Triggering Participation:
A Collection of Civic Crowdfunding and Match-funding Experiences in the EU
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EXECUTIVE SUMMARY

In very recent years, the position of crowdfunding in the alternative finance landscape has progressively shifted from being just a marginal option to becoming a well-established and mature funding mechanism. Starting from a restricted pool of innovators, crowdfunding has steadily expanded its outreach both in terms of investors/supporters and in terms of areas in which projects and campaigns have been developed.

In addition to entering the core alternative finance options, crowdfunding has also earned a primary role as a means of “democratisation of finance”. The term does not only refer to the opportunity of asking for funding – and providing it – to a large crowd of individuals, but also to the virtuous processes of co-decision, co-creation, engagement and ownership that it produces in all parties involved. A further evolution of such mechanism is represented by the so-called “civic crowdfunding”, which defines a subcategory of crowdfunding through which citizens, often in collaboration with government, propose, fund and deliver projects that aim to provide a community service or deliver public value through a local-area-improvement projects. The peculiarity of civic crowdfunding is that, by leveraging on the close ties that crowdfunding platforms enjoy with local communities, it can promote a sense of engagement and belonging among citizens by enabling them to contribute to specific projects that will generate common good in their territories. Both financial and non-financial benefits have increasingly attracted the attention of a wide range of public and private stakeholders, such as local and regional authorities, development agencies and banks, and private foundations. These entities are partnering with crowdfunding platforms all over Europe and setting up “match-funding” schemes through which resources collected by crowdfunding campaigns in specific areas are topped-up with an additional share of their own resources.

Even though a significant number of match-funding schemes has been developed, the flexibility of crowdfunding allows for an even wider array of practical implementation options. Although several studies in the field of civic crowdfunding and match-funding have been published in recent years, there is still a gap of information related to how such funding mechanism has been designed and in which domains it has proven most successful. The following report collects and presents seven existing best practices in the EU, highlighting the different roles that public authorities can play in supporting and amplifying the impact of crowdfunding campaigns for territorial and social development in their jurisdictions. Best practices have been reported in the form of fact-sheets, focusing specifically on providing insights in terms of impacts produced, cooperation with public authorities, and obstacles faced along the way.

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1 Nesta, Matching the Crowd, p.12, 2017
3 Among others: Nesta, Matching the Crow; Nesta, Crowdfunding good causes; Ezrah Bakker and Frank Jan de Graaf, Civic crowdfunding: not just a game for the self-reliant; Davies, Civic Crowdfunding: Participatory Communities, Entrepreneurs and the Political Economy of Place; Charbit, Desmoulins, Civic Crowdfunding: a Collective Option for Local Public Goods?
The aim of the report is to provide policy-makers, public administration officials, and the crowdfunding industry at large with a collection of successful experiences of match-funding and civic crowdfunding options. The presented best practices should also be considered as benchmarks, in terms of procedures, indicators and outputs, for the replication of match-funding schemes in other European cities and regions.

MAIN FINDINGS:

• Considering the geographical coverage of this report, it is safe to assume that **civic crowdfunding and match-funding practices have multiplied in the European Union** over the past five years. The intrinsic flexibility of crowdfunding models and platforms has allowed for new partnerships with public administrations in a range of different organisational, political, social and economic contexts.

• **The flexibility of crowdfunding is however not sufficient to overcome obstacles posed by the limited adaptability of public administrations.** In the current state of the art, governments at all levels must be remarkably committed and creative in finding suitable forms of cooperation with platforms, so as to implement new models of distribution in of public funding.

• Specific sectors in which **crowdfunding and match-funding schemes** have been activated by public authorities **cover a wide spectrum of initiatives.** Taking into consideration solely the cases presented in this report, combined funding has been awarded to projects in the area of environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries, and health research. Looking at the European level, it is also possible to identify **potential synergies with ESIF thematic objectives** 3 (Enhancing the competitiveness of SMEs), 8 (Promoting sustainable and quality employment and supporting labour mobility), and 9 (Promoting social inclusion, combating poverty and any discrimination).

• **Availability of additional resources** is only one of the many reasons that drive public administrations in designing a crowdfunding or match-funding scheme. As reported in the case studies, **increased citizen participation and sense of ownership,** a return on the investment in terms of **visibility and accountability** in their jurisdiction, **better communication with regards to perceived needs and priorities,** and **increased likelihood of funded initiatives’ success** are as strong as the economic factor when deciding on public budget allocation.

• The development of a crowdfunding campaign allows **project owners and public officials to acquire a whole new set of skills, through a “learning-by-doing” process.** In the case of project owners - i.e. organisations or individuals who decide to seek funding for their projects by activating a crowdfunding
campaign - the set of newly-acquired skills is a combination of communication, planning, and management competences that can then become valuable assets in the broader labour market, as well as the expansion of their existing networks of contacts. From the public officials’ perspective, the design of a match-funding scheme allows them to enlarge the set of options that they can activate in relation to economic development and social inclusion, as well as to strengthen the relationship with different territorial stakeholders by renovating consolidated partnerships and engaging in new opportunities.

- **Match-funding schemes and crowdfunding campaigns that enjoy the participation of a public authority have significantly higher chances to achieve their funding goal.** When a public authority partners with a crowdfunding platform and commits to supporting a match-funding or crowdfunding scheme, the overall success rate of projects funded under that programme increases from an average of 60% up to an average of 80-90% in most of the presented case studies. The increase in the success rate can be primarily attributed to the combination of training and support actions that all platforms offer to project owners, together with the presence of a trustworthy partner and co-funder such as a regional or local government.

- **The major obstacle to the diffusion of match-funding schemes remains the lack of in-depth knowledge about the functioning mechanisms of crowdfunding, and the underestimation of the advantages that it can produce** by empowering and connecting different stakeholders’ groups of stakeholders with common aims.
ACKNOWLEDGEMENTS

About CF4ESIF

The CF4ESIF (Crowdfunding for European Structural and Investment Funds) is a multi-stakeholder working group established with the aim of exploring the potential of crowdfunding as a blending and match-funding mechanism within the context of the European Cohesion Policy.

The working group facilitates the dialogue between crowdfunding platforms, regional authorities and European institutions, with the aim of encouraging a joint effort towards the design and implementation of innovative funding schemes.

This report, presenting a review of existing best practices of civic crowdfunding in Europe (2018), is the first outcome of the CF4ESIF Working Group. Other outcomes will be the implementation of pilot projects where crowdfunding is coupled with ESIF resources (2019), and the publication of guidelines on how to implement similar mechanisms in other European regions (2020).

Current members of the Working Group are:

Crowdfunding Platforms

- GOTEOL
- growfunding / bxl
- Koalex
- voor je Buurt
- ZAR
- PARTICIPATE
- Startnext
- ulule
- CROWDFUNDING Südtirol - Alto Adige

Public Authorities

- ASTER
- Regione Emilia-Romagna
- BRR
- FUNDECYT PCTex
- FFG
- REGione AUTonomA
About ECN

The European Crowdfunding Network AISBL (ECN) is a professional network promoting adequate transparency, (self) regulation and governance while offering a combined voice in policy discussion and public opinion building. ECN was formally incorporated as an international not-for-profit organisation in Brussels, Belgium in 2013. We execute initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry as a key aspect of innovation within alternative finance and financial technology. We aim to increase the understanding of the key roles that crowdfunding can play in supporting entrepreneurship of all types and its role in funding the creation and protection of jobs, the enrichment of European society, culture and economy, and the protection of our environment.

In that capacity, we help developing professional standards, providing industry research, as well as, professional networking opportunities in order to facilitate interaction between our members and key industry participants. ECN maintains a dialogue with public institutions and stakeholders as well as the media at European, international and national levels.
INTRODUCTION

In 2015, the Joint Research Centre of the European Commission described crowdfunding as an “open call for the collecting of resources (funds, money, tangible goods, time) from the population at large through an Internet platform. In return for their contributions, the crowd can receive a number of tangibles or intangibles, which depend on the type of crowdfunding”. This overarching definition has since been accepted by the crowdfunding industry, European institutions and academia alike, and has further evolved as to now include different types of crowdfunding, among which is civic crowdfunding.

The peculiarity of civic crowdfunding is that, by leveraging on the close ties that crowdfunding platforms enjoy with local communities, it can promote a sense of engagement and belonging among citizens by enabling them to contribute to specific projects that will generate common good in their territories. Building on this concept, the peculiarity of civic match-funding arises from the participation in the funding scheme of a public authority – generally regional or local – which provides co-funding to successful crowdfunding campaigns in specific sectors.

Cities and regions all over Europe have found different roles within the civic crowdfunding paradigm, ranging from simple sponsors to co-funders. Davies (2014) suggests four models to get cities involved in civic crowdfunding:

- **Sponsor** – The public authority runs its own campaign for a specific project on an existing civic crowdfunding platform.
- **Manager** – A subnational government creates its own crowdfunding platform to foster the development of its territory. Subnational governments usually create generic platforms which promote both entrepreneurial for-profit projects and non-profit civic initiatives.
- **Curator** – The local authority selects a list of projects that reflect their agenda from an existing crowdfunding platform.
- **Facilitator** – Subnational governments can play an important role in facilitating citizen and civil society empowerment. This includes planning permission, financial as well as technical expertise support, co-screening and/or co-designing projects, etc. Basically, it represents a new type of public-non-profit private partnership with citizens/inhabitants and civic crowdfunding platforms. Some subnational governments have already set up partnerships with civic crowdfunding platforms, which are mainly based on co-financing projects alongside the rest of the crowd.

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5 Modified to ease readability. Cfr Davies 2014, defining same concept as “subnational governments create a crowdfunding platform”
Although there is a significant number of initiatives where public authorities have been involved as sponsors, best practices presented in this report fall mainly within the scope of the last three categories identified by Davies. The reason behind this choice has to be linked to the intrinsic commitment of the CF4ESIF Working Group and its’ members. As a matter of fact, both platforms and local authorities have committed to share their unique experiences as a way of demonstrating the benefits of such renewed cooperation model, deriving from a strong involvement of public partners and crowdfunding platforms, and a concentration of efforts and resources towards the same territorial and social development priorities. In this perspective, the roles of Manager, Curator and Facilitator deserve to receive not only greater visibility, but also a closer description of their functioning mechanisms and designs, so as to inspire and provide guidance to a wider audience of policy makers and crowdfunding platforms on how to best replicate these schemes.

The report is divided into two main sections. In the first section, it presents all collected case studies according to the role played by the public authority involved in the partnership. Each case study is structured along four main areas: the first dashboard is dedicated to an “infographic” presentation of the partnership; the second area is dedicated to a specific case study which has received funding from the match-funding or partnership scheme; the third area focuses on technical specifications that have been put in place in the partnership (amounts, specific field for projects, policy area...); finally, the last set of information is dedicated to the conclusions that parties involved have drawn from implementing the partnership.

The second section of the report will aggregate data and insights from all received case studies, and provide some conclusions on benefits, obstacles and future paths for development. It will also highlight key policy recommendations that can stimulate and promote not only the replication of the match-funding and other partnerships’ schemes, but also enable all citizens and organisations to benefit from it.

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6 Some examples: “Un passo per San Luca”, Bologna; Luchtsingel pedestrian bridge in Rotterdam, The Netherlands; the Peckham Coal Line, London, UK.
CONTEXT AND SCOPE OF CIVIC CROWDFUNDING AND MATCH-FUNDING

Funding in the context of territorial and social development has been traditionally managed and awarded by public authorities and officials, according to an agenda built around identified needs and requirements arising from citizenship and business community’s interests. Private foundations have also played a role in fostering the development of different aspects of territorial development, by providing funding to NGOs and not-for-profit organisations acting in specific sectors like culture, social inclusion and education. However, both types of entities have predominantly followed a top-down approach which - although mitigated in recent years through participative budgets and similar initiatives - have not succeeded in properly engaging citizens in the decision-making and allocation of funding procedure. Coupled with other factors, the lack of opportunities to participate in their own territory’s development has fueled the loss of interest and sense of belonging of citizens towards their cities and regions, while making initiatives and local impact enterprises increasingly relying on subsidies and grants - predominantly coming from the public budget.

Especially in the post-financial crisis era, a good balance between public and private funding is a fundamental element not only for securing enough resources to regional development initiatives, but also to enable greater participation and commitment from a wider range of stakeholders. A clear example of this approach is represented by the approach adopted by the European Commission within the framework of European Structural and Investment Funds (ESIF), aimed at fostering economic and social convergence among EU regions, and co-managed together with Managing Authorities at national and or regional level. For the 2014-2020 period, the European Commission has warmly encouraged the combination of grants and financial instruments (FIs) in the implementation of ESIF resources:

Building on the experience of the previous programming periods the legislation of 2014-2020 introduced a number of innovations aimed at optimising and streamlining the use of FIs to deliver ESIF. A comprehensive framework was put in place to enable the enhanced use of FIs (loans, guarantees, equity) for investing in growth and jobs in areas where investments are expected to be financially viable.

At the same time, the regulation for the 2014-2020 cohesion policy stressed the importance of providing information about existing opportunities, communication of results and visibility of funded initiatives, making them

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8 Financial instruments under the European Structural and Investment Funds. Summaries of the data on the progress made in financing and implementing the financial instruments for the programming period 2014-2020 in accordance with Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council
an integral part of the Cohesion policy. As stated in a factsheet published by the European Commission in March 2014:

Informing potential beneficiaries about funding opportunities is a crucial part of programme management. In order to ensure that cohesion policy invests in the most relevant and innovative projects, the widest possible audience of potential beneficiaries needs to be informed. This happens not only by highlighting the investment opportunities, but also by showcasing the results achieved. The Managing Authorities, together with project beneficiaries, have to demonstrate to the region’s citizens as well as to the media and politicians at all levels, the results of these investments. Taxpayers within the EU have the right to know how their money is spent. As a positive side effect, EU cohesion policy can contribute to strengthening public support for the European Union as a whole, by highlighting the positive impact that the many projects have in each of the 274 regions across the Union.

Notwithstanding the efforts undertaken by both the European Commission and Managing Authorities, and the positive results achieved by the inclusion of financial instrument in the funding schemes of the Cohesion Policy, the visibility that funded initiatives enjoy in their respective territories can still be improved. Furthermore, the shared management principle adopted in the Cohesion Policy gives room to a partially bottom-up approach in the decision-making phase, allowing regional and national needs to be negotiated, aggregated and identified as investment priorities, and receiving final formalisation into the thematic objectives established for the 7-years period. However, it must be underlined that the same bottom-up approach has been difficult to replicate in the management and allocation of funding phases, where citizens have often limited opportunities of influencing the agenda of their representatives in terms of actions that deserve funding, and organisations often lack the set of skills that could allow them to access funding.

Having identified the similar issues related to a lack of visibility, communication, and a need for additional resources within the framework of ESI Funds as well as in the management and allocation of their own resources, several local and regional authorities in the EU have begun to explore innovative funding schemes, among which civic crowdfunding has emerged as one of the most promising for a range of reasons.

Cities such as London, Barcelona, Utrecht, Milan, and many more have set in place match-funding schemes through which citizens have the opportunity of staying actively involved throughout the decision-making process of regional development. In this context, crowdfunding - as per its own open, inclusive and participatory nature - stands out as a reliable ally for public authorities, significantly increasing the opportunities for wider participation, stimulating citizens’ ownership and sense of belonging to a community, and offering concrete validation of the need for specific local actions as they are perceived by citizens.

9 Articles 115-117 and Annex XII of the Regulation (EU) No 1303/2013
The following section will present different case studies in which crowdfunding platforms have been partnering - in different forms and to various extent - with public authorities, in order to improve the ongoing dialogue with their citizens and to more efficiently and transparently allocate funds for territorial and social development. Each case study will detail why and how crowdfunding and match-funding have come to be selected as funding schemes, in which areas public calls and project ideas have been mainly issued in order to develop a crowdfunding campaign, which have been the main obstacles that parties involved have encountered in the design of the match-funding scheme, and which results have the different match-funding and crowdfunding programmes produced.
CASE STUDIES OVERVIEW

5 countries
6 crowdfunding platforms
6 public authorities

Total funds collected through the CF4ESIF Platforms:
€ 69,829 mln
Average Amount collected per project:
€ 14,818

Number of funded projects: 104
Number of contributors involved: 4007
Average duration of projects (days): 50

FUNDED PROJECTS’ AREAS OF ACTIVITY:

- Agriculture
- Cultural and Creative Industries
- Entrepreneurship
- Environment
- Health Research
- Social Inclusion
- Technology
Section 1
Public authority as Manager
(Subnational government platform)
This section presents two case studies where public authorities, either directly or indirectly, have promoted the creation of a crowdfunding platform that could provide financial and non-financial support to projects located in its territory.

The first case study presents the Crowdfunding Südtirol platform, which is currently managed by the association of regional section of the General Federation of Italian Artisans and Craftsmen (Confartigianato). Although in this case the authority behind the platform is a private association, the mechanisms and motivations behind the initiative are similar to those in place in the case of a public authority, and therefore it is worth reporting it in the category “Public Authority as Manager”.

The second case study presents one of the platforms developed by Koalect, a white label solutions provider that implements crowdfunding and crowdsourcing tailor-made options in several EU countries. ‘Streekmotor23’ is a regional fund that is active in 23 municipalities of South-East Flanders, and has recently activated its own crowdfunding platform in order to offer better support to local initiatives.
Crowdfunding Südtirol is the first regional crowdfunding platform for South Tyrol. The platform was founded in June 2016 with the aim to sustain local companies in bringing innovative ideas to the market. The platform owner and provider is lvh – Wirtschaftsverband Handwerk und Dienstleister who offers a 360° consulting in launching and processing a crowdfunding campaign. The platform only hosts projects from South Tyrolean companies coming from different sectors, mainly from craft, agriculture and film & culture. However, the backers come from all German and Italian speaking countries. To this day, 14 projects have been presented, 12 of them were successful. In total, project owners collected over € 125,000 thanks to Crowdfunding Südtirol.
## GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

<table>
<thead>
<tr>
<th>Name of platform:</th>
<th>Beginning of operations:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crowdfunding Südtirol – Alto Adige</strong></td>
<td><strong>June 2016</strong></td>
</tr>
<tr>
<td><strong>Country of operation:</strong></td>
<td><strong>Italy</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Crowdfunding model adopted:</th>
<th>Total funds collected on the platform since the launch of operations:</th>
<th>Total backers on the platform:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rewards</strong></td>
<td><strong>€ 127,771</strong></td>
<td><strong>513</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services offered:</th>
<th>Outreach:</th>
<th>Areas of activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>360° consulting:</strong></td>
<td>Facebook: 4,061</td>
<td><strong>Craft</strong></td>
</tr>
<tr>
<td>• Campaign preparation</td>
<td>Instagram: 340</td>
<td><strong>Agriculture</strong></td>
</tr>
<tr>
<td>• Setting up the payment</td>
<td>Email: 650</td>
<td><strong>Film &amp; culture</strong></td>
</tr>
<tr>
<td>system account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Implementation</td>
<td></td>
<td></td>
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<tr>
<td>• Post-management</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of applicants to the match-funding call for projects:</th>
<th>Reasons for setting up the partnership:</th>
<th>Public resources committed:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30/ Year</strong></td>
<td>• To have one place where South Tyrolean projects can be promoted</td>
<td>Since March 2017, funding from the ERDF project CRAUT4SME with the aim to inform companies about the potential of crowdfunding and to offer them consultancy in implementing crowdfunding campaigns. Budget: € 150,200</td>
</tr>
<tr>
<td><strong>8/year</strong></td>
<td>• To sustain and strengthen regional economic circles</td>
<td></td>
</tr>
<tr>
<td><strong>Number of successful projects:</strong></td>
<td>• To motivate local people to sustain local projects</td>
<td></td>
</tr>
<tr>
<td>• 12 successful projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 80% success rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Impact of the initiative:
- Increased knowledge of crowdfunding in the local community through the organization of events
- Interviews with about 100 companies/persons interested in launching a campaign
- Promotion of the topic on the political level: in future, there will be public match-funding to implement crowdfunding campaigns

### Costs borne by public authorities in addition to the pledged resources:
Thanks to the ERDF funding we can cover personnel costs in accompanying campaigns, and offline events and sensitization activities might also be funded. Before receiving funding from ERDF, lvh invested its own resources. Crowdfunding Südtirol differs from other platforms because project owners are not required to pay any fee for uploading their campaigns on the platform: a specific contract is set up with each project owner, depending on their needs. The only cost that they have to cover is represented by a fee to the payment system provider.
CASE STUDY

<table>
<thead>
<tr>
<th>Project</th>
<th>LAAB by Jasmin Castagnaro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Bressanone, Italy</td>
</tr>
<tr>
<td>Sector</td>
<td>Craft</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>4 weeks</td>
</tr>
<tr>
<td>Backers</td>
<td>30</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 10,790</td>
</tr>
<tr>
<td>Project aim</td>
<td>Funding the production of the first handmade lamp series made out of recycled leaves</td>
</tr>
<tr>
<td>Description of the project</td>
<td>Jasmin Castagnaro makes unique lamps from the leaves that fall in autumn. She recycles this resource and creates wonderful lamps by hand</td>
</tr>
<tr>
<td>Outputs &amp; impact</td>
<td>Jasmin Castagnaro could bring her first series of lamps to the market. Today she sells it on her online shop: <a href="https://www.miyuca.it/laab">https://www.miyuca.it/laab</a>. She was able to perform a market test and see if the price was accepted by a community of potential customers</td>
</tr>
<tr>
<td>Barriers &amp; bottlenecks</td>
<td>The media was fascinated by the product, no big problems emerged during the campaign</td>
</tr>
<tr>
<td></td>
<td>In general, problems arise when a project is too complex, too many actors are involved. It is a project idea rather than a product idea that is funded — since projects are more difficult to explain in a short time. Also, it can be difficult to be successful when trying to collect funding for an innovative technology, which is too complex to explain, or when the project owner is not fully dedicated to communicating his/her own campaign</td>
</tr>
</tbody>
</table>

CONCLUSIONS

SUCCESS FACTORS

- An innovative idea that amazes people
- There must be a good reason for people to participate in a campaign: e.g. there is a limitation in the availability of the product as in the case of Jasmin’s lamps. She also offered the product for a special price.
- The idea must be understandable by general public in 30 seconds
- A good story is needed to promote the idea
- A good network is essential to promote the campaign
- To have some backers like companies that book a big perk
LESSONS LEARNED

- People like to pay via bank transfer. Such option exists on Crowdfunding Südtirol platform and about 50% of all backers select this payment method.
- It is very hard to find the right payment system provider; the local banks do not have the right tools.
- A lot of time and energy goes into the communication work for the campaign.
- It is necessary to be selective and choose projects that are worth investing time and money.
- Project owners are mostly interested in having a market test and gain publicity rather than the collected money itself.

DO’S

- Examine if crowdfunding is appropriate for the project.
- Try to involve 2-3 companies in supporting the campaign, they can back the campaign with a higher amount of money.
- Invest a lot of energy and time in the campaign.

DON’TS

- Crowdfunding doesn’t work well for B2B ideas.
- Don’t expect that once the project is published the money comes without effort.

Facebook is a great vehicle to communicate the campaign.
The platform itself must guarantee a good mix: In a short time, there were 4 film projects launched on the platform. That led to difficulties promoting the last project because people didn’t show much interest anymore due to the fact that it was another film project.
Koalect is a white-label provider of crowdfunding and crowdsourcing platforms. They build tailor-made platforms for non- and social profit organisations according to their strengths, objectives and context. This way Koalect increases engagement between an organization and its crowd to tackle societal issues and opportunities. Hereunder, Koalect showcase a crowdfunding platform that was built for the regional fund ‘Streekmotor23’. Further, they also present a specific project ‘Buitengewoon Fruitig’ that was launched on ‘Streekmotor23’ platform.
## GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

<table>
<thead>
<tr>
<th>Name of platform:</th>
<th>Countries of operation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koalect</td>
<td>Belgium, France, the Netherlands, UK (applicable across EU)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Beginning of operations:</th>
<th>2014</th>
</tr>
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<table>
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<tr>
<th>Crowdfunding model adopted:</th>
<th>Total funds collected on the platform since the launch of operations:</th>
<th>Total backers on the platform:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards, Donations, Crowdsourcing</td>
<td>€ 3,2 million</td>
<td>50,000</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Services offered:</th>
<th>Outreach:</th>
<th>Areas of activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trainings to organisations on crowdfunding platform management</td>
<td>Organisations communicate about their platforms through their own channels, as to be perceived as valuable and trustworthy by potential backers</td>
<td>Healthcare</td>
</tr>
<tr>
<td>• Workshops</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Online knowledge center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Live chat support on platforms to assist users</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of applicants to the match-funding call for projects:</th>
<th>Reasons for setting up the partnership:</th>
<th>Public resources committed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 (pilot phase)</td>
<td>• Offer local initiatives the opportunity to set up a crowdfunding campaign</td>
<td>Every project has a specific goal between 3,500 and 6,000 euros - when the goal is achieved, ‘Streekmotor23’ doubles the amount</td>
</tr>
<tr>
<td>Number of selected projects:</td>
<td>• Position ‘Streekmotor23’ as innovator and facilitator for local initiatives</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>• Stimulate local engagement and provide funding</td>
<td></td>
</tr>
<tr>
<td>Number of successful projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 successful projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% success rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Impact of the initiative:

- Projects reached more than 300 backers, and besides the financial injection, they were also able to recruit new volunteers for their projects
- The crowdfunding mindset allows projects to tell their story through a strong digital tool that gives them visibility and a new digital identity. It also allows them to grow and strengthen their existing services

### Costs borne by public authorities in addition to the pledged resources:

‘Streekmotor23’ covers expenses related to the set-up and license cost of the platform. Budget is also allocated to communication and workshops to guide the local initiatives towards successful crowdfunding campaigns (strong train-the-trainer approach).
**CASE STUDY**

<table>
<thead>
<tr>
<th>Project</th>
<th>Buitengewoon Fruitig by ‘Leefboerderij De Kanteling’ (non-profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Southeast Flanders, Belgium</td>
</tr>
<tr>
<td>Sector</td>
<td>Ecology for people with disability</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>6 weeks</td>
</tr>
<tr>
<td>Backers</td>
<td>51</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 5,000 (matched by ‘Streekmotor23’ resources)</td>
</tr>
<tr>
<td>Project link</td>
<td><a href="https://streekmotor23.be/project/6659">https://streekmotor23.be/project/6659</a></td>
</tr>
</tbody>
</table>

**Project aim**

‘Buitengewoon Fruitig’ is a project from a small non-profit organisation called ‘Leefboerderij De Kanteling’ located in Southeast Flanders. They offer services and day-time accommodation with a strong focus on ecology for people with disabilities.

‘Leefboederij De Kanteling’ applied for the open call for projects from ‘Streekmotor23’ and was selected as a pilot project to start a crowdfunding campaign on the platform. ‘Leefboederij De Kanteling’ easily raised € 5,000 in 6 weeks by organizing offline and online campaigns that contributed to the success of the crowdfunding campaign. Through this campaign they were able to make new financial investments, but also to engage a new group of people around their organisation.

**Outputs & impact**

- New financial means for ‘Leefboerderij De Kanteling’
- Local engagement from citizens and small local communities resulting in new volunteers and recurrent donors on the long term
- The crowdfunding campaign gave a boost for the digitalization of the ‘Leefboederij De Kanteling’
- The success of the campaign showed ‘Leefboederij De Kanteling’ and other small organisations in this region the potential of crowdfunding

**Barriers & bottlenecks**

- Lack of experience in crowdfunding: workshop on how to set up a successful crowdfunding campaign has been delivered
- User-support: the ‘Streekmotor23’ platform has a user-support livechat that is managed by ‘Koalect’
- As ‘Streekmotor23’ has its own dedicated platform, it also has the possibility to offer administrative and procedural support through the platform. The necessary administrative documents and procedures can be directly found on the platform.
**TECHNICAL SPECIFICATIONS**

**Match-funding description:** The amount of €5,000 was collected - they achieved their goal, so the regional fund ‘Streekmotor23’ matched the amount.

**Maximum amount of public resources per project:** approx. €5,000

**Objectives of the initiative:** Be a strong economic engine for local initiatives in the Southeast Flanders region, address groups with special needs in this region: vulnerable groups such as youngsters in poverty, frail elderly and people with disabilities, stimulate local engagement around these small local organisations, connect inhabitants of this region with their environment.

**Areas of interest:** Healthcare | education | local development | citizenship

**Strategic policy framework:** The Belgian legal system

**Tender procedure for platform:** For this specific platform there was no tender procedure. For other platforms that Koalec have built for cities and universities they did several tender procedures.

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**CONCLUSIONS**

**SUCCESS FACTORS**

- Having a tailor-made platform. This way all projects from ‘Streekmotor23’ are gathered on one central point in a ‘Streekmotor23’ branded environment
- Live support on the platform
- Crowdfunding workshops for local initiatives
- Train-the-trainer approach
- Strong project management by ‘Streekmotor23’
- Communication skills from ‘Streekmotor23’
- Motivated and well-prepared local initiatives

**RECOMMENDATIONS**

- Guide projects through successful campaigns
- Train-the-trainer
- Start with pilot projects
- Set realistic objectives
- Follow-up on projects during their campaigns

**LESSONS LEARNED**

Crowdfunding can be a very strong and effective tool for local engagement and economic development. Trustworthy tools and strategic guidance are the key success factors for crowdfunding to fulfill this role.
Section 2

Public authority as Curator
This section is dedicated to two case studies where public authorities partner with crowdfunding platforms in identifying projects that fall within local or regional investment priorities and are therefore selected as beneficiaries of additional support (either financial or technical) from the public budget.

In the first case, ASTER (Consortium for innovation and technology transfer of Emilia-Romagna), has set up a dedicated crowdfunding guidance service that ensures independent guidance and training to the regional startup ecosystem, as well as general education and awareness raising activities about crowdfunding to citizens. In this specific case, projects ideas that meet a set of requirements can benefit from the KICK-ER support service without incurring in any additional cost.

In the second case, the Brussels-based crowdfunding platform Growfunding has activated a partnership with VGC (the local authority who gives subsidies for youth projects and community development projects). Projects who approach Growfunding, fit the areas of intervention of VGC, and require less than €3,000 are redirected to VGC’s jury, who can then decide to cover 100% of the project’s budget. In case the funding goal is higher than €3,000, projects can run a crowdfunding campaign on Growfunding and then access the match-funding option put in place through VGC resources.
KICK-ER & EMILIA-ROMAGNA REGION

KICK-ER is a guidance and first support service for the realization of crowdfunding campaigns. In 2015 ASTER launched this service within its Finance for Innovation Unit, connecting this service with Investor Readiness Analysis & IPR Helpdesk. It is addressed to companies, startups, research laboratories and public institutions based in Emilia-Romagna – or with an impact project on this territory – which would carry out a crowdfunding campaign to launch their own innovative products and / or services. KICK-ER is complementary integrated with ASTER services dedicated to support for business creation and finance for innovation and responds to a need more and more clearly perceived by startups and entrepreneurs. To do business, innovate and give shape to your idea, it is necessary – on one hand – to collect the funds needed to make the initial investments and – on the other – to plan an effective marketing strategy.

Targets of KICK-ER are: companies and startups, that get to know the potential of their innovation; researchers, who need fundraising for specific research projects, e.g. to overcome bottlenecks linked to scale up; public institutions, that can foster their accountability and develop community-chosen projects; civil society, that gets closer to innovation and to policy making.

Potential beneficiaries go online, register and submit a short version of their business plan. If it is compliant to crowdfunding criteria and there are the conditions to start a crowdfunding campaign, KICK-ER staff meets and creates the strategy for a fruitful campaign. The second aspect of the service is linked to training and dissemination activities across the Region in order to spread crowdfunding culture and get potential targets closer to it through witnesses of successful campaigns.
## GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

**Name of platform:** KICK-ER

**Beginning of operations:** November 2015

**Country of operation:** Italy

**Crowdfunding model adopted:** Rewards

**Services offered:**
- Guidance service for the development of the crowdfunding campaign
- Communication and PR

**Areas of activities:**
- Social entrepreneurship
- Cancer research
- Educational activities
- Performing arts
- Innovative technologies
- Cultural projects

**Number of applicants to the match-funding call for projects:** 93

**Number of selected projects:** 11

**Number of successful projects:**
- 11 successful projects
- 100% success rate

**Reasons for setting up the partnership:**
- Provide the regional ecosystem with a toolkit in order to investigate new forms of financing and expand the pool of financial instruments
- Support the entry into the market of companies with innovative marketing strategies
- Experiment new forms of support that are complementary to research funds
- Develop the entrepreneurial potential of research world, bring the public closer to research world and vice versa
- Support and promote local innovation
- Raise awareness around crowdfunding in the world of startups and innovative SMEs
- Provide an operational toolkit, to encourage the launch of crowdfunding campaigns
- Spread and promote startups that use crowdfunding in Emilia-Romagna and discouraging the incorrect use of it

**Public resources committed:**
One full man dedicated within the Regional Agency for Innovation and Technology

**Specific partnership with:** Emilia-Romagna Region

**Impact of the initiative:**
- 93 requests of contact/filled-in forms
- 50 meetings
- 25 idea prescreenings support and reports
- 35 in-depth calls
- 22 customised vademecum

**Costs borne by public authorities in addition to the pledged resources:** none
## CASE STUDY

| Project | TRACe by Istituto Scientifico Romagnolo per lo Studio e la Cura dei Tumori (I.R.S.T. – IRCCS) |
| Location | Meldola, Emilia-Romagna, Italy |
| Sector | Cancer Research |
| Duration of the campaign | 12 weeks |
| Backers | 200 |
| Funding | € 25,095 |
| Project link | [https://www.ideaginer.it/progetti/trace.html](https://www.ideaginer.it/progetti/trace.html) |
| Project aim | Support an oncological research project to study circulating tumor cells in cancer patients |
| Description of the project | TRACe is the first crowdfunding campaign to fund a translational research project of IRCCS (Scientific Institute of medical Research) IRST in Meldola. Launched in March 2017 and active for 3 months, “TRACe” crowdfunding campaign had the primary objective of raising € 20,000 in order to support an oncological research project to study circulating tumor cells in cancer patients. IRST research team aimed at virtually open the doors of the IRST bioscience laboratory to the citizens, not only to guarantee them on how money will be used, but above all to try to break the wall between research and society, especially in Italy. In fact, TRACe’s goal was not only to raise funds to advance in cancer research, but also to link cancer research and citizenship, laboratory work and daily life, the contribution of everyone and the end result. |

### Outputs & impact

- TRACe team was able to involve all stakeholders in every step of the research, both during and after the campaign, updating the supporters on the goals achieved through fundraising and laboratory results
- Establish a new relationship between the “in the lab” world and that one “outside the lab”, making the results of research accessible and communicable to as many people as possible, setting up a new mode of interaction between the research community and society
- Transparent way of reporting where, to whom and for what funds are used
- How researchers could be communicative to the “outside the lab” - researchers learned how to translate the research project to a description which was informative, interesting and engaging
- How to engage and reward the backers - successful storytelling activity and gaming strategy to involve as much crowd as possible. Researchers also identified the right social media to spread around the right key message to each target group. They also designed a symbolic set of rewards, which leveraged on the engagement of people.
This service was developed within this region because here were a set of players which were able to work together towards the same goals: foster the innovation of the local ecosystem, give a toolkit to explore new ways to raise fund and develop a communication & marketing strategy, not only for startups but also for research labs, wannabe entrepreneurs from civil society, public institutions.

The players involved in the development of KICK-ER were:

- the innovation agency of the region (ASTER): ASTER is in charge of managing the networks of start-ups, incubators and research labs of the region and can reach the targeted audience of the service (spread contents and disseminate info)
- crowdfunding experts: can co-design the service and be involved in the guidance activity in order to transfer the know-how
- startup training and consulting staff: helping to analise startups business plans
- regional government: to enable the networking among all the players and to address policies towards a more integrated development of crowdfunding

The service was developed within Emilia-Romagna Region - General Directorate for Knowledge, Labour and Enterprise Economy and it is consistent with the policy instrument 2014-2020 ERDF ROP Emilia-Romagna Region - Axis 1 Research and Innovation.
Growfunding & VGC

Growfunding is a non-profit, Brussels-based, socio-cultural organization. By using civic crowdfunding as an instrument, they support local, social impact projects in financing, creating a communication strategy, enforcing and enlarging their network, and building a participatory community. Growfunding doesn’t focus on one specific sector, but rather takes a geographical scope, i.e. the social tissue of Brussels, as starting point. Therefore, they support all types of projects (profit and nonprofit) active in very different fields (like circular economy, culture, food and other). Growfunding was launched in 2014 as research project, funded by the European Structural Fund at the University College in Brussels. Since 2016, it was launched as an independent spin-off. Over the past 5 years, Growfunding launched over 100 projects. Last year, the average success rate was 86%. The community of Growfunding counts 8,600 Growfunders who raised in total an amount of € 900,000.

Since last year, Growfunding partners up with local authorities (VGC - local authority funding youth and community development projects) in matching funds. For now, 2 types of projects are qualified: projects carried out by youngsters (-26 years) and projects that involve ‘community development work’.

The case study below presents the project of Cyrille, a young man of Togolese origin who some years ago arrived to Belgium. He gained experience as a chef in the socio-cultural organisation called Cultureghem. They organise several activities on the site of the slaughterhouses in Anderlecht. One of them is called KOOKMET, for which they also did a Growfunding campaign. Cyrille decided to launch its own project: a mobile kitchen on a cargo bike in order to cook on public spaces with food surplus.
## GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

<table>
<thead>
<tr>
<th>Name of platform:</th>
<th>Growfunding</th>
<th>Beginning of operations:</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of operation:</td>
<td>Belgium</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Crowdfunding model adopted:**
- Rewards

**Services offered:**
- Training for project owners
- Public workshops
- Tailor-made follow-up
- Co-organisation of offline events
- Translation of the project page in ENG-FR-NL
- Social media support

**Total funds collected on the platform since the launch of operations:** € 902,000

**Total backers on the platform:** 8,900

**Outreach:**
- Facebook: 5,192
- Email: 1,900
- Instagram: 155
- Website: 25,000
- Twitter: 489

**Areas of activities:**
- All areas, as long as projects are linked to Brussels.

**Number of applicants to the match-funding call for projects:**
- No application required, match-funding only accessible over € 3,000

**Number of selected projects:** 3

**Number of successful projects:**
- 3 successful projects
- 100% success rate

**Reasons for setting up the partnership:**
Growfunding and VGC support small-scale experimental projects with social added value. The shared goal and focus resulted in a more structured co-operation: projects needing more than € 3,000 can access matched funds. Through a campaign with participative rewards, the social impact is expected to be bigger.

**Public resources committed:**
Max. € 3,000/project

**Impact of the initiative:**
- To increase substantially the success rate of projects. Youngsters proposing a project lack a strong own network
- A successful campaign influences the confidence of youngsters and stimulates their ambitions for the future. Launching a campaign brings them skills that they will apply in their future (professional) life
- A matching fund will strengthen the network, and thus the social impact of projects, as both networks of Growfunding and the local authority will function as a lever

**Costs borne by public authorities in addition to the pledged resources:**
The public authority (VGC) paid for the development of the software behind the matching-fund. Growfunding, as non-profit organisation itself, also receives a subsidy for community development work
## CASE STUDY

<table>
<thead>
<tr>
<th>Project</th>
<th>KookVélo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Brussels, Belgium</td>
</tr>
<tr>
<td>Sector</td>
<td>Food, Social Inclusion, Mobility</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>62 days</td>
</tr>
<tr>
<td>Backers</td>
<td>46</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 8080</td>
</tr>
<tr>
<td>Description of the project</td>
<td>KookVélo is a mobile kitchen, open for everyone to cook together. This project was created by kitchen lovers who only have one wish: sharing their love of cooking. The idea of KooKVéLo is to inform people about healthy food, but also to let them see the fun of cooking and eating together. The project wants to connect all different types of people who are present in the public space at various events in Brussels. Cooking and eating are two basic activities that are existing in every culture. The project authors want to mix all the cultural richness of Brussels by making a unique recipe. KooKVéLo will be a collection kitchen through the recycling of food surpluses. In this way they want to show that food waste is not necessary and that food can be reusable.</td>
</tr>
</tbody>
</table>

### Outputs & Impact

- The purchase of a cargo bike for Cyrille and Rinke
- Participation in some events (with Growfunding)
- Creation of a network

Longer term output: some organisations and companies supported the campaign with a bigger donation. This could help Kookvelo to set up a sustainable network and bring in new clients.

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## TECHNICAL SPECIFICATIONS

- **Maximum amount of public resources per project:** € 3,000
- **Areas of interest/applications:** youth projects
- **Tender procedure for platform:** none
- **Tender procedure for projects:** project holders need to be younger than 26 years old and the project should take place in Brussels Region
- **Maximum duration of campaigns:** 4-12 weeks
CONCLUSIONS

SUCCESS FACTORS

Local authorities get a lot of project proposals for project subsidies and it is hard sometimes to distinguish which proposals are worth financing. By combining public funding to an instrument like crowdfunding, ‘the crowd’ has the last word to say whether a project is good enough and needed or not. In this way a top-down instrument like subsidies are combined to bottom-up voices and the final word is by the citizens. In the case of Crowdfunding, they already had the luck to work closely together with their local authority. Since local authority knows which methodology the platform applies and ‘trusts’ them, it helped to convince the authority to step into the match-funding.

By working together with a credible actor like a local authority, projects that participate in the match-funding scheme get more credibility. Some enterprises backed the case study with a bigger donation, which made it easier to reach the target goal. Though, convincing enterprises and companies to back a crowdfunding campaign is for many projects a time and energy consuming job. A good preparation in finding out which enterprises or organisations can help financially can influence the success of a campaign substantially.

DO’S

- Invest enough time in the preparation of a crowdfunding campaign and in realisation of the rewards. The post-campaign support for some projects is also necessary
- Combine the online campaign with offline events. For some people doing an online transaction is still a big step and offline events also give great visibility
- The project idea needs to be concrete, tangible and unique, as well as easily understandable for the wider crowd
- Transparancy during and after the campaign is important for the credibility of the platform, local authority and project itself.

DON’TS

- It’s suggested not to set the matching fund percentage at a too high rate (max 30%) to make sure projects still create a social impact (and need the crowd)

LESSONS LEARNED

- In Crowdfunding case, match-funding is usually applied to support more precarious youth projects. If the local authority gives their support and approves to match the fund, it gives project owners a big boost to start their campaign and the trust that their project is valuable for the community. This positive energy is important, because a crowdfunding campaign is time and energy demanding and can be stressful
- The visibility of match-funding on the website is important
Section 2

Public authority as Facilitator
This section will present three case studies where public authorities and crowdfunding platforms are not only partnering on specific projects but have implemented a wider partnership framework that encompasses the co-financing of projects within a pre-identified category. Namely, public authorities that act as Facilitator implement a match-funding scheme: they pledge a certain amount of their budget to projects’ ideas that will run a crowdfunding campaign in one or more sectors (social inclusion, environment, culture...); once the projects have achieved a certain percentage of their funding target, the public authority will “match” the funds by topping up the crowdfunded amount with their own resources. This mechanism enables them to allocate public budget more transparently and therefore to become more accountable and responsible towards their citizens’ priorities.

All three case studies follow broadly the same pattern of partnership, but each of them has been implemented in different political, social and economic contexts, as well as with different administrative organization and in different sectors. In this perspective, it is worth underlining each platform’s areas of operation: Startnext is the leading civic crowdfunding platform for the German-speaking countries, Voor je Buurt operates in the Netherlands and Belgium, while Goteo is the reference platform for Spanish-speaking countries.
GOTEIO & AJUNTAMENT DE BARCELONA

Goteo is a platform for civic crowdfunding and collaboration on citizens’ initiatives, including social, cultural, technological and educational projects. Goteo has replicas and alliances in several countries, thanks to its open source code. It is a tool for generating resources ‘drop by drop’ for a community of communities consisting of over 123,000 people, with a funding success rate over 75%.

But in reality, Goteo is much more. There is a non-profit foundation (with consequent tax advantages for donors) behind the platform, and a multidisciplinary team developing tools and services for co-creation and collective funding. Goteo mission is tightly linked to principles of transparency, progress and societal improvement. They support social impact projects to succeed and improve their communities, being physical or digital. To make it a reality, they created an operating system of open tools and methodologies.

One of these tools developed by Goteo are the match-funding calls, involving software, methodologies, policy recommendations and protocols. Such as the match-funding ‘Conjuntament’.

The initiative presented as a case study is a platform coop in ecomobility called Som Mobilitat. This project participated in a program, called “La Comunificadora”, organised to promote collaborative economy initiatives in Barcelona. Thereafter, and with the aim of creating their technological platform, expand its members base and make itself known, the coop decided to launch a crowdfunding campaign via Goteo. It was successful and had a huge impact that resulted in: new cooperatives created in the Spanish State replicating their model, the developing of a software platform that nowadays is being used by several coops in Europe, a large increase of cooperative members (from 300 to +700 during the campaign), and the beginning of a European joint cooperative formed by regional cooperatives.
## GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

<table>
<thead>
<tr>
<th>Name of platform:</th>
<th>Goteo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of operations:</td>
<td>2011</td>
</tr>
<tr>
<td>Country of operation:</td>
<td>Spain (applicable across the world)</td>
</tr>
</tbody>
</table>

### Crowdfunding model adopted:
- Rewards, donations

### Total funds collected on the platform since the launch of operations:
- € 6,000,000

### Total backers on the platform:
- +84,500

### Services offered:
- Coaching & tutoring of project owners
- Specific workshops on crowdfunding, co-creation and communication
- Adaptive offer & customized configuration of match-funding models, incl. technological development when needed
- A collaborative crowdfunding platform under FLOSS code
- Communication support for campaigns and match-funding calls

### Outreach:
- Facebook: 12,200
- Email: 123,000
- Instagram: 960
- Website: +200,000
- Twitter: 23,600

### Areas of activities:
- Social including social economy
- Education
- Environment
- Communication
- Culture
- Technological
- Scientific
- Entrepreneurship
- Design

### Reasons for setting up the partnership:
- Promote projects that come from organized civil society & that have a special potential to change the dynamics of the city
- Citizens’ participation is a political priority and one of the fields where the City Council is investing more effort and energy
- Know the reality of the civic ecosystem, needs and dreams of the inhabitants of the city
- Invest public funds in projects that are more interesting for the citizens. Legitimise the city budget
- Generate data and have a map of information that can be useful to design public policies
- Create empowered citizens that are more aware of the city as space and common resource

### Number of applicants to the match-funding call for projects:
- 67

### Number of selected projects:
- 24

### Number of successful projects:
- 23 successful projects
- 95,65% success rate

### Public resources committed:
- € 96,000

### Impact of the initiative:
- At the end of the match-funding call there has been an injection of € +230,000 into the sharing & social economy of Barcelona resulting in several jobs created, an increase in the scalability and sustainability of new projects and others already established such as cooperative cinemas, autonomous initiatives of occupational inclusion, circular economy and sharing economy cooperatives, platform coops, etc.
**Costs borne by public authorities in addition to the pledged resources:** The services (training via workshops, coaching 24 projects during all the process, design&IT, communication) related to this match-funding call amount to € 54,000. From this total, the Barcelona City Council covers € 39,960 (74%) and the Goteo Foundation the 26% left.

**CASE STUDY**

<table>
<thead>
<tr>
<th>Project</th>
<th>Posem en marxa Som Mobilitat a Barcelona (We launch Som Mobilitat in Barcelona) by Som Mobilitat Coop.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Barcelona, Spain</td>
</tr>
<tr>
<td>Sector</td>
<td>Social entrepreneurship &amp; environment, cooperative platform</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>12 weeks</td>
</tr>
<tr>
<td>Backers</td>
<td>206+82 (288)</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 22,825+9,150 (31,975)</td>
</tr>
<tr>
<td>Project link</td>
<td><a href="http://goteo.cc/sommobbcn">http://goteo.cc/sommobbcn</a> (previously, they had another successful campaign in Goteo: <a href="https://www.goteo.org/project/compartim-vehicles-electrics">https://www.goteo.org/project/compartim-vehicles-electrics</a>)</td>
</tr>
<tr>
<td>Project aim</td>
<td>To create local groups of the sharing economy platform coop Som Mobilitat, to improve the sustainable mobility in Barcelona</td>
</tr>
</tbody>
</table>
| Description of the project  | Som Mobilitat is a non-profit consumer cooperative around carsharing and the ecomobility. It aims for cities with fewer cars, less noise and cleaner air. Project owners are committed to develop a renewable, shared electric mobility service whereby citizens can rent and share electric vehicles from the cooperative or partners (P2P) through their mobile phones. One of their main goals is to spread the model and create a big European network of ecomobility based on the cooperative values and structure. The specific goals of the 1st crowdfunding campaign were:  
  - To contribute to the development of the shared electric mobility platform  
  - Integrate the tech platform into a network of European cooperatives of electric mobility  
  - Accelerate the arrival of 100% shared electric mobility throughout Spain  
  - Create a social and cooperative alternative by way of shared electric mobility |
Barriers & bottlenecks

• Before the campaign, the team participated in “La Comunificadora”, a support program for sharing economy initiatives in which Goteo is one of the co-organizers. The participation in this project gave them tools, resources and the needed guidance to improve and boost their project, as well as a crowdfunding workshop that helped them reach more efficiently their campaign goals.

• During the first campaign Som Mobilitat duplicated their cooperative members, from approx. 300 to approx. 700

• Using the funds of their first campaign (€ 22,285), they developed an integral tech platform to satisfy their internal needs as a platform coop and to manage the car rental. Thanks to the fact that the objective of the campaign was to use this technology openly and offer it to the world, today there are already projects that use the platform

• A group of people from País Valencià chose the reward “Workshop & test of Som Mobilitat” and, due to this, they were able to replicate the project (http://alternacoop.com)

• A lot of projects from all across Europe and the Spanish State contacted them using Goteo to create synergies, to replicate the project in other regions and to federate with other projects

• It was a huge communicative tool that lit the fuse of a European cooperative of ecomobility cooperative (http://www.themobilityfactory.eu)

• Project owners had an incredible opportunity to spread their project among social economy networks, and they are still known for their successful crowdfunding campaign

• Project owners used Goteo as a validation tool to check their communication and organizational abilities, which have then been employed in the cooperative itself

• There has been a significant impact in press and media thanks to the crowdfunding campaign

• Based on the communication needs of the crowdfunding campaign, a network of ambassadors was created and maintained afterwards, so as to develop the community and support the creation of local groups all around Catalonia

• The campaign team pointed out that the main barrier was internal coordination - once solved, all the past difficulties became knowledge that they used for the internal organization of the cooperative

• Fear of lack of communicative ability - thanks to Goteo’s communicative drive and community, the project team reached a wide community of people both in Spain and around the world

Outputs & impact

• Before the campaign, the team participated in “La Comunificadora”, a support program for sharing economy initiatives in which Goteo is one of the co-organizers. The participation in this project gave them tools, resources and the needed guidance to improve and boost their project, as well as a crowdfunding workshop that helped them reach more efficiently their campaign goals.

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Match-funding description: Our match-funding scheme is adapted to the requirements of the matcher but usually works as follows:

• For each € donated by the crowd, the matcher contributes 1€ with a maximum of 100€ per individual donation
• Although anyone is allowed to make additional contributions, the match-funding will be allocated only for the first contribution for each registered user
• The project must achieve its minimum crowdfunding goal (different for each project) in order to receive the match-funding (and crowd) funds
• Should some of the campaigns not reach their financial goals in the first round, the match-funding capital can be reserved to be allocated to support the remaining project campaign(s) during the second round

Maximum amount of public resources per project: Depending on the total match-funding funds to be allocated and the total number of projects to be supported. Nowadays, we recommend the matchers to allocate at least € 4,000 per project during the first round. This is the case in Conjuntament

Objectives of the initiative: Conjuntament’s objective is to support local initiatives of the City of Barcelona that contribute to the development of the neighborhoods

Areas of interest/applications: Social entrepreneurship and the collaborative economy

Strategic policy framework: The City Council Plan 2016-2019 establishes a strategic action to support the plural economy and options of sustainable consumption, including social and cooperative economy. In addition, Conjuntament is promoted by Barcelona Activa, which is the city council’s organization in charge of boosting economic policies and local development to ensure a better quality of life for Barcelona citizens, by promoting employment, encouraging entrepreneurship and offering support to companies from the perspective of the plural economy. One of the lines of action of Barcelona Activa is to “Support for the plural economy, developing transforming economies, group entrepreneurship and social innovation”

Tender procedure for platform: Collaboration agreement: it implies is not an open tender. The administration has the ability to sign agreements and allocate public funds when they consider the initiative has a particular interest and an open tender does not apply due to the particular characteristics of the service.

Tender procedure for projects: Open tender: the reception of projects was open during 6 weeks (from October 23rd to December 4th 2017). During that period, Goteo promoted the opening in social media and other communications channels (media, blog, newsletter, etc). They also organize in-person events and activities, so interested projects can assist and know first hand how the match-funding call works

Maximum duration of campaigns: 40 days (first round) + 40 days (second round)
CONCLUSIONS

SUCCESS FACTORS

Construction of a strong network of local governments, foundations and institutions sharing a common mission. Match-funding is a new way to manage institutional budgets which provides:

- **Legitimacy:** Public institutions legitimize their budgets while allowing citizens to decide and prioritize how public money is used. Creating a space for participation where citizenship promotes and supports initiatives coming from below
- **Participation:** Citizens decide to launch projects and to choose which projects to support
- **Sustainability:** Projects come from neighborhoods and organized citizenship, in opposition to top-down policies. Communities are behind these projects and they want to make them alive
- **Transparency:** Citizens audit the whole process, as they can check and visualize instantly how the money is used
- **Success:** The success rate rises until more than 90%, when a public institution multiplicate the donations made to the crowdfunding campaigns
- **Learning lab:** While they are in campaign, projects learn as they work collectively, making the project stronger and growing their network

RECOMMENDATIONS

The emerging need for new digital mechanisms for civic and ethical financing faces a double challenge\(^\text{11}\):

- Ignorance (if not trivialization) of the funding mechanisms and the tools themselves, evident in massive practices far from open standards, strongly profit-focused and with no priority given to social impact or transparency
- Interest but relative disconnection of many solidarity and philanthropic organizations that respond to the guiding principles of crowdfunding, especially its potential for nurturing a culture of open participation that goes beyond the occasional donation
- There is plenty of room for improvement in the way people support social causes online, as well as in the way the impact of this is measured and how these initiatives can obtain resources in a more interactive, social process
- More “delocalization” - Only 50% of crowdfunding campaigns promoted by European organizations and projects use platforms based in a EU member country or Europe. Therefore, 50% of them chose the two global (and North-American) platforms Kickstarter or IndieGoGo. This dynamic points out the necessity of establishing local crowdfunding platforms
- Necessary improvements - Apart from advancing in the study of the match-funding model behaviour, several reflexions should be made about how current public policies - which encourage cultural, creative and social initiatives - could develop into a better fitting with this hybrid funding model
- More Flexibility - Public organizations lack the agility and flexibility needed to operate with a new model of distribution of public funds, both on the operative and legal side

LESSONS LEARNED

The match-funding programmes have a clear “multiplier” effect. To start with, the credibility of the crowdfunded project increases when it has the institution’s hallmark. It receives the trust of the community and thus has a better chance of attracting crowd donations. The more crowd funds received, the higher the matching contribution by the institution and, as a result, the bigger the total project budget becomes. Data shows that a crowdfunding campaign with institutional support receives on average 180% more from crowd donations than a campaign without institutional support. Also, its success probability (reaching the minimum set campaign/project budget) is increased by up to 90% (in comparison to 71% success rate for campaigns without match-funding).

On the user experience level, Goteo has collected feedback over the years from the user communities which have participated in their calls and have performed a comparative evaluation of several European matchfunding platforms.

Early findings revealed the need to develop additional improvements in order to encourage co-responsible public and private contributions to projects that have the support of civil society. For example, relations between individuals, communities and institutions could be redesigned by visualising crowdfunding projects’ needs (from projects carried out as part of match-funding programmes). This can be done on the basis of data taken from their budget descriptions, their non-monetary needs and their aims within their respective areas of influence.

This benchmarking study also identified which elements and changes had to be incorporated into the new design to enhance the user experience of citizens and institutions alike, and hence the action and interaction of users in each of their roles becomes more intuitive, visual and easier to understand.

With all this in mind, in 2017, Goteo introduced a better-organised website, packed with new visual elements including interactive maps, information, a timeline showing dates and significant milestones within the call, new icons related to different areas of social impact, structure by phases showing the state of the call, and many other implementations that have been documented in Goteo Foundation’s Github and the API entry-point for developers interested in match-funding.

In addition, Goteo’s match-funding site includes a map of influence of the call, showing the geographical location of the proposals received, the proportion of participation by gender, the expected scope of influence, and the location and method of enrollment for the training sessions.

The map of influence becomes, at this stage, a map of contributions to the call, showing in real time and interactively, the flow of contributions and their origins (geographically and by type of user, citizen or institution).

It is believed, it will make it easier to understand this hybrid funding model which brings about a shift in the way resources are allocated to projects supported by the most active and engaged communities. And it is hoped to inspire more institutions and entities to use this powerful tool as part of their social responsibility lines of action.

All ideas and improvements outlined here aim to inspire institutions to release new crowdfunding calls and to encourage potential campaign initiators not only to apply, but also to detect the priorities and interests of their communities. Institutions can reach into sectors and audiences who do not usually apply for grants or public funding; they can identify new topics and specific types of projects that attract the interest of their communities. A study to define the needs related to a specific topic or community, or section of a community, can also be conducted by Goteo to inform future calls and tenders of a match-funding institution.
STARTNEXT &
CITY OF HAMBURG

Startnext is Germany’s first crowdfunding platform, founded in 2010. It offers entrepreneurs, innovators and creative people the opportunity to present their ideas, raise the necessary funds, and build a community. Today, Startnext is the largest crowdfunding community for creative and sustainable projects and startups in the German-speaking countries. Nearly 6,000 projects have been successfully funded via the platform and over €50 million have been raised. Startnext is a social business and part of the Benefit Corporation network.

‘Nordstarter’ (‘nord’, the German word for ‘north’) is an initiative of the City of Hamburg to foster its creative industry. Founded in 2011, it is a long-standing partner of Startnext. Nearly 2 million euros have been collected by Hamburg’s creatives via the regional crowdfunding network for over 500 projects. To foster crowdfunding, the city offers 3 types of support: (i) regular match-funding call for projects, were winners are awarded a prize, (ii) a dedicated contact person for one-to-one coaching on crowdfunding and (iii) regular workshops, events and meetups.

The strong community which was created around the initiative is remarkable. The regular events for everyone interested in crowdfunding as well as for former crowdfunders contributed to that. This strong regional crowdfunding network helps to spread the word about crowdfunding and creates a space for exchange. Based on this example, Startnext started a train-the-trainer programme to transfer knowledge and establish a local network of experienced crowdfunders in other German cities as well.
### GENERAL OVERVIEW OF PLATFORM AND PARTNERSHIP

<table>
<thead>
<tr>
<th><strong>Name of platform:</strong></th>
<th><strong>Countries of operation:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Startnext</td>
<td>Germany, Austria, Switzerland, Lichtenstein</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Beginning of operations:</strong></th>
<th><strong>Startnext</strong></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2010</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Crowdfunding model adopted:</strong></th>
<th><strong>Total funds collected on the platform since the launch of operations:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards</td>
<td>€ 52,242,259</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total backers on the platform:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>900,000 registered and +750,000 not registered users</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Services offered:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Webinars for project starters</td>
</tr>
<tr>
<td>‘Train-the-trainer’ programme to establish a network of crowdfunding coaches in Germany</td>
</tr>
<tr>
<td>Partners organise crowdfunding coachings and meetups in various German cities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Areas of activities:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not limited, everyone (match-ing Startnext’s guidelines and categories) is welcome to start a campaign. Majority of projects are creative or sustainable.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Outreach:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td>Twitter</td>
</tr>
<tr>
<td>Instagram</td>
</tr>
<tr>
<td>Mail</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Number of applicants to the match-funding call for projects:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Number of selected projects:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Number of successful projects:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>63% successful projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Reasons for setting up the partnership:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg Kreativ Gesellschaft is an initiative of the City of Hamburg for the city’s creative industry, it aims to be the primary point of contact and support for workshops, coachings and networking in the creative industry, events and coachings on crowdfunding are available to offer an alternative financing option for artists, musicians, etc. and to enable more projects in the creative and cultural field.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Public resources committed:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular call for projects where winners are awarded a prize.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Impact of the initiative:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Support offered: Participants of the match-funding initiatives are offered to participate in different crowdfunding workshops, e.g. overview on crowdfunding, storytelling and creating pitch videos</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Outcome:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The match-funding facilitated convincing people to start a crowdfunding campaign, to draw attention to crowdfunding and to collect the necessary funds for the projects, media partnerships helped to spread the concept of crowdfunding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Costs borne by public authorities in addition to the pledged resources:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding for a part-time employee, who conducts one-to-one coaching sessions, workshops and organises events (free of charge for the audience)</td>
</tr>
</tbody>
</table>
# CASE STUDY

<table>
<thead>
<tr>
<th>Project</th>
<th>Schaluppe Hamburg (<a href="http://www.startnext.com/schaluppe">www.startnext.com/schaluppe</a>)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Hamburg, Germany</td>
</tr>
<tr>
<td>Sector</td>
<td>Culture</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>30 days</td>
</tr>
<tr>
<td>Backers</td>
<td>442</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 20,076</td>
</tr>
<tr>
<td>Project aim</td>
<td>Create an open air cultural space on Hamburg’s canals</td>
</tr>
<tr>
<td>Description of the project</td>
<td>As a port city, Hamburg is surrounded by water. It has two lakes and plenty of canals. The ‘Schaluppe’ was built to create a non-commercial cultural space on the water. It is a 15 meters long, five meters wide raft, offering space for around 100 people. The project started in 2016, with more than 50 volunteers constructing the raft. Every year now, from May to October a socio-cultural programme is offered, including theatre, circus, workshops, cinema, readings or concerts. Responsible for the project is a non-profit association, with the purpose to promote and support art, culture, cosmopolitan attitudes, tolerance and international understanding. They cooperate with a refugee association with the aim to actively integrate them into the project structure. The ‘Schaluppe’ pursues the following goals: A non-profit platform for newly arrived Hamburger; Promoting a transnational exchange of arts and culture; Support for cultural participation; To discover and provide access to Hamburg’s waterways. The crowdfunding was conducted right at the start of the project to gain enough funds for the construction of the raft. The materials, as well as the rent for the building site, electrical power, safety equipment, insurance and food and drinks for volunteers were covered. The crowdfunding campaign allowed the development of a community around the project. The NGO was founded in December 2015 by a culturally and socially committed circle of friends. The project ‘Schaluppe’ started one year later. The community around the project donated money and more importantly, time to realise the founding members’ vision of creating a mobile space for art, culture and civic engagement. The group organises regular events from May to October every year. The goal is to actively shape the place where you live, promoting art, culture and tolerance through the projects. They want to give everyone access to cultural freedom, recreation and dialogue, and to showcase alternatives in a performance and success-oriented society.</td>
</tr>
</tbody>
</table>

## Outputs & impact

## Social Impact
TECHNICAL SPECIFICATIONS

Match-funding description: A minimum number of backers and funding goal had to be achieved in order to access the matching (varied per year of contest, e.g. in 2017): the minimum number of backers depended on the funding goal of the project; minimum funding goal was € 2,000

Maximum amount of public resources per project: € 1,500

Objectives of the initiative: Foster creative projects in Hamburg

Areas of interest/applications: Creative industry/cultural sector

Strategic policy framework: No explicit strategic policy framework for crowdfunding; it is a sub-initiative within the frame of a larger programme to support cultural projects in Hamburg

Tender procedure for projects: Projects which match the criteria of Nordstarter (Hamburg and creative sector) can participate.

Maximum duration of campaigns: 30-45 days

CONCLUSIONS

SUCCESS FACTORS

- One contact person for all matters related to crowdfunding in Hamburg; insights and understanding of both sectors, the city and the creative industry, and committed to push crowdfunding in the region to build a strong network
- Sufficient budget for a dedicated position
- Incentives for projects to start a crowdfunding campaign (in this case, prize money, coaching, communication support and continuous point of contact)
Voor je Buurt is a Dutch foundation and one of the first civic crowdfunding organisations globally. Its mission is to assist initiators of local social projects with collecting funds, volunteers, expertise and materials to make their project successful. Projects range from the odd children’s playground to social innovation projects like new concepts for local healthcare and projects to counter loneliness. Voor je Buurt manages over ten national, thematic and local civic engagement platforms and one global platform (Onepercentclub) as part of its programs. All platforms allow initiators to start (donation and reward-based) crowdfunding and/or crowdsourcing campaigns.

Voor je Buurt was founded in 2012 and launched its first platform in January 2013. Thus far, our platforms hosted nearly 2,400 local initiatives in the Netherlands, Flanders (Belgium) and the developing countries, which raised about € 7 million in donations and actively engaged over 75,000 people and organisations. Voor je Buurt has a paid staff of seven qualified professionals, and has partnerships with over forty municipalities, regional governments, foundations, educational and research institutions, and companies. Voor je Buurt also runs several match-funding programs, through which foundations and local governments co-finance local projects that use one of the online platforms.
# General Overview of Platform and Partnership

**Name of platform:** Voor je Buurt  
**Beginning of operations:** 2012  
**Country of operation:** Belgium, the Netherlands

## Crowdfunding Model Adopted
- Rewards, donations

## Services Offered
- Platform management and activation
- Community management
- Coaching and training
- Matching support and programs
- Online helpdesk and support
- Software as a Service

## Outreach
- Facebook: 52,000
- Email: 3,700
- Twitter: 22,000
- Platform: 50,000

## Areas of Activities
- Local social and cultural projects
- Social entrepreneurship
- Environment
- Healthcare
- Urban development

## Number of Applicants to the Match-Funding Call for Projects
- 26

## Number of Selected Projects
- 24

## Number of Successful Projects
- 18 successful projects (6 still ongoing)
- 90% success rate

## Reasons for Setting up the Partnership
The provincial government had been running a subsidy program for small-scale green projects for a couple of years. Participation is one of the main criterions used to assess project proposals. The officials expected that crowdfunding (and crowdsourcing) would help strengthen the participation element in the projects. Also, by running a campaign, the project initiator would prove in advance that people (and organisations) were willing to participate in the project.

**Public resources committed:** € 50,000 annually

## Impact of the Initiative
- Number of people trained: 50
- Number of people reached with information about the match-funding possibility: at least 16,500
- Number of public officials trained: +/-25
- Number of municipalities involved: 12
- Number of backers in campaigns that received match-funding: 1,006
- Total amount of funding: € 50,000 from the Province of South Holland and € 70,655 from the crowd.
- Number of project implemented: 18

## Costs borne by public authorities in addition to the pledged resources:
- Training and workshops, PR and communication, administrative costs
## CASE STUDY

<table>
<thead>
<tr>
<th>Project</th>
<th>Natuurspeeltuin Voorschoten (Natural Playground Voorschoten) by Foundation Natuurspeeltuin Voorschoten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Voorschoten, the Netherlands</td>
</tr>
<tr>
<td>Sector</td>
<td>Nature, Health</td>
</tr>
<tr>
<td>Duration of the campaign</td>
<td>54 days</td>
</tr>
<tr>
<td>Backers</td>
<td>47</td>
</tr>
<tr>
<td>Funding</td>
<td>€ 6,862.02</td>
</tr>
<tr>
<td>Project link</td>
<td><a href="https://voorjebuurt.nl/nl/projects/natuurspeeltuinvoorschoten/results">https://voorjebuurt.nl/nl/projects/natuurspeeltuinvoorschoten/results</a></td>
</tr>
<tr>
<td>Project aim</td>
<td>To create a nice, sustainable and natural playground for children from Voorschoten, accessible for everyone</td>
</tr>
</tbody>
</table>

### Description of the project

After extensive preparation, the crowdfunding campaign was launched on May 29th, 2017. The initiators raised € 6,862.02 (114% of the target amount) in 54 days.

The playground has to become a safe, sustainable and natural playground where children, parents and grandparents can meet. A meeting place, where children have fun in direct contact with nature and are being introduced to local flora and fauna. A playground where children have the possibility to explore and push their boundaries. Besides that, the playground needs to be accessible for everyone, especially for children with disabilities and elderly. The playground became wheelchair accessible by creating paved and wide paths and bridges. Most of the parts that can be operated, such as the water pumps, will be at wheelchair weight.

### Outputs & impact

- Extensive collaboration between different parties. Project owners worked together with the municipality, primary schools and the local Lions Club
- A large financial investment was also needed. Project owners started by addressing their own network during the campaign
- Project owners raised 114% of the target amount. Part of the amount was funded through match-funding by the Province of South Holland, which donated, together with another local party, half of the target amount. This is an example that cooperation between local initiatives and various institutions can lead to great results.

### Barriers & bottlenecks

Eva van Delft (member of the project team): ‘Most of the donors are people you know or who are enthusiastic about the initiative, like family, friends, neighbours and colleagues. Convincing unknown people to donate is more difficult.’
**Match-funding description:** The project owner has to raise at least 50% of the target amount. The contribution by the Province is first shown on the platform once the project owner has raised 20% of the target amount.

**Minimum number of backers:** 20

**Maximum amount of public resources per project:** The Province of South Holland doubles the amount raised by crowdfunding up to a maximum of €5,000 per project if the project initiator is recognised as a Public Benefit Organisation (ANBI) and up to €2,000 per project if the initiator does not have an ANBI-status.

**Objectives of the initiative:** To strengthen active commitment of citizens to green space and biodiversity in their living environments.

**Areas of interest/applications:** Nature, green space, sustainability and biodiversity.

**Strategic policy framework:** The match-funding program was launched as part of a wider subsidy program. €50,000 is allocated annually to Voor je Buurt as a subsidy to award to the local projects.

**Tender procedure for platform:** Not applicable.

**Tender procedure for projects:** No deadline. Projects can be submitted at any time and are reviewed in the order of submission. The project qualifies for match-funding if:

- It contributes to active commitment of citizens to nature and green space in their living environment. Commitment is open to broad interpretation. It could be making use of the project, active participation in the project or visiting the space/project.
- It contributes to one or more of the following goals: the realisation of green space, accessibility of green space or biodiversity.
- It takes place in South Holland.
- The land/property owner has authorised the implementation of the project.
- It is publicly accessible, meaning at least that one can visit the project during particular opening hours or by appointment.
- Maximum duration of campaigns: 12 months (general max. duration set by Voor je Buurt).

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**CONCLUSIONS**

**SUCCESS FACTORS**

- A new and fruitful way to activate communities and support project initiators.
- A promising solution for local authorities who are looking for new ways to participate in bottom-up activities.
- Clear commitment from the side of the participating government.
- Clear goals for the match-funding program formulated.
- An enthusiastic and motivated program manager from the participating government.
- Not just match-funding, but also a training program for project initiators and government professionals.
- Clearly formulated and simple criterions.
- Bringing project initiators together increases the chance of crossovers and stronger projects.
- Make match-funding visible on the online project page early in the campaign (when 20% of the target amount is raised). Great stimulus for the project initiator, and works well to communicate to (potential) backers that the government is supporting the project.
- Macht-funding increases the chances of success (success rate for projects that received match-funding is significantly higher than for all projects regardless of match-funding).
CONCLUSIONS

The case studies presented in this report highlight how crowdfunding platforms can become a reliable partner and a valuable asset to public administrations that face a reduction in budget availability and aim at increasing communication, promoting engagement and channelling funds into initiatives that are perceived as priorities by stakeholders in their territories.

At the same time, the above-listed experiences are proof of the adaptability of crowdfunding, not only in terms of how they can respond to public authorities and citizens’ agendas, but also of how projects developed in many different sectors can obtain funding and acceptance by involving a larger crowd of supporters.

Reported experiences of partnership between a public authority and a crowdfunding platform have been implemented in Belgium, Germany, Italy, Spain, and the Netherlands. Each of the case studies has been developed in a different administrative and political context, and has successfully achieved not only economic leverage, but also unprecedented levels of participations both in terms of submitted ideas and in terms of contributors and beneficiaries of the funded initiatives. Furthermore, each public administration was able to select the form in which the partnership would be formalised, from setting up their own local platform, to offering dedicated support and consultancy services to set up a crowdfunding campaign, to allocating shares of their public resources that would be awarded to successful crowdfunding campaigns in certain areas. The flexibility of crowdfunding and its digital nature therefore allow public administrations not only to choose from different levels of commitment when implementing a crowdfunding or match-funding scheme, but also to receive concrete feedback and results of the performance of the partnership in a short time - i.e. the period in which crowdfunding campaigns are active and citizens can support them.

Case studies also highlight that citizens’ ideas, contributions and participation can be triggered in many different sectors through the implementation of match-funding schemes: environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries, and health research have all been topics in which crowdfunding has helped citizens and public authorities join forces, but the same partnership models could be replicated to include other sectors that have not been covered in this report. When looking into the European relevance of existing experiences, several aspects need to be underlined.

In the first place, three of the crowdfunding platforms in the case studies (Streekmotor, Growfunding, and Crowdfunding Sudtirol) have been set up thank to the funding received either from ERDF or ESF, meaning that the concept of including crowdfunding in the economic and social development of regions has already found its way into the broader European cohesion policy framework. Furthermore, such platforms have been providing economic and social returns to their communities, positioning themselves as multipliers and amplifiers of the initial economic investment undertaken by the Managing Authority. In addition to direct funding received for the
set up of a platform, two other experiences presented in the case studies are directly related to ESIF investment priorities and regional Operational Programmes:

- the Kick-ER service has been explicitly developed as to be in line with Axis 1-Research and Innovation of the ERDF ROP 2014-2020 of Emilia-Romagna;
- NordStarter has been implemented as a sub-initiative of a larger programme in support for creative industries in Hamburg, where “support to creativity” is listed among the regional Smart Specialisation Strategy priorities.

The paradigm-shift that crowdfunding has been able to trigger at the local and regional level promises to be come a game-changer also in the way public authorities and citizens perceive cohesion policy in their lives. Furthermore, the European Union would likely benefit from increased visibility and recognition of its efforts through the intense communication activities that crowdfunding campaigns entail.

Despite the many advantages highlighted in the case studies and in the current section, dynamics of civic crowdfunding and match-funding partnerships with public authorities are still far from unleashing their full potential. The following section is therefore dedicated to the identification of the most common obstacles that hinder the development of such innovative funding scheme, and provides some insights on how these challenges have been successfully addressed.

**OBSTACLES AND CHALLENGES**

Although the crowdfunding sector has witnessed a consolidation of its position in the alternative finance landscape, two major challenges need to be addressed in order to facilitate the implementation of match-funding schemes and other models of partnership between public administrations and platforms. The first obstacle is represented by the lack of knowledge suffered by crowdfunding platforms and public officials about potential synergies and reciprocal functioning mechanisms. Public budget lines and funding programmes are often targeting the same areas that are covered by crowdfunding platforms, with the only difference lying in the procedures required to access funding. Public authorities usually award grants through open tenders, which usually foresee heavy administrative procedures for beneficiaries until the project is implemented, while crowdfunding platforms allow organisations to collect funding in a shorter time and with less administrative burden, but don’t necessarily follow up with the project after the campaign is over. Opening a dialogue between two set of players that share so little ground might be challenging and requires a certain commitment from both sides, but the case studies presented in the previous section demonstrate how these seemingly opposite organisations can produce a significant impact in their communities when they join forces for local development.

The second obstacle lies in the insufficient information about crowdfunding that reaches broader citizenship
and organisations. It is quite easy for individuals and organisations to obtain preliminary information about what crowdfunding is and how it generally works, but it becomes more challenging when they try to understand how they could set up their own crowdfunding campaign or which platform might be the best choice to host their project idea. The volume of information that need to be researched might appear overwhelming to individuals and organisations, and the effort encompassed in gathering and comparing information might discourage them from launching their crowdfunding campaign for fear of not being sufficiently prepared.

A third and final obstacle is the little flexibility that public administrations enjoy when moving from the pilot phase to the integration of innovative schemes into their mainstream practices, especially in the funding domain. Public administrations face stringent limitations to the way public budget is managed, allocated, and reported, and even more so when innovative ways of combining own and private resources must phase-out of the pilot action and move towards a full integration into public budgets.

All three obstacles can be - directly or indirectly - linked to the little familiarity perceived by all actors involved in the partnership. In the first place, citizens are becoming increasingly interested in the dynamics of crowdfunding as a means to contribute and receive funding for a local project, but have generally only a basic understanding of the industry, and find it difficult to receive unbiased and reliable in-depth information. In the second place, public officials are being increasingly exposed to the concept of “doing more with less” through the use of blending schemes and financial instruments, but struggle to identifying the one crowdfunding platform that could best fit their needs and expectations. Lastly, although crowdfunding platforms are the in perfect position to educate both citizens and public officials on the functioning mechanisms of this funding scheme, most of them lack the proper knowledge about how procedures for public budget allocation and reporting, and therefore struggle to identify the right interlocutor in the public administration.

Actors involved in the pioneering ventures described in the case studies have been confronted with the above-mentioned obstacles at different stages of their programme, and have come to implement similar solutions in order to address them.

In order to address the lack of knowledge about crowdfunding among public officials, platforms featured in the case studies have provided specific training to employees of public administrations and/or innovations agencies in charge of designing the match-funding or crowdfunding programme. The training has covered both basic elements about crowdfunding and key criteria that should generally be taken into account when issuing an open call for submission of project ideas - i.e. what stage of the crowdfunding campaign is better suited to provide matching funds, what minimum number of backers ensures that funds are allocated to projects that are truly accepted by most social groups, which maximum amount should be allocated to each project, etc.

When tackling the issue of lack of confidence and in-depth information about crowdfunding among citizens, crowdfunding platforms and public administrations have organised free workshops and dissemination events,
where citizens could learn more about crowdfunding both from platforms’ trainers and from individuals and organisations who had successfully obtained funding through a crowdfunding round. In addition to more “generic” events, crowdfunding platforms have delivered training and support services for those individuals and organisations that then decided to develop their own campaign within the scope of the programme.

Finally, in order to build a transparent programme that would comply with all administrative and reporting procedures, crowdfunding platforms have engaged in a close dialogue with a committed public authority, as to jointly develop protocols and agreements that could allow the implementation of a match-funding or crowdfunding scheme. Experts from both sides have therefore been able to design a specific funding scheme, that would thematically fall within the scope of regional or local priorities and be technically viable and admissible.

**POLICY RECOMMENDATION**

Taking into consideration figures, findings, impact, obstacles and solutions analysed in this report, the CF4ESIF Working Group recommends that further action is carried forward in the following policy areas:

1. **Explore synergies with ESIF thematic priorities and resources** aimed at funding initiatives that might be suitable for a crowdfunding campaign, as to enhance the overall outreach and increase financial availability. This process would not only entail all the above-mentioned benefits deriving from a crowdfunding campaign developed in partnership with a public authority, but would also enlarge the number of projects that could receive funding without increasing the amount allocated from public budget. In addition to this, such partnership would grant increased visibility to the EU and cohesion policy, and would allow Managing Authorities to be more responsive and better equipped when investing in territorial and citizens needs.

2. **Mainstream trainings on crowdfunding education**, by implementing trainings, workshops and dissemination events that can be delivered to different societal groups and economic actors. Increased knowledge about crowdfunding is especially needed as to unlock the full potential of the funding scheme, since the main strength of this partnership relies on the concept that it can be a tool that is effectively accessible to any citizen, organisation, or enterprise.

3. **Expand the scope of public partnerships with crowdfunding**, designing secure, transparent ways in which to scale up the match-funding mechanism as to also include lending and equity crowdfunding. The introduction of financial models of crowdfunding in the partnership might prove more challenging for public authorities, as any investment carries a certain level of risk. However, innovative funding schemes that might blend public grants with financial crowdfunding models might allow not only social and societal returns for citizens, but also financial returns and a renewed economic dynamic in the territory.

4. **Identify areas in which a pilot programme can be carried out in partnership with a crowdfunding**
platform. Subnational governments and civic crowdfunding platforms should work together in specific areas, as to implement innovative matching schemes that can reach a higher investment impact. Priority areas as those identified in regional Smart Specialisation Strategies might be a solid starting point for the design of the matching scheme, since the listed sectors have already been identified as key in the economic territorial development and provide a long-term framework in which pilots can be tested.