

# CROWDFUNDMATCH - Unlocking the Crowdfunding Potential for the European Structural and Investment

## NEWSLETTER #1

Welcome to the first edition of the Crowdfundmatch newsletter!

### ABOUT THE PROJECT

The project's overall objective is to improve regional development policy instruments by mainstreaming the combination of private resources collected through digital crowdfunding campaigns with ESIF funds.

### **SPECIFIC OBJECTIVES**

- Policy learning and exchange of experiences for successful matching of crowdfunding and ESIF funds.
- Raising knowledge about crowdfunding and fund-matching through the exchange of existing good practices and through the implementation of pilot projects, creating good new practices.
- Improving digital literacy of public and private institutions and people related to utilising crowdfunding for business and regional development.

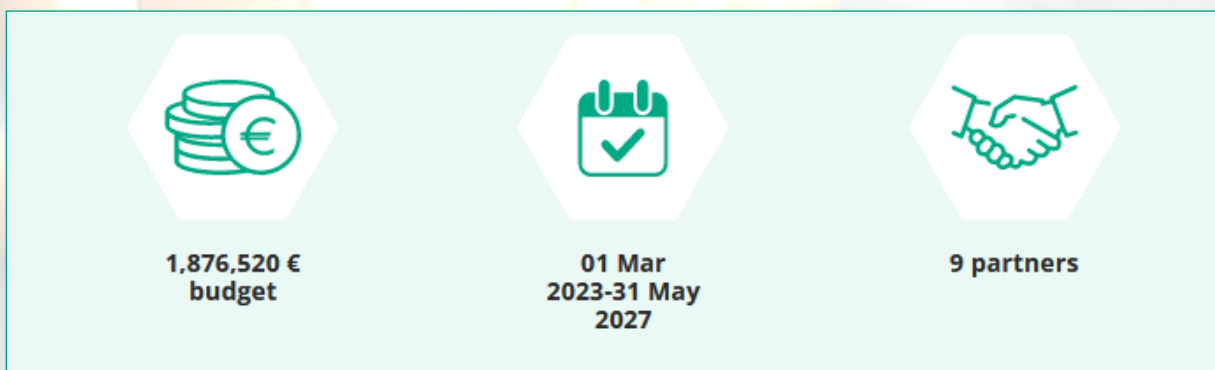
### **KEY PROJECT ACTIVITIES**

- **PARTNERS' REGIONAL STAKEHOLDER TEAMS SET-UP** - with the goal to identify, test and assess the regional potentials of fund-matching.
- **CROWDFUNDING MARKET READINESS ANALYSIS**-information about region's market readiness for combination of crowdfunding and ESIF funds.
- **PILOT TESTING of FUND MATCHING** examples in five more advanced partner regions.
- **PEER-to-PEER** mentoring in the field of fund-matching of less advanced partner regions.
- **DEVELOPMENT of COMMON FUND-MATCHING SCHEME METHODOLOGY**-project will develop a common methodology, which will be tested through five pilot

projects and through transnational peer to peer mentoring between partner regions.

- **IMPROVEMENT of POLICY INSTRUMENTS** focusing on matching crowdfunding with ESIF funds.
- **TRANSNATIONAL POLICY EXPERIENCE SHARING** -Information, knowledge, and experience will be shared on seven transnational and final project events, among project partners and relevant regional stakeholders, working in the field of crowdfunding and management of policy instruments.

## PROJECT NUMBERS



## PROJECT PARTNERS INVOLVED

- ▶ LEAD PARTNER: Marche Region, ITALY
- ▶ Public Investment Development Agency, JSC, LITHUANIA
- ▶ Directorate General for Enterprise - Regional Ministry for Economy, Science and Digital Agenda - Reg. Government of Extremadura, SPAIN
- ▶ North-West Regional Development Agency, ROMANIA
- ▶ Region of Central Macedonia, GREECE
- ▶ West Pomeranian Region, POLAND
- ▶ Province of Antwerp, BELGIUM
- ▶ Regional Development Agency Utrecht region, NETHERLANDS
- ▶ E-institute, institute for comprehensive development solutions, SLOVENIA.

## **REPORT ON CROWDFUNDING MARKETS IN PARTNER REGIONS**

The project's first main task was to exchange knowledge about market readiness for combining crowdfunding and ESIF funds among partner regions. According to the readiness level, partner countries can be grouped into three groups: advanced countries that are well-positioned to accelerate their use of crowdfunding, moderately ready countries, and limited countries, where opportunities to undertake this combination have some limitations in the short term. The diverse economic and financial indicators and existing framework can influence the market readiness of partner regions to combine crowdfunding and ESIF, for example, the level of digitalisation, regulations and awareness among stakeholders.

To exchange the knowledge, project partners prepared a joint "REPORT ON CROWDFUNDING MARKETS IN PARTNER REGIONS". In the first part of the Joint Report, following data was investigated: economic indicators (GDP per capita, financial literacy of citizens, digital financial services used by citizens) and crowdfunding data, which can contribute to the assessment of the fund-matching readiness of countries. An overview consists of all project partner countries and compares the countries. In the second part of joint report, crowdfunding markets by countries are presented. Presentation for each country includes: overview of operating crowdfunding platforms, overview of the national regulatory framework, "PEST" analysis about crowdfunding development.

Knowledge and experience about crowdfunding markets were shared in Utrecht, Netherlands, on our first transnational workshop, on 4<sup>th</sup> of October 2023.



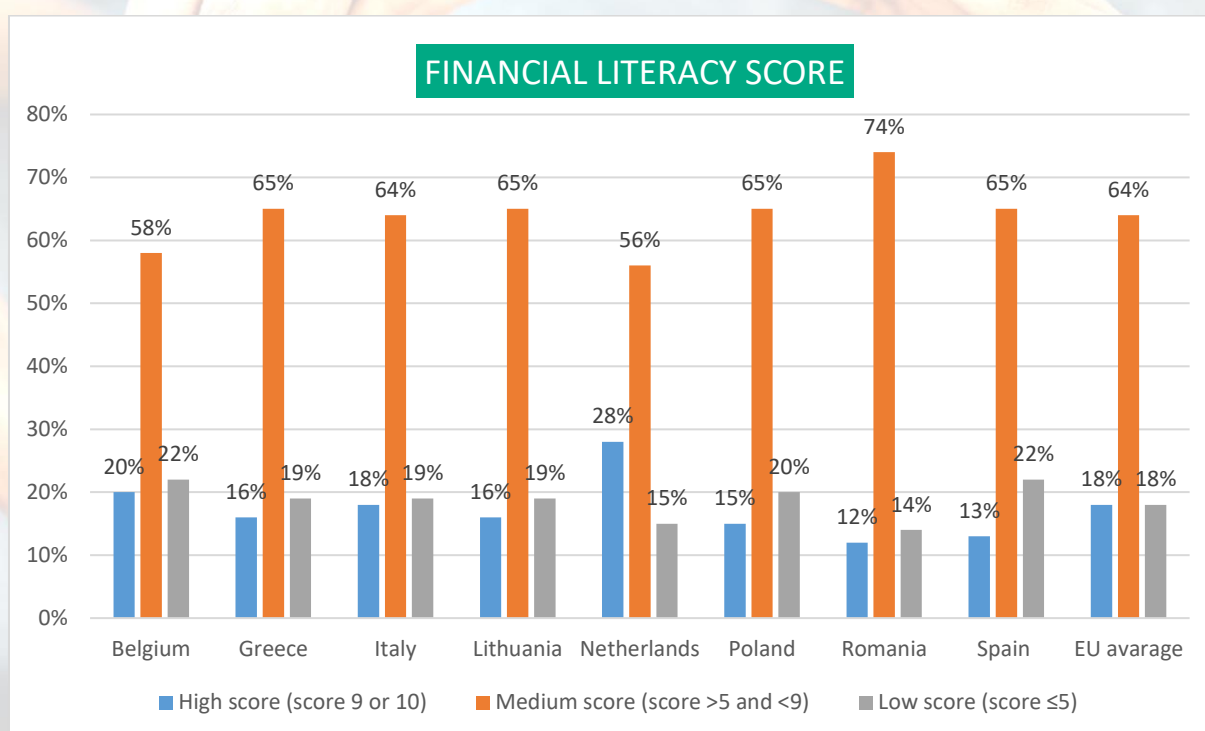
In this E-news, we present a few data about our project partner countries, which can influence on regions' ability to combine crowdfunding funds and ESIF funds:

- Financial literacy score: looks at two aspects<sup>1</sup>:

(1) Financial knowledge score (ranging from 0 to 5): it is computed as the number of correct responses of citizens to the five financial questions

(2) Financial behaviour score (ranging from 0 to 3): it is computed as a count of the number of "financially savvy" behaviours relating to choosing products, keeping track of expenses, and striving to achieve financial goals.

Financial knowledge and financial behaviour receive equal weight in the overall financial literacy score. To achieve this equal weighting, the financial behaviour score was rescaled to have a maximum value of 5. The overall financial literacy score is obtained as the sum of the two (rescaled) scores and ranges from 0 to 10.



Calculation of data shows the highest percentage of High Score -good financial literacy, were recorded among Dutch citizens (28%), followed by Belgium (20%) and Italian (18%) citizens.

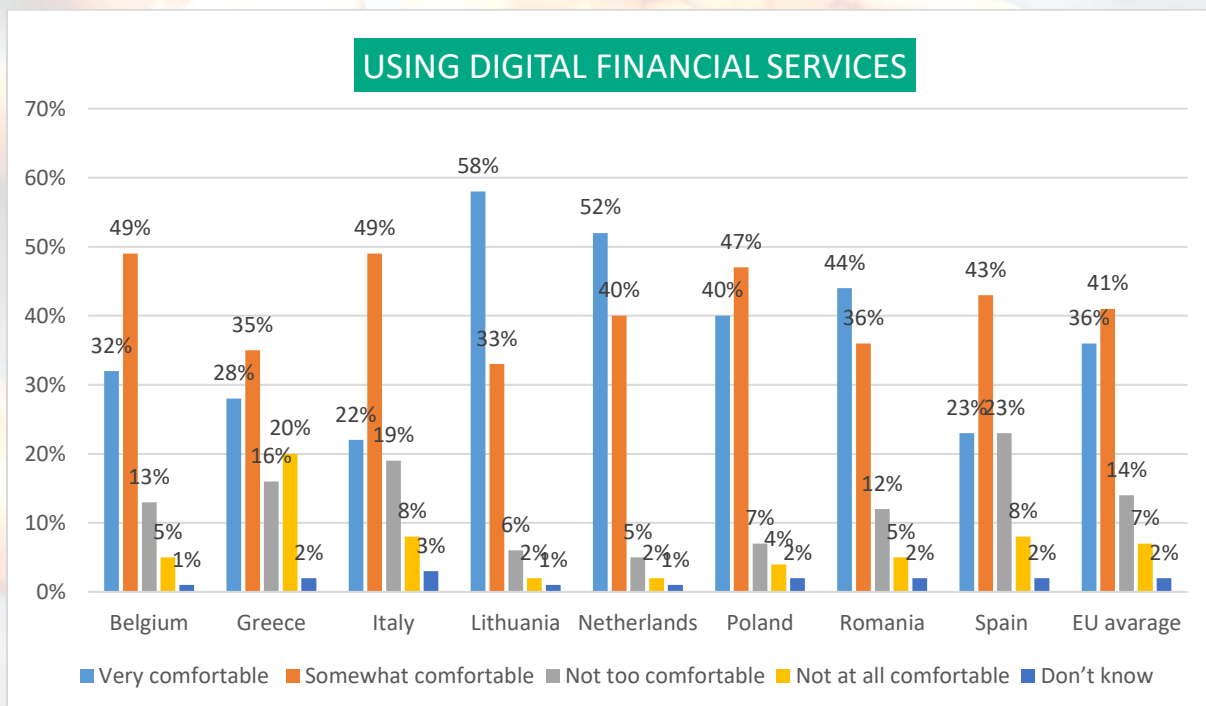
<sup>1</sup> Source: »Flash Eurobarometer 525. Monitoring the level of financial literacy in the EU". Survey requested by the European Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union and coordinated by the Directorate-General for Communication. 2023.

Available at: <https://europa.eu/eurobarometer/surveys/detail/2953>

- Citizens using digital financial services: citizens were asked “How comfortable are you with using digital financial services, such as online banking or mobile payments?”<sup>2</sup>

The figure on the next page, of the project partners’ data shows, that the highest percentage of citizens feeling » very comfortable « using digital financial services come from Lithuania (58%), followed by Dutch citizens (52%) and Romanian citizens (44%). Conversely, the highest percentage of citizens who are “Not at all comfortable” using digital financial services come from Greece (20%).

Since crowdfunding belongs to a group of digital alternative financial tools, citizens’ habits of using digital financial services are relevant and influence the readiness to use crowdfunding as an alternative investment possibility.

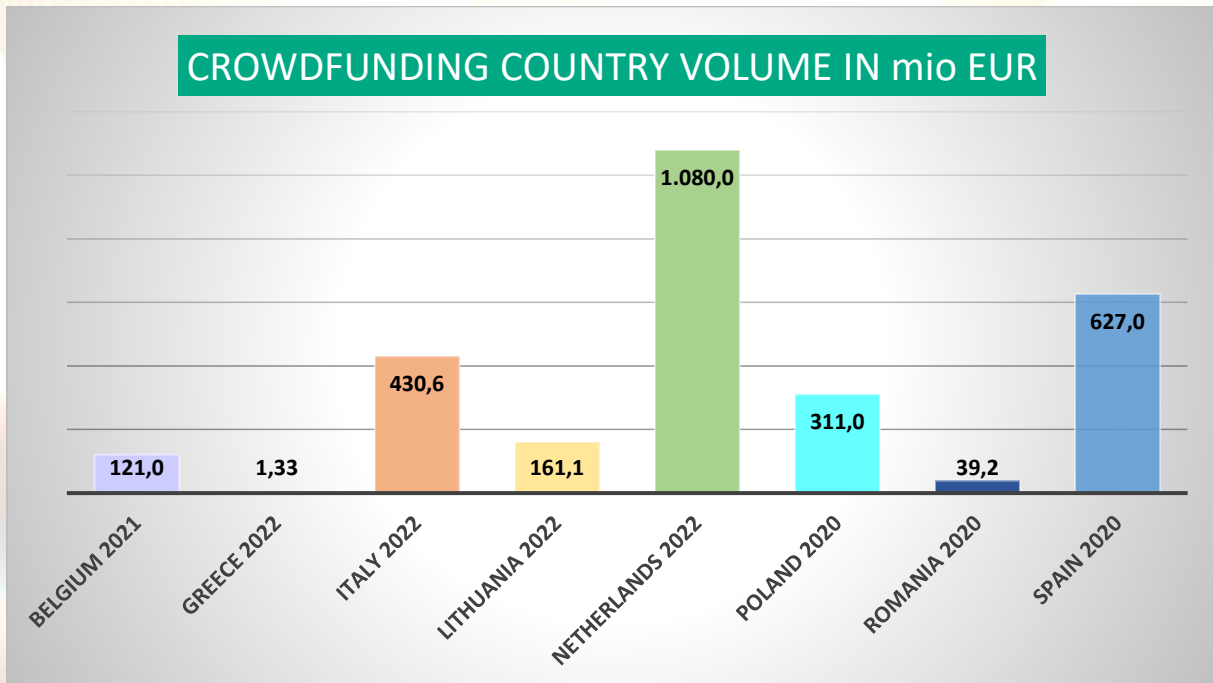


- Crowdfunding country volume <sup>3</sup>

We tried to assess the yearly country volume of raised crowdfunding funds for partner countries. In most countries, the identification of correct assessment is challenging. Investigation of available data sources showed that information could be quite different, and sometimes, it is not presented which crowdfunding models were included in the calculation of the yearly volume. The additional challenge is that some partner countries' last available volume assessments date back to 2020.

<sup>2</sup> Ibid.

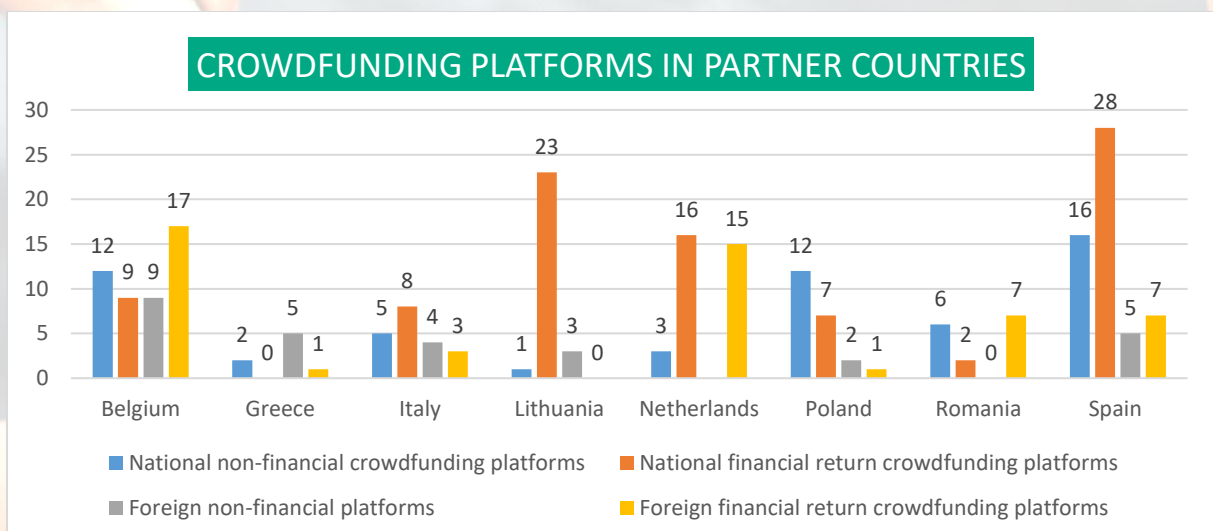
<sup>3</sup> For resources please check: REPORT ON CROWDFUNDING MARKETS IN PARTNER REGIONS. Available here: [HERE](#)



From the data available, we can conclude that the Netherlands, Spain, and Italy have the highest volume of funds collected yearly.

- Overview of the number and types of crowdfunding platforms<sup>4</sup>

Even though the crowdfunding market is very vibrant and the information about the operating crowdfunding platforms is changing regularly, we analysed the existing crowdfunding platforms in partner countries. The number of working platforms is an essential signal about the level of crowdfunding market development.



<sup>4</sup>ibid

We split crowdfunding platforms into four categories: national non-financial platforms, national financial return platforms, foreign non-financial platforms, and foreign financial return platforms.

Comparison among partner countries shows that in Spain, we have the highest number of national non-financial crowdfunding platforms (16) and national financial return crowdfunding platforms (28). However, Spain ranks third in the volume of funds collected per capita. On the other hand, Belgium, as the smallest country, has the highest number of foreign non-financial and financial return platforms.

More detailed information and the whole Report is available on our website [HERE](#).

### **FORTCOMING ACTIVITIES**

- **NEXT PROJECT GROUP MEETING AND 2ND TRANSNATIONAL WORKSHOP  
CÁCERES, SPAIN**



On 20th and 21st of March 2024, project partners and stakeholders will meet in Spain, where we will discuss planning of the project partner pilot projects and share knowledge and experience related to fund-matching good practices.

- **IDENTIFICATION OF FUND-MATCHING GOOD PRACTICES**



The second important project task is to identify, collect and exchange FUND-MATCHING good practices, where managing authorities can play different roles in integrating the crowdfunding and ESIF/public funds.

## WELCOME TO JOIN US



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