



# **CROWDFUNDING – POSSIBILITIES FOR INNOVATION PROJECTS**

**Split Dalmatia County's action plan  
sharing solutions for better  
regional policies**

# **TABLE OF CONTENTS**

## **PART I – INTRODUCTION AND GENERAL INFORMATION**

### **PART II – POLICY CONTEXT**

**Geographical context**

**Policy context**

**Players involved**

## **PART III – TOOL DEVELOPED TO TACKLE THE OBJECTIVES WITHIN ACTION PLAN**

### **ACTION 1: DEVELOPMENT OF THE OFFSHORE MARICULTURE**

**Challenges**

**Objectives**

**Eligible projects**

**Public support**

**Players involved**

**Timeframe**

### **ACTION 2: SUPPORT FOR NAUTICAL TOURISM DEVELOPMENT**

**Challenges**

**Objectives**

**Eligible projects**

**Public support**

**Players involved**

**Timeframe**

### **ACTION 3: GRENN SHIPS**

**Challenges**

**Objectives**

**Eligible projects**

**Public support**

**Players involved**

**Timeframe**

## PART I – INTRODUCTION AND GENERAL INFORMATION

Project title:

„CLIPPER- Creating a leadership for maritime industries – New opportunities in Europe“

Partner organisation:

Public Institution RERA S.D. for coordination and development of Split Dalmatia County

Other partner organisations involved:

- Faculty of electrical engineering, mechanical engineering and naval architecture
- Split Dalmatia County (regional self-government unit)

Country: **Croatia**/ NUTS2 region: Jadranska Hrvatska HR03

Contact person: **Gorana Banicevic** / email address: [gorana.banicevic@rera.hr](mailto:gorana.banicevic@rera.hr) / Phone number: +385 99 268 0684; +385 21 599 998

CLIPPER's project activities are stream at developing and providing new models of stakeholder support within the maritime industry to address the blue growth challenges more effectively. The global recession in the economy has not spared the maritime sector, which has also been further pushed to compete with emerging markets. Regions play a key role in maintaining the competitiveness of SMEs in their traditional activities (especially shipyards), but also in their efforts to enter the increasingly attractive market of Marine Renewable Energies (MRE).

The CLIPPER project bases its activities on the coverage of the concept of the 'maritime industry' as presented in the LeaderShip 2020 report 'More, new opportunities for the future'.

The overall objective of the CLIPPER project is to improve public policies and their support for SMEs active in the maritime industry. Emphasis is on encouraging the development of business strategies aimed at diversifying and differentiating goods and services, both on the SMEs side and on the types of support offered within existing public policies.

The exchange of experience between the partner regions participating in the CLIPPER project enabled the exploration and implementation of new ways of working with SMEs to support and encourage them to upgrade the quality of their products and services, in particular to strengthen their potential entry into new markets such as is the aforementioned Marine Renewable Energies (MRE) sector.

The goal of each CLIPPER project partner is to:

1. Develop a relevant stand-alone action plan for the area, in accordance with an analysis of the relevant national / regional and European context (the so-called Territorial Diagnosis). In the case of the Public Institution RERA S.D. the respective area is the territory of regional self-government unit Split-Dalmatia County.
2. Continuity in the exchange of experience with stakeholders in the maritime industry, which will enable the identification of challenges facing SMEs in the sector and ensure consistency between their needs and the tools developed at the level of available public policies.

Duration of the project.

The project is divided into two phases.

Phase 1 (30 months and 01/01/2017-30/06/2019) & Phase 2 (24 months or 01/07/2019 - 30/06/2021)

The project partners at CLIPPER are:

1. Pays de la Loire Region, France (Lead Partner)
2. 2nd Conference of the Peripheral and Maritime Regions (CPMR), France
3. Asturias Energy Foundation (FAEN), Spain
4. Fife Council, UK
5. Ligurian Cluster for Marine Technologies, Italy
6. Machine Technology Center Turku Ltd, Finland
7. Kiel University R&D Center of Applied Sciences GmbH, Germany
8. Public Institution RERA S.D: for the coordination and development of the Split-Dalmatia County, Croatia

## PART II – POLICY CONTEXT

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- X** Other regional development policy instrument

Name of the policy instrument addressed:

**Regional Development Strategy of Split Dalmatia County**

### Geographical context

Split-Dalmatia County is the largest Croatian county with a total area of 14106.40 km<sup>2</sup>. Of this total area, a surface area of 4523.64 km<sup>2</sup> (8% of the Republic of Croatia) is covered by land, and the sea covers a surface area of 9576.40 km<sup>2</sup> (30.8% of the sea surface of the Republic of Croatia). Most of the land area consists of the hinterland (59.88%), while the islands make up a lower proportion of the land surface area (19%). Geographically it is located in the central part of the Adriatic coast.

Split-Dalmatia county borders on the north with the Republic of Bosnia and Herzegovina, on the east with Dubrovnik-Neretva county, and it extends south to the border of Croatian territorial waters.

The county is divided into three geographical subunits: hinterland, coastal area and islands.

### Policy context

The manufacturing industry of Split-Dalmatia County consists of 380 enterprises, and 370 of them are SMEs (97%). According to NKD-2007 classification, shipbuilding industry is classified as "C30 - Manufacture of other transport equipment". The data used in the analysis are from the Croatian Chamber of Economy (HGK) for the year 2016.

According to the same data source, the maritime industry of Split-Dalmatia County consists of 2 large shipyards (in Split and Trogir) and 30 SMEs oriented on shipbuilding industry.

SMEs with C30 as NKD-2007 class represent SMEs in the shipbuilding industry, and SMEs with C3311, C3312 and C3315 as NKD-2007 class represent SME-oriented services of repair and maintenance.

Together, there are 50 of them and they represent 13.5% of manufacturing SMEs of the County.

However, there are more 141 SMEs that are supplying or could supply marine industries with their products (raw materials, parts, equipment, and machines).

Altogether, SME-oriented to shipbuilding industry and their suppliers represent 51.6% of total SMEs, or 50.3% of total enterprises, in the manufacturing industry of Split-Dalmatia County. The rest of the industry in Split-Dalmatia County belongs to the non-metallic mineral industry (cement, ceramics, and the like), and other smaller industries.

It can be concluded that the SDI marine industry represents a great potential that could be better utilized through action plans directed towards specific areas of application.

## Players involved

### **Faculty of electrical engineering, mechanical engineering and naval architecture**

The basic activities of the Faculty of Electrical Engineering, Mechanical Engineering and Naval Architecture (acronym: FESB) in Split involve teaching, research, development, professional work and innovation in the areas of technical sciences, including Electrical Engineering, Electronics, Mechanical Engineering, Naval Architecture, Computer Science, Industrial Engineering and Natural Sciences. With approximately 2500 students and more than 230 employees, FESB has grown into recognized and highly respectable educational and research institution dealing with the advanced technologies and, consequently, contributing to the development of the economy and society.

<https://www.fesb.unist.hr/>

The role of FESB within this Action Plan is to participate with its representatives (1 or 2 member/s) within the Evaluation Committee while evaluation projects undergoing the selection procedure for funding within crowdfunding scheme – “*Crowdfunding – possibilities for innovation projects*”.

### **Public Institution RERA S.D. for Coordination and Development of Split Dalmatia County**

RERA Public Institution S.D. for Coordination and Development of Split-Dalmatia County (acronym: RERA S.D.) has been established by Split Dalmatia County (regional self-government unit in Croatia).

In accordance with the Regional Development Act (OG 147/14, 123/17 and 118/18), RERA S.D. is established as a public institution for the purpose of performing activities of public interest with the aim of efficient coordination and encouragement of regional development for the area of Split-Dalmatia County.

RERA S.D. performs the following tasks of public authority:

- draws up the county's development strategy and other strategic and development documents for the county
- checks compliance of strategic development planning documents of the county with the hierarchical senior/state strategic planning documents and makes decisions confirming compliance
- provides expert assistance in the preparation and implementation of support programs for public bodies and public institutions in the region of Split-Dalmatia County, in the preparation and implementation of development projects of interest for the county development, and in particular projects co-financed by structural and investment EU funds
- provides expert assistance in the preparation and implementation of development projects for other administrative units (public bodies and public institutions in the area of Split Dalmatia County)
- implements programs of the ministry/ies and other central state administration bodies related to more balanced regional development

[www.rera.hr](http://www.rera.hr)

The role of RERA S.D. within this Action Plan is to participate with its representatives (1 or 2 member/s) within the Evaluation Committee while evaluation projects undergoing the selection procedure for funding within crowdfunding scheme – “*Crowdfunding – possibilities for innovation projects*”.

### **Split Dalmatia County (regional self-government unit)**

The Split-Dalmatia County (acronym: SDZ) is an administrative-territorial unit in central Dalmatia with headquarters in Split. It is the largest county in Croatia, with a total area of 14,045 km<sup>2</sup>.

The role of SDZ within this Action Plan is to integrate the crowdfunding scheme within the existing program for innovation, research and development and to enable the funding for the forthcoming financial year(2020) (*more details in the following chapters*).

Further, the role of SDZ is to participate with its representatives (1 or 2 member/s) within the Evaluation Committee while evaluation projects undergoing the selection procedure for funding within crowdfunding scheme – “*Crowdfunding - possibilities for innovation projects*”.

[www.dalmacija.hr](http://www.dalmacija.hr)

## PART III – TOOL DEVELOPED TO TACKLE THE OBJECTIVES WITHIN ACTION PLAN

### Proposed type of tool

Crowdfunding support program for SMEs in the maritime industry sector. Support for crowdfunding in the total amount of 60.000,00 HRK (approx. 8.000,00 €) (e.g. the county finances up to 30% or up to a maximum of 20,000kn (equivalent 2.600,00 € per project).

The crowdfunding scheme will be integrated within the County's existing program for innovation, research and development while enabling the funding for the forthcoming financial year (2020).

### Background and lessons learnt

Split Dalmatia County's action plan is a document providing details on how lessons learnt from the cooperation with other project partners and partner regions will be exploited in order to improve the policy instrument - being here Regional Development Strategy of Split Dalmatia County. The action plan development for Split Dalmatia County has been inspired by the lessons learned from the project partner FIFE Council Scotland during the exchange of experience process in CLIPPER webinars and working groups.

Although, the Scottish lending and crowd market and activities cannot be compared and/or applied to Croatian market due to the differences in legal framework and market size, some aspects and experiences have been embraced while developing Split Dalmatia County Action Plan.

Based on this interregional cooperation, the following to-dos for Croatian/Split Dalmatia County action plan have been set up in order to foster the development of lending and crowd model:

1. Facilitate the implementation of equity crowdfunding (e-Citizens system, simple joint stock company j.d.d.)
2. Fostering the incentives to allow the administrative units (local and local self-governments) to borrow from citizens (law on state budget and finances)
3. Provide tax benefits for crowdfunding
4. Link the crowdfunding and government grants, loans and guarantees
5. Organize trainings for projects holders as well as for the investors

The main objective of the action plan is to focus on the activities and projects of the maritime industry in the following areas of application:

- Support the development of nautical tourism - through the development, design and construction of ships for the needs of tourism and nautical equipment for ports, marinas and anchors;
- Development of offshore mariculture - through the development, design and construction of cages and equipment for offshore mariculture, and accompanying vessels and vessels;
- Green ships - development, design and construction of ships on green technologies (electric and hybrid propulsion).

(...)

The tool to foster the aforementioned objectives is the **crowdfunding scheme** – pilot program “*Crowdfunding – possibilities for innovation projects*” where private and public funds are set together to finance new entrepreneurial possibilities which are in line with the regional development goals (e.g. Regional Development Strategy or any other valid strategic document in particular field).

## **Timeframe**

Pilot call for proposals for crowdfunding, will be launched by Public Institution RERA S.D. for Coordination and Development of Split Dalmatia County/Split Dalmatia County (regional-self government) in year 2020 and possible follow-up to 2030 (after piloting of call for proposals is completed).

## **Costs**

It is envisaged that the launching of call for proposals "**Crowdfunding – possibilities for innovation projects**" will be financially supported by the regional self-government budget for year 2020 in total amount of 60.000,00 HRK (approx. 8.000,00 EUR), which will be divided in separated funds of max. 20.000,00 HRK per project (approx. 2.600,00 | per project).

## **Funding sources**

Regional self-government budget (Split Dalmatia County) for year 2020. RERA S.D. for Coordination and Development of Split Dalmatia County has got the approval from the County to prepare the official document containing the protocol/procedure how to implement crowdfunding scheme meaning how to launch the call for proposals "Crowdfunding – possibilities for innovation projects" in year 2020.

The public support programme for crowdfunding scheme will be incorporated as Measure 4. Within the existing grant public support program named "*Program Istraživanje, razvoj i inovacije – IRI Program*" (eng. "Program Research, Development and Innovation").

## LIST OF ACTIONS INCLUDED IN THE ACTION PLAN

### ACTION 1. Development of the offshore mariculture

#### Challenges

While aquaculture provided only 7 percent of fish for human consumption in 1974, that share rose to 26 percent in 1994 and 39 percent in 2004. On a global scale, at least every other fish we eat today comes from growing. Seafood already represents 16.6% of all animal proteins, and this percentage is increasing (FAO, 2012). World consumption of fish per capita reached a new record level of 20 kg in 2014, thanks primarily to the growth of the growing industry. It is expected to rotate in seafood diet as a source of protein of animal origin.

The challenge is to move mariculture from coastal areas (inshore), where it is in conflict with tourism and similar human activities, offshore. Offshore challenges are the fight with high waves and the need for larger vessels to supply food. On the other hand, the construction of such vessels and breeding cages are ideal projects for small shipbuilding.

#### Objectives

Development of offshore mariculture through the development, design and construction of cages and equipment for offshore mariculture, and accompanying vessels and vessels.

#### Eligible projects

- Research projects with a conceptual solution as a product
- Prototype development projects as a product
- Procurement of equipment (*to be discussed and/or further developed*)
- Making business plans or project applications (*to be discussed and/or further developed*)
- Starting a business (*to be discussed and/or further developed*)

#### Public support

- Crowdfunding scheme "Crowdfunding – possibilities for innovation projects" within grant public support program named "Program Istraživanje, razvoj i inovacije – IRI Program" (eng. "Program Research, Development and Innovation")

#### Players involved

- Faculty of electrical engineering, mechanical engineering and naval architecture
- Public Institution RERA S.D. for Coordination and Development of Split Dalmatia County
- Split Dalmatia County

#### Timeframe

- 2020-2030



## **ACTION 2. Support for nautical tourism development**

### **Challenges**

From territorial analysis: The development needs in the future period related to maritime infrastructure are:

- To foster the modernization of port infrastructures (port and rail infrastructure, water supply, sewerage, energy and telephone networks, and navigation facilities in ports etc.) and superstructures (warehouses, silos, tanks, cranes etc.) and intermodal Traffic in North Port Split;
- To build or reconstruct the ferry port on main project directions;
- Increase capacity of nautical ports;
- Develop an integral study of the acceptance of nautical tourism boats in nautical ports, berths and temporary (summer) berths and anchors.

(...)

### **Objectives**

Support to the development of nautical tourism through the development, design and construction of ships for the needs of tourism and nautical equipment for ports, marinas and anchors.

### **Eligible projects**

- Research projects with a conceptual solution as a product
- Prototype development projects as a product
- Procurement of equipment (*to be discussed and/or further developed*)
- Making business plans or project applications (*to be discussed and/or further developed*)
- Starting a business (*to be discussed and/or further developed*)

### **Public support**

- Crowdfunding scheme "Crowdfunding – possibilities for innovation projects" within grant public support program named "Program Istraživanje, razvoj i inovacije – IRI Program" (eng. "Program Research, Development and Innovation")

### **Players involved**

- Faculty of electrical engineering, mechanical engineering and naval architecture
- Public Institution RERA S.D. for Coordination and Development of Split Dalmatia County
- Split Dalmatia County

### **Timeframe**

- 2020-2030

## ACTION 3. Green ships

### Challenges

National parks and nature parks have the need for boats that do not pollute the environment. Alternatives to classic diesel-powered vessels are hybrid and electric powered boats. In addition, it is also possible to use solar panels on board vessels to charge the battery while driving.

### Objectives

Green vessels develop, design and build ships on green technologies (electric and hybrid propulsion).

### Eligible projects

- Research projects with a conceptual solution as a product
- Prototype development projects as a product
- Procurement of equipment (*to be discussed and/or further developed*)
- Making business plans or project applications (*to be discussed and/or further developed*)
- Starting a business (*to be discussed and/or further developed*)

### Public support

- Crowdfunding scheme "Crowdfunding – possibilities for innovation projects" within grant public support program named "Program Istraživanje, razvoj i inovacije – IRI Program" (eng. "Program Research, Development and Innovation")

### Players involved

- Faculty of electrical engineering, mechanical engineering and naval architecture
- Public Institution RERA S.D. for Coordination and Development of Split Dalmatia County
- Split Dalmatia County

### Timeframe

- 2020-2030

Date: 14th of October, 2019

Signature: Jozo Sarač, v.d. ravnatelj / Acting Director

Stamp of the organisation (if available): \_\_\_\_\_

