



Bridging the gap between the EC and foundations


New forms of financing and partnerships fostering research and innovation in Europe. How innovative forms of philanthropy can create a bridge between foundations, governments and the corporate sector.

By Barry Hoolwerf

How to finance investments in research and innovation in the future? Which forms of financing might stimulate investments and leverage the wealth that has been accumulated in Europe? Which new collaboration structures will lead to breakthroughs in fundamental research? These questions were addressed during the conference “Philanthropy and Social Investments Fostering Research and Innovation. New forms of financing and partnerships”, which was hosted by the Center for Philanthropic Studies at VU Amsterdam (the Netherlands) on April 21-22. The conference is associated with the Netherlands EU Presidency 2016.

The conference proved to be a fruitful starting point for exploring new collaboration structures between the European Commission, (larger) European foundations and social finance intermediaries. Key-note speaker Director-General Research and Innovation Mr. Robert-Jan Smits from the European Commission stressed the independence of foundations, but also referred to their collaborative mission to foster research and innovation in Europe. The European Commission would very much like to facilitate in provide a collaboration platform, if there would be any need from the foundations.

The mission of foundations to invest in research and innovation became clear from the European Foundations supporting Research and Innovation (EUFORI) Study (www.euforistudy.eu), which was briefly presented by Professor Philanthropic Studies Theo Schuyt. This first time attempt to map foundations’ support for research and innovation in the EU estimates a lower bound annual budget of 5 billion Euros for research and innovation, but also refers to the 127 billion in assets that might be invested in research and innovation if provided the right conditions and opportunities for collaboration. Professor Theo Schuyt from the Center for Philanthropic Studies at VU Amsterdam made a comparison with the three-partite of the French revolution -



liberté, égalité et fraternité - to note that markets (liberté), governments (égalité) and philanthropy (fraternité) form the very basis of our modern welfare states and that all actors in the triangle need each other. According to Schuyt “we will have to look for new ways of investing in research and innovation. Next to traditional grant-making, venture philanthropy, impact investing, and guarantees for research investments might be added to the mainstream investment toolbox of foundations” .

That some foundations already make use of these forms of financial support, but probably much less than they could do, was made clear by Mr. Luc Tayart de Borms, Managing Director of the King Baudouin Foundation (Belgium).

“Theoretically, foundations are considered to be independent risk-takers, providing investments and support in fields that are neglected by government or corporates. However, most foundations are reluctant to take this role and prefer to walk the beaten track” .

The conference proved to be of added value for foundations that reconsider their role and are looking for new ways of investing. Possible tracks were provided by Mrs. Shiva Dustdar of the European Investment Bank. She too invited foundations to collaborate with EU institutions in expanding their portfolio of investment tools, as did the panel speakers that provided best cases in collaboration and forms of financing in fostering research and innovation. A next step that will be taken by the European Commission will be the launch of an expert group that will explore these and other concrete possibilities.

Perhaps, in a few years, we might find that the conference has been the starting point for a new set of innovative form of financing, and Science Impact Bonds and mainstream investments funds for research will provide Europe with a next step in the march of civilization.

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Philanthropy and Social Investments
Fostering Research and Innovation



Government of the Netherlands

