Norrsken's approach. Capital matters, but money alone is rarely enough to turn an early idea into a company capable of addressing a major societal or environmental challenge at scale. Founders need customers, mentors, talent, and investors. They need access to policymakers and a community of people working on similar problems.

Norrsken has built its model around this wider ecosystem. Its foundation, investment funds, physical Houses, and initiatives operate in different ways and at different speeds, but with a common ambition: to make it easier for people trying to create positive change to build and scale companies and organizations. The result is a model in which philanthropy does not sit outside the innovation economy. It becomes part of its connective tissue.

From funding companies to building ecosystems

Norrsken starts with problems. Climate is a major focus, alongside areas including mental health. The question is how large social and environmental challenges can become scalable entrepreneurial opportunities—and how the organizations addressing them can receive the support they need to grow.

Scale is central to this thinking. Among the outcomes Norrsken looks at are how many companies it has helped to create and how many it has helped to scale. The ambition is not simply to address a small part of a problem, but to help solutions become large enough to matter.

This also connects impact to competitiveness. Norrsken's conviction is that companies capable of solving some of the world's largest problems can also become important companies in their own right. Capital is one part of that equation. Norrsken has investment funds with different stages and geographical focuses. But the foundation's activities extend far beyond the

companies in those portfolios.

Instead, the organization is trying to create a wider community of companies, NGOs, investors, founders, and other organizations interested in positive change. Some receive investment. Many do not. They can still benefit from the ecosystem—through introductions, access to other founders, potential funding, or connections to policymakers.

A House can become infrastructure

The most tangible expression of this philosophy is physical.

Norrsken Houses bring organizations working on impact into shared spaces. In Brussels, for example, around 52 companies are based in the House alongside NGOs and think tanks. Demand has exceeded the available space. But the idea goes beyond providing offices. People meet over lunch. Companies mix with NGOs, investors, and other organizations. Events and convenings create additional opportunities for exchange. Everyone in the House is expected to be working, at some level, on social or environmental impact.

For some organizations, Norrsken can also lower the cost of participation through subsidized rent or services. What emerges is a deliberately dense network of relationships. A founder might encounter another founder, an investor, a potential customer, or someone working on policy. An NGO may meet a company approaching the same challenge from another direction.

The House itself becomes part of the innovation infrastructure. Being physically embedded in these communities also gives Norrsken direct exposure to the challenges organizations face. It can see, for example, when funding disappears and an organization suddenly needs to consider downsizing. Rather than observing the ecosystem from a distance, the foundation operates within it.

Connecting the ecosystem with policy

Brussels adds another dimension. Norrsken established a presence there in part to connect the perspectives gathered through its community with policymakers. Working closely with founders, companies, funders, and other

organizations provides insights into the barriers they face; the Brussels House offers a route for bringing those experiences into European policy discussions.

The companies brought into these conversations are not restricted to Norrsken's own portfolio. In one discussion with a European Commissioner, only a small number of the 15 or 20 participants were portfolio companies. Others had no investment relationship with Norrsken.

The principle is important: the aim is to represent relevant experiences from the ecosystem, rather than simply advocate for companies backed by its funds. This becomes particularly relevant when companies encounter regulatory barriers to scaling. More harmonization across EU member states could, in Norrsken's view, make it easier for startups to access markets and grow across borders.

Yet an international perspective does not eliminate the importance of local ecosystems. Each Norrsken House has to navigate local laws and conditions, identify the organizations already active in a city, and determine where it can add value rather than duplicate existing structures.

That creates different operating speeds: the foundation can work internationally, the funds follow their investment logic, and individual Houses respond to local communities and partnerships.

Taking risks before others can

Norrsken's model also points to a particular role for philanthropic capital. The foundation can provide early funding to explore areas it believes deserve greater attention, helping initiatives develop before larger pools of capital become available. Mental health is one example: initial foundation funding helped work in the area get started, with further fundraising following as the initiative developed.

This ability to move early matters. Foundations can take a longer view and assume risks that other sources of capital may not yet be willing to take. But the goal is not necessarily to remain the sole funder. Early support can create the conditions in which other organizations and investors participate later.

That principle extends beyond money. Entrepreneurs need mentorship, customers, other founders, and eventually additional investors. The objective is therefore to increase both the connections and the capital surrounding promising solutions.

Europe needs to deploy capital differently

For Norrsken, the debate about financing European innovation is consequently not only about finding more money.

There is capital that is not being deployed to its full potential. The question is where it is allocated and which companies, sectors, and founders gain access to it. Foundations have a particular role to play. Their longer-term perspective can allow them to support emerging ideas and sectors earlier, assume greater risk, pool capital around particular missions, and help build the infrastructure surrounding innovation.

They can also support founders and groups that may struggle to attract sufficient market funding, including women and other underrepresented groups. This is part of a broader question about which ideas receive the opportunity to develop and scale.

Norrsken itself combines philanthropic activity with for-profit venture funds, physical communities, and initiatives focused on particular challenges. These mechanisms are different, but they reinforce one another.

And that may be the most important idea behind the model. Innovation rarely scales because someone writes a check and steps away. Companies grow through networks of expertise, customers, talent, policy, community, and further financing. Foundations can help build those networks. They can provide capital, but they can also connect actors, take early risks, create spaces for collaboration, and carry the experiences of entrepreneurs into policy discussions.

For Norrsken, supporting innovation therefore means more than finding promising companies. It means building the conditions in which they have a chance to become significant ones.

4.5
Fundación “la Caixa” What comes after the grant

Fundación “la Caixa” is Spain's largest operating foundation. Its position rests on an unusual structure: a foundation with long-term corporate holdings whose dividends finance a social, cultural, and scientific agenda. This model gives it access to two forms of agency that foundations have traditionally kept apart—philanthropic funding and investment capital.

For much of its work, those two worlds remained separate. Grants served the foundation’s programs; investments generated the income to sustain them. Now, “la Caixa” is beginning to test what becomes possible when the boundary between them is crossed carefully.

One of the clearest examples began at a hospital in Barcelona.

Over a five- to six-year period, the foundation supported the hospital as it developed an academic cell therapy for blood cancer. The work began with grants for science, research, and early development. But as the treatment advanced, a different challenge emerged. Reaching a few hundred patients was not the same as reaching thousands. Scaling its provision within and beyond Europe required a company—and therefore a form of capital that grant-making alone could not provide.

The foundation decided to invest.

The move marked one of its first attempts to connect two activities that had previously been kept apart: philanthropy and investment. The grant had helped develop the science; venture capital could help build the structure needed to expand access to the treatment. A Catalan public fund and another foundation’s investment organization were also brought in, with “la Caixa” taking a leading role in the financing.

The financial return remained relevant. The investment had to pass through the investment committee and be assessed as an investment. Yet the reasoning was broader than that. The opportunity arose from work the foundation had

supported over several years, and its promise lay in moving from treating hundreds of people to potentially treating thousands of people. The same project could now be viewed through two lenses: as an investable company and as a continuation of a philanthropic commitment.

That overlap is becoming an important testing ground for the foundation: how can philanthropic capital accompany innovation beyond the laboratory?

The missing middle of innovation

The question is especially acute in biomedicine. Spain and Portugal have strong hospitals, medical expertise, and research institutions. The foundation has also established its own research institute in immunology and supports the transfer of knowledge from universities, research centers, and hospitals into society.

But scientific strength does not automatically produce new treatments, procedures, or companies. Moving from a discovery to a drug can take more than ten years and requires support throughout the process. Good science is only one part of the equation. It also takes people who understand the underlying research, the financial structures, and the legal framework needed to translate knowledge into practical innovation.

This is where the foundation sees a role for more varied forms of finance. Its philanthropic work has traditionally relied largely on grants, while its investment activity followed a separate logic. It is now beginning to use venture-capital instruments and to explore how grants and alternative financing models can work together across different stages of innovation.

The Barcelona example does not erase the distinction between philanthropy and asset management. The company still had to satisfy financial scrutiny. What changed was the willingness to use different instruments in sequence—and to recognize that a project may require one kind of capital to develop knowledge and another to expand its reach.

The foundation's familiarity with the underlying work also created a particular form of insight. Years of grant support did not replace investment due diligence, but they provided a longer view of science, the people involved, and

the project's development. In this case, philanthropy did not merely precede investment; it shaped the foundation's understanding of what was becoming investable.

A foundation built around long-term ownership

This ability to work across grants and investments is rooted in an unusual institutional structure. "La Caixa" began in 1904 as a non-profit savings bank created to serve working people in Barcelona. Its profits funded social activities, including education, culture, and health. After the financial crisis transformed Spain's savings-bank system, the organization was divided into a commercial bank and a foundation.

Today, the foundation owns roughly 30 percent of the bank, while the remaining shares are publicly traded. It also holds other companies through its investment arm, CriteriaCaixa. Dividends from these holdings finance the foundation's activities.

The foundation has three established fields of work. Its social programs focus primarily on Spain and Portugal, including support for children from families with limited resources, education and training, employment, and older people. Its cultural activities span exhibitions, concerts, conferences, the arts, and the humanities. Its science work centers on health and medical research, with innovation becoming a growing focus. Climate change is emerging as a further area, shaped by its effects on people and by the transformation of an energy company within the portfolio toward renewable electricity.

The structure combines long-term ownership with an extensive operating agenda. It also creates a productive tension. The investment company must generate dividends that sustain the foundation's work. The foundation, however, can consider forms of capital whose purpose is not exhausted by short-term financial return. The Barcelona investment sits precisely at that junction.

Capital as a catalyst

The foundation describes its potential role through the image of a catalyst: a relatively small element that enables others to react. Public authorities and

private investors command far greater resources than any single foundation. Philanthropy cannot replace either of them. But because foundations pursue a public purpose while being privately managed, they can occupy a middle ground between the two.

That position can make them useful conveners and early risk-takers. Grants or venture-philanthropy capital can support projects that public bodies or commercial investors cannot yet finance. A foundation's participation may then help attract additional capital, as the Barcelona example illustrates. Its role is not to fund the entire journey, but to use limited resources in ways that allow others to participate and increase the potential impact.

Europe's scale-up gap makes this role more urgent. The continent produces substantial research and innovation, yet companies that require significant capital to grow may look to the United States, where larger and more patient pools of funding are available.

Fundación "la Caixa" has positioned itself directly within the European response. Through CriteriaCaixa, the investment arm already responsible for managing its corporate holdings, it invested part of the foundation's assets in the ScaleUp Europe Fund, launched by the European Commission. This shows how Fundación "la Caixa" is using not only its programs but also its capital base to support the financing of European companies as they grow. Alongside this investment, the foundation sees a complementary role for philanthropy at earlier stages: supporting young spin-offs and helping them develop toward the point at which they can access larger scale-up funds.

This does not make philanthropy a substitute for the market. Foundations cannot match the investment capacity of companies, national governments, or the European Union. Their contribution lies in identifying the space where neither public funding nor conventional private capital can act alone—and in building combinations that allow a project to move forward.

From local presence to European cooperation

The same logic applies to collaboration. "La Caixa" operates across Spain and Portugal, while much of its scientific activity remains centered in Europe. Its starting point is not to spread its budget thinly across many countries, but to

help strengthen Spain as a place for science and knowledge and to attract expertise and capital. At the same time, science does not stop at national borders.

Cooperation among foundations is increasingly recognized as a source of credibility and reach. Joint calls with European partners have shown the value of combining resources around shared scientific questions. No single organization, even a large one, has the capacity to address challenges such as the energy transition alone.

Yet philanthropy remains strongly national. Language, law, and tax systems continue to shape how foundations operate, making cross-border work more difficult. Local cooperation—with public authorities, companies, and other foundations—is often more established than collaboration across Europe. The latter is growing, but it still requires stronger connections and networks.

Greater visibility will bring greater scrutiny as well. As foundations become more prominent actors in cities and societies, questions about their legitimacy, privileges, and responsibilities will intensify. The answer cannot rest on communication alone. It depends on doing strong work, showing evidence of impact, and demonstrating that philanthropic resources serve society.

The journey from a hospital grant to an investment in a company captures that emerging responsibility. It is an attempt to stay with an idea for longer: from scientific work, through translation and financing, toward wider application. The task for foundations is to know where their capital can change the conditions—and where progress depends on bringing others in.

4.6
BMW Foundation Herbert Quandt Supporting industrial deployment

Europe has no shortage of promising technologies. The question is whether these technologies can reach industrial scale. The BMW Foundation Herbert Quandt has increasingly focused on that distance between innovation and deployment, using both its endowment and its programs to support the entrepreneurs trying to cross it.

Kraftblock illustrates this challenge. The company develops thermal energy storage for industrial use and joined the first cohort of the BMW Foundation's accelerator program RESPOND in 2020. It later became one of seven companies selected for the RESPOND Scaleup Pilot, in 2025, designed for ventures moving from technology development toward industrial deployment.

That progression highlights a question at the heart of the BMW Foundation's work: What does it take for a founder to reach the scale at which its potential can be realized?

The foundation approaches that question in two distinct ways. As an asset owner, it invests part of its endowment in venture capital funds focused on innovation and impact. Through its programs, it works directly with entrepreneurs, helping them build the capabilities and relationships needed to put new technologies into practice.

Capital with a purpose

The BMW Foundation has treated its assets as part of its mission for more than a decade. Its wider portfolio follows environmental, social, and governance principles, while a portion of its endowment is invested in innovation through the Eberhard von Kuenheim Fund. Since 2018, the fund has focused on venture capital funds.

The BMW Foundation invests through venture capital funds. Its approach reflects the risk constraints of its endowment. Its holdings include Ananda Ventures, Planet A, Giant, and 2150, which invest in companies addressing

environmental and societal challenges.

More than 15 percent of the foundation's endowment is currently allocated to impact investments, according to the public description of its portfolio.

This approach allows the foundation to support new technologies and business models through its assets. But capital alone addresses only part of the journey. An investment in a venture capital fund does not directly help a founder secure an industrial customer, enter a new market, or build the partnerships required to deploy a technology. The foundation's programmatic work addresses a different part of that challenge.

In 2020, the BMW Foundation launched the RESPOND Accelerator program, operated by UnternehmerTUM, which has since supported more than 50 founders developing solutions with environmental and societal potential. The program provides mentoring, connections, and visibility to early-stage ventures.

Where the accelerator ends

The problem changes when technology is ready to leave the startup environment.

Hardware companies working in energy, industrial heat, fuels, or materials may need costly production facilities, lengthy sales processes, supply-chain partners, and industrial customers willing to adopt new technologies. At this stage, the challenge is no longer simply to prove that technology works. Founders have to demonstrate that it can work commercially and at scale.

The RESPOND Scaleup Pilot was created to address this next stage. It extends the RESPOND approach beyond early-stage acceleration, focusing on founders navigating the distance between technology development and industrial deployment.

The stakes extend beyond the fortunes of individual companies. Europe's transition to a net-zero economy depends in part on its ability to turn cleantech innovation into industrial capacity. European ventures are competing in a global environment in which the United States and China are also investing heavily in clean technologies and manufacturing. At the same time, founders

in Europe face fragmented regulation, cautious investment decisions, complex industrial partnerships, and disconnected ecosystems.

In October 2025, the BMW Foundation and the International Finance Corporation (IFC), part of the World Bank Group, launched a six-month RESPOND Scaleup Pilot. Seven cleantech companies joined the first cohort: Kraftblock (thermal energy storage), Cylib (battery recycling), Ineratec (synthetic fuels and chemicals), Traceless Materials (alternatives to conventional plastics from agricultural residues), H2Pro, Meva Energy, and Prime Batteries. Their technologies differ, but they share a common challenge: moving from technical promise toward wider commercial deployment.

The pilot was designed for founders of later-stage, capital-intensive ventures approaching full commercialization. It combined individual capacity building with introductions to industry, investors, and policymakers, as well as international visibility. Founders mostly need investors to further scale their initiatives; they need visibility and introductions to the industries that double as potential customers. The six-month program did not take equity, and the support for each company was shaped by its maturity, sector, and deployment goals.

The premise was practical: industrial scale requires more than a financing round, and no single investor, company, or institution can provide all the relationships and capabilities a venture needs. The core ambition of the program was to support scaleups through capacity building, curated networks, and international visibility, enabling growth across Europe and in emerging markets.

The partnership with IFC expands the reach of that approach. It combines the BMW Foundation's networks and experience working with entrepreneurs with IFC's role as an international development institution active in emerging markets. The stated ambition is to help European cleantech ventures find routes to growth within Europe and deployment beyond it.

From pilot to program

The RESPOND Scaleup Pilot also makes clear the distinction between the BMW Foundation's two approaches to supporting innovation.

Through the Eberhard von Kuenheim Fund, the foundation invests in venture capital funds as an asset owner. Through RESPOND Scaleup, it provides capacity building, connections, and other services. Both approaches seek to advance innovation, but they use different resources and operate through different mechanisms.

According to the joint evaluation from the foundation and the IFC, the RESPOND Scaleup Pilot reinforced one central finding: later-stage founders need support as they navigate the move toward industrial deployment. The pilot did not close Europe's scaleup gap, nor did the evaluation establish that participating companies have already achieved commercial outcomes because of the program. It demonstrated demand for this kind of support and provided a first test of how a foundation can contribute.

Other partners have also recognized that need and expressed interest in working with the BMW Foundation in the next phase. They intend to develop the pilot into a regular program supporting European scaleups. Their involvement could expand the expertise, networks, and market connections available to participating founders. The precise shape of that collaboration, and its results, remain to be determined.

The pilot has demonstrated demand for the support foundations can provide. Partners are interested in contributing but for none of them it is part of their core business or mandate. Now the next challenge is establishing a lasting framework that allows foundations to provide this support, alone or in collaboration with others.

5.
Collaboration: Connecting contributions and building trust

5.1
Complementary roles and the connecting role of foundations

Moving innovation from development to deployment requires contributions that no single organization can provide alone. Research institutions generate knowledge and technologies. Entrepreneurs develop them into ventures and practical solutions. Businesses, public-service providers, and other users bring application needs, market knowledge, and routes to adoption. Investors and finance providers supply capital under different conditions, while public authorities shape the policy and regulatory environment. Progress depends on how these contributions connect and whether the requirements for the next stage are addressed early enough.

All of these actors approach innovation from different perspectives. Researchers may prioritize scientific progress; entrepreneurs need resources and partners to develop and grow; industrial partners require confidence in performance and integration; investors assess risk, return, and timescales; public institutions pursue policy objectives within their funding and regulatory responsibilities; and foundations contribute according to their charitable purposes and institutional mandates. Shared interest in an innovation does not, by itself, align these expectations.

European foundations can help create that alignment. Through their programs, expertise, and relationships, they can identify where a promising initiative lacks a connection to the capabilities, infrastructure, users, or finance it needs. They can bring relevant actors together, help clarify their requirements, and support the preparation needed for a credible next step. Their connecting role becomes valuable when dialogue leads to a practical pathway, with clear responsibilities and partners willing and able to act.

This role complements foundations' contributions as funders, asset owners, infrastructure providers, and project promoters. It also has limits. A foundation cannot replace an investor's assessment, an industrial partner's commitment, or a public authority's responsibility. It can, however, help partners understand one another's requirements and address gaps that would otherwise prevent their contributions from coming together.

European institutions and finance bodies offer different routes for such cooperation. The European Commission, the European Investment Bank (EIB), and the European Investment Fund (EIF) have distinct mandates and instruments. The question is which institution can contribute to a defined need, at which stage, and under what conditions. The following EIB Group partnerships illustrate how foundations' capabilities can connect with institutional finance through different structures.

Norrsken and EIF support for an impact investment platform

Norrsken incubated specialist impact-investment managers that developed into institutional investment platforms. Across successive vehicles, EIF contributed both capital and support for fund structuring, governance, fundraising, and impact measurement. The partnership case study records a EUR 30 million EIF commitment to Norrsken VC II and a EUR 15 million commitment to Impact Accelerator Fund II. These are investments in fund vehicles managed by the specialist platforms, distinct from financing the foundation's operating budget.

The foundation helped create the entrepreneurial ecosystem and investment platforms; EIF helped the managers develop structures and practices suited to institutional investors. The partnership case describes this work as helping attract a broader investor base. Its relevance extends beyond an individual investment: foundation-led market building can create channels through which institutional capital reaches impact entrepreneurs.

Fundación "la Caixa" and EIB financing for research infrastructure

The case of the CaixaResearch Institute illustrates a different partnership. In 2024, EIB and CriteriaCaixa signed an agreement for EUR 80 million in long-term financing to support a EUR 110 million biomedical research infrastructure

project focused on interdisciplinary immunology. CriteriaCaixa, the foundation's investment arm, is the borrower and financing intermediary; it makes the EIB financing available to Fundación "la Caixa," the project promoter and owner.

Here, the foundation brings a research mission and responsibility for developing the institute, while EIB provides long-term finance for the infrastructure. The structure combines those contributions in a project designed to support scientific excellence, talent attraction, and knowledge transfer. It shows how cooperation can support the facilities on which future innovation depends, alongside the financing of entrepreneurial ventures.

Why foundations can be valuable partners

The two partnerships connect different contributions around a concrete project or platform. Norrsken helped build an entrepreneurial ecosystem and specialist investment platforms; EIF contributed capital and expertise in developing structures suited to institutional investors. Fundación "la Caixa" brings a research mission and responsibility for the CaixaResearch Institute; EIB provides long-term financing through CriteriaCaixa.

Their common feature is a clear relationship between what the foundation contributes and what institutional finance can support. The examples illustrate the importance of an identifiable need, complementary capabilities, an appropriate financing structure, and clear responsibility for delivery. They provide practical reference points for examining other opportunities for cooperation, while the model must be adapted to each project and its partners.

This gives European foundations a concrete starting point: identify the contribution they are equipped to make, understand what other actors require to participate, and help establish the connections between them. It also gives finance institutions and other partners a reason to engage with foundations as potential sources of expertise, infrastructure, project development, and access to entrepreneurial communities.

5.2
From coordination to implementation: modes of project delivery and cooperation

Cooperation starts with a clear set of questions: What prevents an innovation from progressing? Which contributions could address that obstacle? And what does each partner need in order to commit? Partners should clarify where their objectives intersect, how their contributions depend on one another, and who is responsible for the next step. This includes identifying barriers, such as incompatible funding conditions, uncertain legal treatment, differing timelines, or missing coordination capacity, and determining which can be resolved within the partnership and which require wider institutional or policy action.

The structure should follow these requirements. Philanthropy-led, third-party-led, and multilateral arrangements offer different ways to organize delivery and accountability. Choosing between them means deciding who leads, who contributes resources, how decisions are made, and how each participant fulfills its own mandate.

In philanthropy-led projects, a foundation develops and manages an initiative under its own responsibility. Other participants may contribute grants, co-financing, technical assistance, or expertise without taking over direction of the program. In third-party-led projects, the foundation supports an initiative developed and implemented by another organization. The permitted form of support and the responsibilities it creates must be assessed for that arrangement.

In multilateral structures, several actors contribute to the design and implementation of a project within a common framework. Their contributions may span different jurisdictions and funding sources. Roles, administrative responsibilities, funding flows, governance, and performance criteria need to be defined. The framework should specify responsibility for each component and how activities are attributed to individual participants. These models do not automatically require pooled capital or a new legal entity.

Partners should identify who directs each activity, who supplies resources, and who is responsible for delivery. They need decision processes and

reporting proportionate to the task. An investor needs confidence in the use of investment capital, a public institution must meet its funding conditions, and a foundation must remain within its purpose. Alignment becomes practical when these requirements are addressed before commitments are made.

Capital mobilization depends on participants who have confidence that their resources will be used consistently with their institutional mandates. Those providing substantial funding may seek decision-making, monitoring, or other governance rights. Public-policy, charitable, and commercial objectives can converge around resilience, technological sovereignty, and societal benefit, while remaining distinct. A common framework must accommodate that distinction and define the influence and accountability attached to each contribution.

Cross-border activity adds a further dimension to each model. Different funding rules, administrative practices, and legal interpretations can increase the cost of cooperation. A shared platform may reduce the need to build capabilities separately, but it still requires resources to coordinate the participants. The case studies make this cost visible even where the underlying partnership works well.

Cross-border arrangements also need to specify applicable law and an appropriate court or other dispute-resolution mechanism. Depending on the structure, partners may need to examine withholding taxes, possible permanent establishment exposure, and the allocation of tax and liability risks. Clear contracts and governance arrangements should address the consequences of different legal classifications, as well as the responsibilities each participant assumes.

5.3
Mobilizing capital through blended finance

Blended finance can be useful where an identifiable financing barrier prevents a project with societal or sustainability objectives from attracting sufficient commercial capital. In this paper, the term refers to the targeted use of public, philanthropic, or other development-oriented resources to mobilize additional private or commercial financing. Institutional definitions differ, particularly in their geographic scope and the sources of finance they cover, but the common principle is catalytic: resources are used to address risks, costs, or other barriers so that additional financing can participate on terms that would otherwise not be available.

The underlying practice predates the current term. Guarantee facilities, public-private partnerships, technical assistance, project-preparation facilities, subordinated financing, advance market commitments, and publicly funded first-loss structures are among the mechanisms now commonly associated with blended finance.[3]

Guarantees, subordinated financing, or support for project preparation may address different barriers. The mechanism must be specified: Which risk is being assumed, which cost is being covered, and why would this change another participant's financing decision? Bringing several funders into a project does not, on its own, demonstrate a catalytic effect.

The case for such a structure rest on additionality. Partners should examine whether their contribution enables financing that would otherwise be unavailable or available only on materially different terms. They should also consider whether a less complex arrangement could achieve the same purpose. Support must have a clear rationale, and the allocation of risks and benefits should be transparent.

Blended finance is one pathway within the wider work of connecting innovation to implementation. Some barriers require specialist infrastructure, customer relationships, or organizational development before a financing structure becomes useful. Others require finance with a risk profile or timescale that existing providers cannot offer. The instrument should follow the diagnosis of the barrier.

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[3] OECD, Blended Finance Vol. 1: A Primer for Development Finance and Philanthropic Funders (2015).

6.
Enabling conditions: Legal and institutional frameworks for European cooperation

6.1
A European question shaped by diverse national realities

European cooperation depends on the compatibility of the participants' contributions and on the conditions under which they can act. The case studies describe differences in funding rules, organizational requirements, and legal frameworks. These differences influence which structures are possible, how quickly partners can commit, and how much administration a joint initiative requires.

Recognition of charitable status, legally permissible purposes, and the treatment of cross-border activities are recurring issues. Recognition in one country should not be assumed to resolve all requirements in another. Any comparison must identify the countries, organizations, and activities concerned. A European policy objective and a nationally recognized charitable purpose do not necessarily align.

A purpose recognized as charitable in one jurisdiction may not receive equivalent treatment in another. This affects cooperation between organizations as well as the making and receipt of donations. The relevant question is whether the particular organization and activity satisfy the requirements in each jurisdiction concerned. Differences in the recognition of purposes and tax status cannot be resolved solely by agreement on the societal value of a project.

More effective cross-border cooperation requires greater legal clarity and, where appropriate, targeted harmonization. For foundations, the practical priorities are to clarify how resources can be deployed across borders, how joint

activities can be structured, and how responsibilities can be allocated while respecting each organization's purpose and applicable legal requirements.

6.2
Country deep dive on Germany

Germany is the first country examined in depth because the dialogue developed from the German Roundtable. The deep dive illustrates how corporate law and charitable tax requirements can affect cooperation. The analysis concerns German participants; it should not be generalized to European foundations as a group. Further deep dives are intended to explore where similar issues arise and where rules and available routes differ.

Purpose and the use of resources

For a German tax-privileged organization, an activity must be connected to a recognized purpose and its governing documents. Science and research, education, and environmental protection are among the purposes recognized in Section 52 of the Fiscal Code. Broad objectives such as competitiveness or scaling do not themselves constitute charitable purposes.[4]

Sections 55 to 57 address selflessness, exclusivity, and direct pursuit of qualifying purposes. When a foundation supports an initiative involving commercial or public actors, it must identify the basis for its own participation. The legal assessment concerns its activities and use of resources. It cannot be settled merely by describing the whole project as beneficial to society.

Selflessness includes requirements regarding the application of resources and restrictions on undue benefits. Exclusivity requires the organization to pursue its qualifying statutory purposes. Directness concerns how those purposes are realized through its activities or through arrangements recognized under the applicable provisions. These requirements must be reflected in the governing documents and actual conduct of the organization.

This overall assessment should distinguish program expenditure from asset investment, as discussed in Chapter 2. An investment decision and an activity

[4] German Fiscal Code, especially Sections 52 and 55–57. Official consolidated text: https://www.gesetze-im-internet.de/englisch_ao/index.html. Specific provisions and conditions must be assessed for the relevant organization and activity.

designed to realize a charitable purpose are not interchangeable. Their legal treatment depends on their structure and circumstances. The fact that a program involves a company does not mean that any form of support is permissible, nor does it mean that any type of investment in a company is prohibited.

Cooperation and responsibility

A cooperation agreement can allocate contributions and responsibilities without creating a separate vehicle. More extensive commitments to a common undertaking may raise partnership questions. Section 705 of the Civil Code concerns agreements to pursue a common purpose. Legal qualification requires attention to the substance and implementation of the arrangement rather than its label alone.[5]

Purely contractual cooperation can govern funding, services, reporting, and the allocation of responsibilities while the participants retain their legal identities. A partnership may arise where their commitments establish a common undertaking. Alternatively, partners may deliberately establish a separate corporate vehicle, such as a GmbH or gGmbH. The choice affects governance, liability, administration, and taxation. An unintended legal classification can create obligations the partners did not anticipate, particularly where jurisdictions characterize the same arrangement differently.

A foundation must also assess how the relevant activities relate to its charitable purpose. Section 57 provides for action through an auxiliary person where the legal and factual relationship allows that action to be treated as the organization's own. It also contains a route for planned cooperation between qualifying organizations under specified conditions. These are distinct provisions, not a general permission for any mixed partnership.

In practice, agreements should describe the purpose of the foundation's involvement, the permitted use of its resources, and the responsibilities of each participant. Information, monitoring, and recovery provisions may be relevant to the chosen arrangement. Cross-border partners must additionally examine applicable law, legal classification, tax implications, and liability. The design must fit the proposed activity and the parties involved.

5 German Civil Code, Section 705. Official provision: https://www.gesetze-im-internet.de/bgb/__705.html

The objectives of other participants do not have to disappear. A private investor may seek a financial return, and a public body may pursue policy priorities. The foundation must demonstrate that its own participation serves its recognized charitable purposes and that other benefits do not displace that rationale. Appropriate reporting, monitoring, and approval rights can help document the use of resources; recovery provisions may address departures from the agreed purpose. Their design must follow the requirements of the specific structure.

6.3
The 28th Regime and the companies foundations support

The discussion also needs to consider the conditions facing innovative companies. On March 18, 2026, the European Commission presented its proposal for an EU Inc. corporate legal framework as part of the 28th Regime initiative. The proposal seeks to offer an optional framework alongside national company forms and to reduce fragmentation for companies operating across the EU.[6]

Its relevance in this context lies in the relationship between support and the conditions for growth. Easier cross-border company activity could affect the ventures with which foundations and investors work. The proposal should, however, be distinguished from the rules governing the foundations' own participation. It is not a harmonized European framework for charitable status or foundation law.

Philea (Philanthropy Europe Association) has called for the proposed 28th Regime to take greater account of foundations and other social economy organizations. Its statement highlights foundations' contributions both as funders and investors and as organizations that develop and implement innovative solutions. This broadens the policy question: How can efforts to simplify cross-border activity for companies be accompanied by measures that enable foundations to act and invest more effectively across Europe? The two agendas are complementary, but the EU Inc. proposal does not itself establish a common framework for foundation law or charitable status.[7]

6 European Commission, Proposal for an EU Inc. corporate legal framework proposal, and Communication: Towards a 28th regime for EU companies, March 18, 2026, https://commission.europa.eu/topics/business-and-industry/company-law-and-corporate-governance/eu-inc-new-harmonised-corporate-legal-regime_en

7 Philea, "Philea calls for foundations to be included in the EU's proposed 28th regime 'EU Inc.,'" https://philea.eu/philea-calls-for-foundations-to-be-included-in-the-eus-proposed-28th-regime-eu-inc/, July 3, 2026.

7. From dialogue to collaboration: Pathways for joint action

The case studies demonstrate substantial work already under way, while highlighting persistent gaps along the innovation chain. The next step is to move from dialogue to collaboration around concrete transitions and thematic fields. The following pathways are proposals for joint action, not commitments already agreed by the participants.

7.1 Identify the critical transitions

European foundations and their partners should select transitions where gaps in the innovation chain currently prevent innovation from progressing—for example, research to venture development, grant support to suitable growth finance, pilot to adoption, or demonstrated technology to industrial deployment. They should then specify the obstacle for each, the relevant actors it takes to address these obstacles, the next financing or implementation step, and the evidence to show whether collaboration adds value.

7.2 Build on and connect capabilities that already exist

The case studies point to substantial capabilities that already exist across European foundations: programs, specialist infrastructure, networks, convening platforms, investment expertise, and relationships with entrepreneurs, researchers, public institutions, and investors. Joint action should begin by asking which of these capabilities can be connected around a shared objective. Sharing infrastructure, opening an existing platform to additional partners,

or combining selected support activities may be more useful than creating another standalone initiative. The aim is to strengthen the route to the next stage while keeping responsibilities clear and coordination proportionate.

7.3
Align around thematic fields and concrete outcomes

European cooperation should also become tangible in thematic fields where foundations already have relevant experience. In the six case studies presented here, these fields include Health and Life Sciences, represented by the Novo Nordisk Foundation and Fundación "la Caixa"; Climate, Energy, and Industrial Transformation, prominent in the work of the BMW Foundation Herbert Quandt and Norrsken and also present in Fundación "la Caixa"; and Social Innovation, Inclusion, and Human Development, reflected in Nesta, ERSTE Foundation, and Fundación "la Caixa." These fields are not exhaustive. They are practical starting points for identifying concrete societal objectives and transitions around which complementary capabilities can be combined.

7.4
Build stronger pipelines to implementation and scale

Within a selected transition and thematic field, partners should map the practical route from the current stage to implementation and scale; which capabilities, users, infrastructure, partners, and financing are required; where progress along the pipeline stalls; and who can address the missing link. Pipeline-building is not a separate funding program; it is the work of making successive stages sufficiently connected so that promising innovations can progress and become credible opportunities for the actors needed next.

7.5
Mobilize the right capital at the right stage

Possible next-stage financiers should be involved early enough for their requirements to inform program and pipeline design. Private and institutional investors, banks, and public finance bodies can clarify what would make an opportunity financeable; European foundations can assess which preparation, catalytic support, networks, or risk-sharing mechanisms they are equipped to provide. Where a financing barrier remains, partners can test whether blended finance or another structure is justified. European foundations should help catalyze and crowd in appropriate capital rather than seek to replace it, while retaining a clear distinction between asset commitments and program expenditure.

7.6
Create enabling legal and institutional conditions

Collaboration will only scale where European foundations have sufficient legal and administrative certainty to participate. Building on the German deep dive, further country analyses should compare recognized purposes, permitted instruments, cooperation structures, and cross-border requirements, identifying both workable routes and constraints. This way, it will be possible to distinguish barriers that can be resolved through better project design from those requiring administrative or legislative change, while also connecting the foundation perspective to wider European initiatives affecting innovative companies.

7.7
Assess the risk of not investing

Foundations already assess the impact of their activities in line with their individual missions, objectives, and accountability frameworks. Collaboration

across the innovation chain introduces an additional dimension: understanding not only the risks of investing, but also the potential societal and economic costs of failing to act.

When promising innovations cannot progress from research to validation, from demonstration to deployment, or from early adoption to scale, Europe risks losing more than an individual investment opportunity. Scientific advances may remain unused, solutions to societal challenges may be delayed, entrepreneurial capabilities may move elsewhere, and the economic value created through European research and innovation may be realized outside Europe.

This perspective calls for a broader assessment of risk and opportunity. Alongside financial, operational, and implementation risks, partners should consider what may be lost if a critical transition remains unsupported, what delays or missed opportunities could mean for society and the economy, and whether collaboration could reduce those risks sufficiently to mobilize additional private and institutional capital.

The objective is not to replace existing impact measurement or justify investment regardless of risk. It is to complement individual assessments with a shared perspective on the consequences of inaction: helping foundations and their partners identify where coordinated intervention could make a meaningful difference to Europe's long-term competitiveness, resilience, and societal benefit.

8. Conclusion

Europe's innovation challenge is not only to generate ideas or make more capital available. It is to connect the capabilities, partners, and financing required for innovation to move through critical transitions into implementation and scale. Societal benefit and economic competitiveness go hand in hand: Europe succeeds when solutions to shared challenges can be developed, deployed, and scaled in Europe and have a greater impact in the world.

European foundations can make a distinctive contribution to that task. The six case studies show different strengths—from research infrastructure and challenge-led innovation to social-venture development and entrepreneurial ecosystems to investment and industrial deployment. Their collective value can grow when existing capabilities are connected around concrete transitions and thematic objectives, with each European foundation acting within its mandate and with private, institutional, and public partners brought in where their contribution is needed.

The next step is to move from dialogue to collaboration. European foundations and their partners can identify gaps that prevent innovations from progressing, build on existing capabilities, organize joint action around specific thematic objectives, strengthen pathways to the next stage, mobilize appropriate capital, and improve the legal conditions for cooperation. Continuity should come from defining and pursuing concrete points of joint action, with progress judged by what becomes possible as a result—so that European innovation generates both lasting societal benefit and economic strength.

BMW Foundation
Herbert Quandt

bmw-foundation.org
@bmwfoundation