

POSITION PAPER

Scaling European Innovation

Science Parks as Engines of European Competitiveness – Why Regions, Science Parks and SMEs Must Drive Europe’s Industrial Future

Addressed to: European Commission | European Innovation Council (EIC) and SMEs Executive Agency | European Research Executive Agency | Joint Research Centre (JRC) | European Research Council (ERC)

Executive Summary

Europe faces a defining paradox: it produces world-class scientific knowledge, yet repeatedly fails to industrialize its own ideas at scale. While European researchers publish more scientific papers than any other region, the technologies that emerge from those breakthroughs are routinely commercialized in other parts of the world.

The 2024 reports (Draghi; Letta; Heitor) collectively—and despite their different approaches—have shown, Europe faces a structural competitiveness crisis: its universities and research institutions are among the world’s finest, yet Europe faces a growing innovation gap with the US and China, a persistent failure to scale promising research and development into market-leading companies and technological leadership, and a fragmented funding architecture and capital market that frustrates rather than accelerates innovation. This is not a crisis of research excellence, ideas, talent or entrepreneurial ambition. It is a crisis of orchestration and of regional disparities which require careful consideration to not leave many regions and well advancing smaller and mid-sized ecosystems behind.

The missing link is not research funding - it is the architecture of ecosystems, the governance of scaling, and the systemic exclusion of the actors best placed to deliver impact: Science Parks as strategic components of Europe’s competitiveness. These territorial infrastructures, well networked within their cities and regions, represent - together with their small and medium-sized enterprises (SMEs) across the European continent - an important part of this scaling capacity and should be recognized accordingly.

We call on the European Commission and its executive agencies and departments to

- Formally recognize Science Parks and urban and regional innovation ecosystems as legitimate nodes in the European innovation value chain.
- Establish a European Framework for Ecosystem Orchestration that empowers professional intermediaries such as Science Park Managements and ‘orchestrators’ at the regional level.

- Create dedicated funding instruments accessible to Science Park managements, regional orchestrators, science and SMEs, in Europe's innovation ecosystems. Design new mechanisms to attract, unlock and de-risk private capital into deep-tech SME scaling.
- Design a connected and coherent architecture across research, innovation and start-ups, respecting those actors.
- Strengthen innovation in Europe by retaining scientific and entrepreneurial talent and supporting the commercialisation of SMEs in Europe.

Context

The International Association of Science Parks and Areas of Innovation (IASP) is the world's leading network of innovation spaces such as Science and Technology Parks and innovation districts. IASP member Potsdam Science Park Standortmanagement Golm GmbH currently holds the presidency of the IASP European Division, one of IASP's strongest regional divisions representing over 150 parks and areas that support thousands of startups, scale-ups, research institutes, and corporations.

In April 2026, Potsdam Science Park hosted the **2nd Potsdam International Forum "Science Parks and Competitiveness: Bridging Regional Growth with European Innovation and Research Policy"**, bringing together experts from 19 countries alongside European Commission and European Innovation Council officials, regional policymakers, and innovation ecosystem practitioners from 26 European Science Parks from the IASP network. The forum took place at a moment of rare strategic openness: the design decisions for the EU's next Multiannual Financial Framework (MFF) 2028–2034, the proposed European Competitiveness Fund (ECF), and the 10th Framework Program for Research and Innovation (FP10; Horizon Europe) are still being shaped. The proposal for the European Innovation Act—originally planned for March 2026 as the cross-sectoral legal framework at the centre of the EU Startup and Scaleup Strategy - has been further delayed due to the complexity of the discussion.

IASP and the European Science Park community submit this paper as a contribution to the current debates on European cohesion and funding policy and the competitiveness of Europe's regions. It is based on the discussions of 100 policy makers, practitioners and intermediaries who gathered at the 2nd Potsdam International Forum.


Six Central Themes for European Science Parks

The following six themes form the basis for our concrete recommendations to European policymakers.

THEME 1: The Scaling Gap - From Research to Market

Europe generates world-class knowledge, but too little of it reaches the market: only about one third of university-patented innovations are commercialized. The chain breaks at the stage of

scaling. Exploration, problem-solution fit, and product-market fit form one continuum; when funding does not follow this logic, promising ideas stall in the “valley of death”.



Europe designs great ideas. Others industrialize them.
This must change.


At the same time, Europe faces a structural challenge: it remains partly locked in a mid-tech trap. Corporate Design and Development (D&D) is still concentrated in traditional sectors such as automotive, while the US has shifted toward high-tech industries and China is catching up in Europe’s established strengths. This intensifies global competition precisely where Europe once led.

THEME 2: The Role of Science Parks in Addressing Europe’s Scale-up Challenge

Europe’s core challenge is not a lack of research excellence, talent, or entrepreneurial ambition, but the ability to translate scientific breakthroughs into globally competitive companies.

Innovative SMEs and deep-tech firms face systemic barriers along this path: beyond access to capital, they require testbeds, demonstration environments, pilot customers, regulatory flexibility, and access to international networks.

Science Parks directly address these bottlenecks. As territorial innovation infrastructures, they connect research, entrepreneurs, industry, investors, and public actors in ways that enable commercialisation and growth. They act as hands-on operators at key transition points—supporting startup formation, facilitating matchmaking, and providing labs, office space, and access to real-world application environments.



Europe therefore does not only need more funding, but stronger,
better-connected ecosystems.

By anchoring regional ecosystems, Science Parks function as multipliers of innovation capacity. They enable startups to take their first steps and—supported by instruments such as the European Innovation Council (EIC)—to grow into European scale-ups.

Science Parks should be recognised not merely as local development organisations, but as strategic components of Europe’s competitiveness infrastructure.

THEME 3: Science Parks as Indispensable Business Accelerators and Ecosystem Intermediaries

Science and Technology Parks occupy a unique and irreplaceable position in Europe’s innovation landscape. Today, 37% of Science Parks globally operate more than one location – the most impactful differentiate, embedding deeply into the specific strengths of each city and region.

Innovation is not a solo sport. Science Parks make collaboration across actors, sectors and borders happen by design.

Regional innovation is Europe's competitive advantage - strength lies in distributed, place-based ecosystems. Cooperative structures are increasingly emerging between Europe's Science Parks and regions, promoting supraregional development and growth. **Science Parks fulfil six functions no other institution can replace:** 1. excellent research and entrepreneurs; 2. knowledge transfer and commercialisation; 3. laboratories and workspace for start-ups and real estate for grown-ups; 4. trust-based networks between research, start-ups, grown-ups, industry, public actors and regional governments (long-term ecosystem development and multi-sided collaboration); 5. hubs to promote regional and European scale-up programs (i.e. EIC); 6. advocates for innovation and science-oriented startups and enterprises.

A persistent myth in innovation policy is that innovation ecosystems emerge naturally - they do not. Europe's Science Parks must be intentionally designed and governed. Orchestration is a critical and consistently undervalued function in European innovation policy. We would like to urgently draw attention to these aspects, in the current strategic debate.

Fund orchestration, not only projects.

A European Framework is needed to formally recognise and resource Ecosystem Orchestration and embed Science Parks properly into the innovation value chain. Science Parks and their regions must be explicitly acknowledged in the ECF regulation, the National and Regional Partnership Plans (NRPPs), and the FP10 "Horizon Europe" framework as strategic intermediary infrastructure - with dedicated funding lines, co-investment mechanisms, and governance roles. It is critical to emphasize that public funding alone is not enough - strategies must actively attract private capital into regional ecosystems.

THEME 4: Regions and Cities as the Natural Unit of Innovation

The region and the city - not the nation-state, and not the continental union—are the natural units of innovation ecosystems. Physical and relational proximity between scientific knowledge generators, entrepreneurs, investors, and public institutions create the density of interaction that produces breakthrough innovation. European funding and governance frameworks must be redesigned to reflect this reality explicitly.


Strengthening cities and regions does not weaken Europe. It is how Europe becomes strong.

The proposed NRPPs represent both an opportunity and a serious risk. By restricting earmarked funding to regions with GDP per capita below 75% of the EU average, the proposal ignores three categories of challenge directly relevant to science park ecosystems: development traps; green structural traps (fossil-fuel dependent regions facing acute transition risks); and demographic structural traps. Eleven member states would receive no territorial steering whatsoever. Cities and

regions with strong innovation ecosystems above the GDP threshold risk losing structural support at the precise moment when green and digital transitions demand accelerated investment. The narrow GDP-based allocation criterion must be broadened.

THEME 5: SMEs: The 99% That Innovation Policy Forgets

SMEs make up 99% of all European businesses¹ but a relevant blind spot must be addressed: SMEs are the primary engine of employment and economic dynamism at the regional level—yet they are consistently marginalised in large-scale industrial strategies that default to major corporates and national champions. Science Parks are the primary institutional space where SMEs gain access to research infrastructure, venture capital networks, skilled talent, and orchestrated networks.



Any innovation policy that does not reach SMEs at scale is not a European policy - it is a policy for the 1%.

Three complementary approaches are needed to unlock private capital for deep-tech SME scaling:

1. Co-investment de-risking: dedicated blended finance instruments and co-investment platforms accessible to science park-based SMEs, with IP-backed finance and venture-style equity as standard ECF tools.
2. Regulatory clarity for institutional investors: consistent standards and investor protections that reduce the uncertainty currently deterring pension funds and insurance companies from long-term commitment to innovation ecosystems.
3. Demonstration effects: a systematic European Innovation Showcase infrastructure amplifying the commercial success stories of companies emerging from regional ecosystems, to build the investor confidence that private capital follows.

We call for a systematic review of EU program governance rules to enable flexible, fast-track instruments for ecosystem-wide initiatives - enabling more agile consortium structures, and creating mechanisms that reward genuine collaboration across the boundary between SMEs, cities, and regional ecosystems. Ultimately, the goal is not only to reduce financial risk - it is to create the conditions in which companies, especially SMEs, dare to experiment and invest in the next wave of European innovation.

THEME 6: Keep Innovation in Europe

Science Parks, as regional and trusted anchors of talent and commercial development, are the primary institutional mechanism for reversing this pattern. This requires both simplification and protection. Administrative procedures must be radically simplified: the Heitor Report's call for

¹ <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20241025-1>

'trust first/ evaluate later' must be taken seriously. A single point of access, harmonised rules, and significantly shorter time-to-funding must be established as design requirements. Science Parks and their tenant companies cannot absorb the transaction costs (time, finances, coordination, compliance and reporting and actual application time) of applying to several separate managing bodies with inconsistent eligibility criteria. If fulfilling program criteria becomes too complicated, the best applicants might be drawn elsewhere.

Dedicated incentives must be created to ensure that scale-up companies, R&D facilities, and innovation-driven manufacturing choose to stay and grow in Europe rather than relocating to access capital or markets abroad. Furthermore, policymakers must recognise that scaling actually takes place at regional level and within Science Parks. Here, the importance of a long-standing basis of trust and good neighborly relations within the ecosystem must not be underestimated – provided the framework conditions are right.

The issue of competitiveness must be a pan-European task. The structure of Europe's ecosystems is diverse and multi-faceted. Introducing a uniform system for measuring competitiveness across all regions and innovation hubs will not do justice to the challenges faced by European regions in setting their competitiveness agenda. The top-down designation of policy across Europe will not automatically 'transplant' success from one innovation ecosystem into another region. At the same time, merely focusing on Smart Specialization might lead to the same outcome and cause less regional value added in many regions - and a pattern of gaps in the European innovation landscape. We strongly recommend carefully weighing up and balancing top-down and bottom-up mechanisms - in favour of regional distinctiveness.

The aim must be to set developing regions on the path to self-sustaining development in the best possible way. Science Parks can play a key role for Europe's competitiveness: as a tight-knitted European 'one-stop-shops' and long-established valued and trusted partners within the clusters of excellence in Europe's regions. They form a well-organized network of critical points of excellence, knowledge and trust in regions all across Europe.

Conclusion: Building the Architecture Europe Needs

The 2nd Potsdam International Forum brought together leaders from 26 Science Parks across 19 countries. The conversation was frank, ambitious, and urgent. What emerged was not a list of grievances but a constructive agenda: a shared understanding that the decisions being made in 2026 about the ECF, FP10, and the NRPPs will shape European competitiveness for the next decade. Europe does not lack ideas, talent, or research excellence. What it lacks is the architecture that connects them – at scale, across regions, from discovery to market. Science Parks, cities, and regions are the territorial and institutional embodiment of that architecture. They are not the only answer, but they are an indispensable part of Europe's competitiveness.

IASP and all its affiliated Science Parks call on the European Commission, the European Parliament, the Council, and Member State governments to ensure that the design of the MFF 2028–2034 builds rather than erodes this connective architecture. The window is open. The

choices that are made now will determine whether Europe's extraordinary research and talent base finally translates into the competitive dynamism it deserves.

ABOUT THE INTERNATIONAL ASSOCIATION OF SCIENCE PARKS AND AREAS OF INNOVATION

The International Association of Science Parks and Areas of Innovation (IASP) is the world's leading network of innovation spaces. Founded in 1984, it connects professionals managing Science and Technology Parks (STPs), Innovation Districts (IDs), Areas of Innovation (AOIs) and other innovation communities across more than 80 countries. Europe is home to one of IASP's strongest regional divisions representing over 150 parks and areas that support thousands of startups, scale-ups, research institutes, and corporations. These members act as engines for regional and national economic growth by translating scientific research into market-ready solutions and connecting innovation stakeholders locally, nationally, and internationally.

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