# Interview: Mobilising capital in Europe

The Draghi report, *The Future of European Competitiveness*, has become a benchmark for public discussions about the trajectory of the European economy and its leading industries including biotechnology. Mario Draghi, a former prime minister of Italy and European Central Bank president, identified structural weaknesses in the European economy that need to be addressed, primarily by removing barriers to trade and investment across the single market. The report was published on 9 September 2024.

Now, almost two years later, multiple reforms have been put forward by the European Commission, including a proposal to create a new legal framework, the 28th regime, for start-up companies to register and grow across Europe. This harmonised framework would exist in parallel to national company laws and theoretically enable small biotech companies to raise more capital more quickly. But is this enough?

Apparently not, according to a group of venture capital investors and research organisations which recently created a coalition to push forward the financing agenda. Called the European Life Sciences Coalition (ELSC), the group operates under Invest Europe, one of the world's largest associations of private capital providers. Among the ELSC's founding members are Sofinnova Partners, Novo Holdings, Forbion and Andera Partners. The corporate members include some of Europe's most successful biotechs, such as argenx SE, as well as research institutes.

At a meeting on 25 June at Forbion's headquarters in the Netherlands, the coalition identified some of the core problems and discussed a way forward. To put it bluntly, European life sciences venture capital accounts for just 7% of the global market, compared with 63% for the US. Furthermore, 66 of the 67 European biotech companies that went public over the past six years chose to list outside Europe, according to Andera.

"We are deeply convinced that supporting and developing world-class medical innovations is possible in Europe. What the ELSC is seeking to strengthen is the financial ecosystem that will allow hundreds of additional companies to follow that path, delivering new medications and devices to patients and their doctors," Olivier Litzka, partner at Andera, said after the meeting.

In an interview, Cedric Moreau, a partner at Sofinnova Partners and chair of the oversight committee of the ELSC, outlined some of the coalition's ambitions, making it clear that working with the public sector is important especially in light of upcoming legislation. Currently under review is a proposal from the European Commission to update legislation governing the biotech sector. The *Biotech Act* would simplify rules for clinical trials as well as revise current legislation for supplementary protection certificates, a form of intellectual property protection.

"The Commission has set up a strategy for the life science sector as a whole to position healthcare as one of the top competitive sectors where Europe wants to invest," Mr Moreau said. There is debate within the industry about some specific features of the proposed legislation, but overall the direction is positive. A key issue is clinical trial regulation. There is a need for "simpler and faster clinical trial pathways," he said.

The private sector enters the picture when it comes to building the capital resources. Mr Moreau cited a programme in France, led by the economist Philippe Tibi, that could be a model for Europe. The programme, in three phases, is focused on channelling private savings into the technology sector. The most recent phase, launched on 19 June, is intended to support sectors with strategic importance, such as defence.

Why could this be a model for Europe? "Tibi is a useful reference point because of how it works, not just how much [money] it raised. It doesn't create a new public spending pool. It persuades insurers, pension funds and increasingly state-linked institutions to commit part of their own portfolios to eligible venture and growth funds through a voluntary charter, with the French Treasury setting the qualifying criteria. That's precisely the logic ELSC is pushing for at EU level, mobilising pension, insurance and institutional capital into European venture funds, and building stronger public-private investment mechanisms, rather than asking tax payers to underwrite new spending," he said.

The concept of building stronger public-private investment mechanisms is already underway. In October 2025, the European institutions, working with private investors, drafted plans for a Scaleup Europe Fund to invest in promising European companies. On 18 May 2026, the EU team selected the private equity group EQT of Sweden to manage the fund which has assets of €5 billion. The fund is expected to make its first investments in the autumn of this year.

What about plans for a consolidated share market across Europe? The Draghi report specifically mentions the need for an integrated capital market for Europe. Currently the EU is home to more than 30 national and regional stock exchanges, each with its own regulations. Talks amongst political leaders are underway. In late May, Germany reportedly lifted its opposition to centralising supervision of a unified capital market, which would effectively mean ceding powers from the German regulator to the European Securities and Markets Authority in Paris.

In the interview, Mr Moreau said the level of political alignment required to execute on the capital markets ambition will take time. "In the near term, ELSC is focused on the wins that don't require full market consolidation: mobilising pension, insurance, and institutional capital into European venture funds, building stronger public-private investment mechanisms, and pushing for a genuine savings and investment union that channels long-term savings into European innovation. Those are the levers we can move faster, and they build the company base [that] a consolidated European marketplace for life sciences would eventually need, alongside the regulatory reforms and incentives that would make it attractive for growth companies to scale up, list, and stay headquartered in Europe," he said.

The article is based on an interview and research by the *MedNous* editor