



GUIDEBOOK OF EXISTING FUND-MATCHING GOOD PRACTICES & ANALYSIS OF KEY FUND-MATCHING BARRIES





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INTRODUCTION AND SCOPE OF THE TASK

The objective of the second semester is to identify, collect and exchange FUND-MATCHING good practices from partner countries, where managing authorities can play different roles in integrating crowdfunding and ESIF/public funds.

Managing authorities play different roles in the crowdfunding process based on the type and nature of support provided (e.g. non-financial or financial, within or outside the crowdfunding process) and the recipient (e.g. investors or project owners). The roles involve different integration levels between platform operators and Managing authority and thus varying degrees of legal complexity and applicability of EU Common Provision Regulation rules.

Overview of possible MA roles¹

Level of Interaction	Role of the MA	Model of integration under the Cohesion Policy
Facilitator	Providing non-financial support	Model 1: MA providing non-financial support to project owners and investors
	Providing financial support to platforms	Model 2: MA providing grants to platforms Model 3: MA providing financial instruments to platforms
Supporter	Providing financial support to investors	Model 4: MA providing grants to investors Model 5: MA providing guarantees to investors
	Providing financial support to project owners	Model 6: MA providing grants to project owners outside a crowdfunding campaign Model 7: MA providing financial instruments to project owners outside a crowdfunding campaign
Participant	Operating a platform	Model 8: MA establishing and operating its own platform
	Acting as supporter/ investor in a crowdfunding campaign	Model 9: MA acting as a supporter in a donation- or reward-based crowdfunding campaign Model 10: MA acting as an investor in a lending- or investment- based crowdfunding campaign
	Acting as a project owner	Model 11: MA acting as a project owner

Project partners who cannot identify fund-matching good practices in their country will identify and present current barriers to a combination of crowdfunding and ESIF.

¹ Unlocking the crowdfunding potential for the European Structural and Investment Funds. European Commission DG REGIO – 2021. Written by Ana Odorovic, Apolline Mertz, Brian Kessler, Karim Karaki, Karsten Wenzlaff, Lucas Novelle Araújo and Ronald Kleverlaan. June -2021
Available: <https://op.europa.eu/en/publication-detail/-/publication/f4a65c19-decc-11eb-895a-01aa75ed71a1>



“A *GUIDEBOOK OF EXISTING FUND-MATCHING GOOD PRACTICES & ANALYSIS OF KEY FUND-MATCHING BARRIERS*” will be prepared. It will include the best examples of possible roles of managing authorities and different options of fund-matching schemes to integrate both types of funds. Also, an analysis of key barriers and measures lacking fund-matching practices will be presented.

PLANNED WORK PROCESS

STEP1: Identification of fund-matching good practices

Each project partner will first try to identify existing FUND-MATCHING good practice(s) examples from their country in collaboration with a regional stakeholder group. If the good practice(s) are identified and exist, the project partner will present them. We suggest presenting up to 3 practices per country.

The Project Partner can also include fund-matching good practices from other countries.

STEP 2: identification of Fund-matching barriers and measures for barrier removal.

Suppose a project partner in STEP 1 does not identify good fund-matching practices. In that case, the partner identifies and presents up to 5 key current fund-matching barriers which influence the possibility of using fund-matching for policy purposes. For each barrier, identify at least 1 suggested measure/action to remove identified barriers.

The planned task will be implemented in the following steps:

STEP	PARTNER RESPONSIBLE
Preparation of TEMPLATE to collect good practices OR to identify key barriers.	PP9 E-institute
TEMPLATE report provided to ALL PP	PP9 E-institute provides a TEMPLATE report to all partners.
Organisation of ONLINE MEETING to discuss prepared template to identify good practices	ALL project partners.
Project partners filling the template identify existing fund-matching good practices in their region OR to identify and present existing experiences or current barriers for combining crowdfunding and ESIF.	LP Marche PP2 INVEGA, PP3 Extremadura, PP4 NW RDA, PP5 RCM, PP6 West Pomeranian Region, PP7 Province of Antwerp, PP8 Rom Utrecht and regional stakeholders.
Organisation of 2nd REGIONAL stakeholder MEETING in partner regions. Discussion topic: identification of good fund-matching practices or to discuss present existing experiences or current	LP Marche PP2 INVEGA, PP3 Extremadura, PP4 NW RDA, PP5 RCM, PP6 West Pomeranian Region, PP7 Province of Antwerp, PP8 Rom Utrecht and regional stakeholders.



barriers for the combination of crowdfunding and ESIF	
A joint international policy learning seminar	All project partners and regional Stakeholders.
Guidebook of collected good practices from partner regions of fund-matching OR identify and present existing experiences or current barriers for the combination of crowdfunding and ESIF	PP9 E-institute

PURPOSE & STRUCTURE OF THE DOCUMENT

The purpose of this document is to pursue the project's **overall objective**, to improve regional development policy instruments by mainstreaming the combination of private resources collected through digital crowdfunding campaigns with ESIF funds and to achieve the project's **specific objectives**:

- Policy learning and exchange of experiences for successfully matching crowdfunding and ESIF funds.
- Raising knowledge about crowdfunding and fund matching by exchanging good practices, implementing pilot projects, and creating good new practices.
- Improving the digital literacy of public and private institutions and people regarding crowdfunding for business and regional development.

The Collected overview presents the second step in learning and exchanging knowledge about crowdfunding. This information will be used and capitalised for the following planned activities in the project:

- developing common fund matching scheme methodology,
- pilot project preparatory phase finalisation,
- peer-to-peer mentoring.

The document is structured into two content parts:

PART1:

The first part of the document includes an overview of fund-matching good practices in the partner countries. An overview includes:

- Fund-matching good practices using donation and reward crowdfunding models.
- Fund-matching good practices using investment crowdfunding models.
- Fund-matching good practices using other financial alternative tools.



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PART2:

The second part of the document includes an analysis of current fund-matching barriers and potential measures for removal. The analysis is presented for Lithuania, Romania, Greece and Poland, as these countries lack fund-matching good practices.



PART 1: IDENTIFICATION & PRESENTATIONS OF FUND-MATCHING GOOD PRACTICES

1 FUND-MATCHING GOOD PRACTICE EXAMPLES USING DONATION & REWARD CROWDFUNDING MODELS

1.1 GOOD PRACTICE EXAMPLE: “Civic Crowdfunding Milan”, Italy

1. Implementation time frame

Implementation time frame	Three editions: since 2015.
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	Municipality of Milan: local authority from Italy.
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3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	The Municipality of Milan is the first local authority in Italy to use the “Civic crowdfunding” tool to finance social projects through micro-donations from citizens and with the involvement of local communities. In particular, the Civic Crowdfunding 2022 notice is aimed at promoting the creation and/or consolidation of socio-cultural services and activities in neighbourhoods capable of contributing to the realisation of the so-called “4 City 15 minutes away” initiative: where “every citizen has the opportunity to have what he needs a short distance from home”.
Who was the main beneficiary of the scheme?	Third-sector organisations are promoting social and cultural innovation projects in Milan's neighbourhoods.
How was the scheme Implemented? Present key activities .	Through the Public Notice, the municipality of Milan selects social and cultural innovation projects promoted by Third Sector organisations locally with a total cost between €20,000.00 and €80,000.00. In line with the purposes of the Notice, the project proposals



	<p>must concern social and cultural innovation activities to be implemented in the neighbourhoods of Milan, with a view to increasing spaces, services, and opportunities for the benefit of citizens and the development of the so-called “City 15 minutes away.”</p> <p>The selected project proposals have access to a crowdfunding platform made available by the Municipality of Milan, through which civic crowdfunding campaigns are carried out.</p> <p>The activated crowdfunding campaigns adopt the scheme called “all or nothing”.</p> <p>Proposers who reach the “collection target”—equal to 40% of the project’s overall value—receive a contribution from the Municipality of Milan equal to the remaining 60%, up to a maximum of €48,000.00.</p>
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2. RESOURCES USED	
Amount of Resources committed to the scheme.	<p>The resources available for this Notice amount to €442,831.95 from the PON METRO Milan 2014-2020, financed by the European Social Fund (ESF).</p> <p>The municipality of Milan has launched two editions of civic crowdfunding. The first edition, in 2015-2017, made it possible to finance 16 projects through 330,000 euros collected on the platform and supplemented by a municipal contribution of the same amount. The second edition was carried out in the two years 2020 - 2021 with the resources of the Pon Metro Milano 2014-2020 and led to the creation of 19 projects thanks to fundraising of 320,000 euros, more than doubled through public contributions.</p>
Sources of resources (local, regional, national, EU)? Public/private?	The budget for this notice derives from the resources available through the PON METRO Milan 2014-2020, financed by the European Social Fund (ESF).
Which crowd the scheme is targeting (local, national, global) ?	Local
Profile and Terms of engagement of investors in the scheme.	Donation-based crowdfunding scheme.



3. ROLE OF INSTITUTIONS INVOLVED

<p><i>Municipality of Milan</i></p>	<p>First, the municipality of Milan selects a number of social and cultural innovation projects promoted by Third-Sector organisations according to the selection criteria displayed in the call for proposals.</p> <p>The selected project proposals have access to a crowdfunding platform made available by the Municipality of Milan, through which civic crowdfunding campaigns are carried out.</p> <p>Proposers who reach the "collection target"—equal to 40% of the project's overall value—receive a contribution from the Municipality of Milan equal to the remaining 60%, up to a maximum of €48,000.00.</p> <p>To facilitate the initiative's success, the Municipality of Milan supports the interested parties in preparing the crowdfunding campaigns.</p>
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4. TERMS AND CRITERIA OF SCHEME

<p><i>Main terms/ conditions of the scheme?</i></p>	<p>"All or nothing" crowdfunding scheme, the project's overall budget shall be between €20,000.00 and €80,000. The target to be reached through the civic CWDF campaign is set as 40% of the overall project budget.</p>
<p><i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil?)</i></p>	<p>Are eligible as beneficiaries of the call: not-for-profit organisations and social enterprises. To be eligible, the proposed projects must take place in the neighbourhoods of Milan, and they must have a maximum duration of 6 months. Proposals coming from partnerships, individual citizens, or informal groups of citizens are not eligible.</p>

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN

<p><i>Please name the available documentation related to the scheme</i></p>	<p>The terms of reference, including legislative references and the call documentation, are available at the following link: https://servizi.comune.milano.it/web/guest/dettaglio-contenuto/-/asset_publisher/pqxq/content/avviso-pubblico-crowdfunding-civico-2022.</p>
<p><i>Description of communication Campaign</i></p>	<p>All the Crowdfunding campaigns implemented by the municipality of Milan in the previous edition of the notice under analysis are accessible through the following links: https://www.produzionidalbasso.com/network/di/comune-di-</p>



	milano#progetti-comune-di-milano. And https://www.ideaginger.it/partner-progetti/bcc-milano.html
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4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

The municipality of Milan has launched two editions of civic crowdfunding. The first edition, in 2015-2017, made it possible to finance 16 projects through 330,000 euros collected on the platform and supplemented by a municipal contribution of the same amount. The second edition was carried out in the two years 2020 - 2021 with the resources of the Pon Metro Milano 2014-2020 and led to the creation of 19 projects thanks to fundraising of 320,000 euros, more than doubled through public contributions.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

For the first time in Italy, the Municipality of Milan has activated or enhanced services that were absent or insufficient in the neighbourhoods, leveraging businesses already rooted in the territory and the interest of its citizens. Combining these two elements has proved to be a winning element for the success of crowdfunding campaigns.

6. After the scheme

What happened after the scheme was implemented?

The initiative allowed the creation of new services and activities by Third Sector organisations involved in caring for the city's peripheral neighbourhoods and responding to the social effects caused by the Covid-19 epidemiological emergency.

Thanks to the innovative formula and the results achieved, the Municipality of Milan's civic crowdfunding won the Wellbeing Cities Award 2019 (Toronto—Canada) and the Cresco Award Sustainable Cities (Anci—Fondazione Sodalitas) 2019 and 2021 editions.



1.2 GOOD PRACTICE EXAMPLE: “La città sicura di sé – Civic Crowdfunding initiative from the municipality of Venice”, Italy

1. Implementation time frame

Implementation time frame	2020-2021
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	Municipality of Venice, Italy
2. Name of institution and their purpose (What they do in general)	Folkfunding S.r.l., from Italy: owner of the “Produzioni dal basso” crowdfunding platform.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	<p>The Municipality of Venice intends to promote and support the fundraising tool through an online platform to support third-sector public interest projects and non-profit associations.</p> <p>Competitors (Third Sector entities and non-profit associations) are called to design innovative social inclusion projects in neighbourhoods and areas with high socio-economic criticality and must-have sustainability characteristics over time.</p>
Who was the main beneficiary of the scheme?	The notice for Civic Crowdfunding is aimed at third-sector bodies in the city and other associative entities/non-profit entities with innovative, economically sustainable ideas that generate social inclusion in their reference area.
How was the scheme Implemented? Present key activities .	<p>1. Through a Public Notice, the municipality of Venice selects social and cultural innovation projects promoted by Third-Sector organisations. Up to 15 projects are selected, with a maximum duration of 8 months and a maximum amount of €10,000.00. When completing the online application form, the proposing entity must draw up a cost plan.</p> <p>2. The proposals identified through a ranking evaluation procedure have access to an online crowdfunding platform (Produzioni dal Basso made available by the Municipality of Venice.</p>



	3. The proposals published on the online civic crowdfunding platform that reach the "collection goal"—equal to 50% of the total value of the project and up to a maximum of 5.000 euros per project—will receive a non-repayable grant from the Municipality of Venice equal to the remaining 50%, up to a maximum of 5.000 euros.
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2. RESOURCES USED	
Amount of Resources committed to the scheme.	75.000 EUR
Sources of resources (local, regional, national, EU)? Public/private?	The public resources available to support the projects selected under this Notice amount to Euro 75,000.00 from the ordinary budget allocations of the Municipality of Venice.
Which crowd the scheme is targeting (local, national, global)?	Local.
Profile and Terms of engagement of investors in the scheme.	Donation-based crowdfunding scheme.

3. ROLE OF INSTITUTIONS INVOLVED	
<i>Municipality of Venice</i>	<p>At first, the municipality of Venice selects a number of project proposals promoted by Third Sector organisations according to the selection criteria displayed in the call for proposals.</p> <p>The selected project proposals have access to a crowdfunding platform made available by the Municipality of Venice, through which civic crowdfunding campaigns are carried out.</p> <p>Proposers who reach the "collection target"—equal to 50% of the project's overall value—receive a contribution equal to the remaining 50% from the Municipality of Venice.</p> <p>To facilitate the initiative's success, the Municipality of Venice has made available to interested parties a series of free training sessions to explain the potential of Crowdfunding. The training will instead be compulsory for the selected subjects.</p>
<i>Folkfunding S.r.l.</i>	Owner of the "Produzioni dal Basso" crowdfunding platform: supports the initiative as a specialised partner. The platform will provide an online platform for the collection of private funds and tutoring activities to facilitate the implementation of fundraising campaigns.



4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	Under the “all or nothing” crowdfunding scheme, the project's overall budget will be between €5,000.00 and €10,000. The target to be reached through the civic CWDF campaign is set at 50% of the overall project budget.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil ?)</i>	Third-sector actors active in Venice territory are eligible as beneficiaries of the call. To be eligible, the proposed projects must take place in Venice's neighbourhoods and have a maximum duration of 8 months. Proposals coming from partnerships, individual citizens, or informal groups of citizens are considered ineligible.

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	The terms of reference, including legislative references and the call documentation, are available at the following link: https://www.comune.venezia.it/it/content/avviso-crowdfunding-civico
<i>Description of communication Campaign</i>	All the Crowdfunding campaigns implemented by the municipality of Venice in the previous edition of the notice under analysis are accessible through the following link: https://www.produzionidalbasso.com/network/di/comune-di-venezia#comune-di-venezia-initiative

4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

With the “La città si cura di se” (“The city is self-care”) program, in the two years 2021-2022, the Municipality of Venice supported and encouraged third-sector entities active in its territory to develop innovative and sustainable proposals capable of responding to the needs of the city and its citizens.

Some numbers from the 2021-2022 two-year period:

- 22 organisations benefited from a 25-hour training.
- 18 projects out of 22 achieved the objective and obtained non-repayable co-financing.
- overall, in the 2021 edition, €37,638 were donated by 474 citizens and in the 2022 edition, €51,720 by 690 citizens.



5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

The Municipality of Venice has made a series of free training sessions available to interested parties to explain the potential of Crowdfunding to everyone. The training will instead be compulsory for the selected subjects.

6. After the scheme

What happened after the scheme was implemented?

The scheme has not been completely implemented yet; the call for applications will expire on February 9, 2024. After that, these proposals will be assessed and selected according to the tender notice.

1.3 GOOD PRACTICE EXAMPLE: “COFINANCIA”, Spain

1. Implementation time frame

Implementation time frame	2013 & 2014
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	The Directorate-General for Enterprise is the department responsible at the regional level in Extremadura, Spain, for designing and implementing public policies to support entrepreneurship and companies. It is part of the regional government and belongs to the Ministry of Economy.
2. Name of institution and their purpose (What they do in general)	Extremadura Avante is a group of public companies of the Regional Government of Extremadura, whose objective is to provide services to Extremadura’s companies in the different stages of their development so that they can become more competitive, promoting industrial and business development in Extremadura.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	The “Cofinancia” programme aimed at creating a complementary funding instrument for entrepreneurs of the Euroregion (Extremadura in Spain, Alentejo, and Centro in



	Portugal). It sought to support business projects, promote the creation of cooperation networks among entrepreneurs and supporters through microfinancing, promote innovative funding models in the region and enhance the visibility of entrepreneurial projects and their access to funding through crowdfunding.
<i>Who was the main beneficiary of the scheme?</i>	Microentreprises or entrepreneurs.
<i>How was the scheme Implemented? Present key activities.</i>	<p>DG enterprise launched a public tender to implement a crowdfunding pilot programme for entrepreneurs. It included the selection of the crowdfunding platform, training and advice for entrepreneurs, and dissemination/communication activities.</p> <p>They allocated a fund-matching budget (20,000 euros) for the same project to co-fund the entrepreneurs' projects, following the criteria included in the call.</p> <p>Steps for implementation:</p> <ul style="list-style-type: none"> • Design and launch of the public procurement process. • Selection of the crowdfunding platform and implementation of the recruitment campaign. • Selection of business projects to be funded and capacity-building activities. • Launch of the crowdfunding campaigns for the selected projects. • Co-funding depending on the results achieved by each project.

2. RESOURCES USED	
<i>Amount of Resources committed to the scheme.</i>	<p>COFINANCIA 2013: 20.000 EUR for the fund for co-investment 17.772 EUR for the tender (cofinanced by ERDF)</p> <p>COFINANCIA 2014: 20.000 EUR for the fund for co-investment 20.570 EUR for the tender (cofinanced by ESF)</p>
<i>Sources of resources (local, regional, national, EU)? Public/private?</i>	<p>COFINANCIA 2013: using GOTEIO platform Public funding: Tender: ERDF 75% + regional budget 25% (Interreg) Co-Fund (public): 11.678 EUR out of 20.000 € available Private funding: 15.026 EUR</p> <p>COFINANCIA 2014: using LÁNZANOS platform Public funding: Tender: ESF 75% + regional budget 25% Co-Fund (public) 13.805 EUR</p>



	Private funding: 28.223 EUR
<i>Which crowd the scheme is targeting (local, national, global) ?</i>	As the entrepreneurs were mainly from the Extremadura region, the targeted crowd was mainly local. Although the first campaign was cross-border, it targeted entrepreneurs from both countries, but only entrepreneurs from Extremadura participated.
<i>Profile and Terms of engagement of investors in the scheme.</i>	Both Cofinancia programmes were based on reward-based crowdfunding, so any individual could fund the projects and participate in the campaigns. No special advantage was given to them to fund these initiatives.

3. ROLE OF INSTITUTIONS INVOLVED

<i>Institution 1</i>	DG Enterprise: FACILITATOR – SUPPORTER - Regional Authority: promoter of the cofounding programme, responsible for the scheme, platform contractor, dissemination.
<i>Institution 2</i>	Extremadura Avante: PARTICIPANT - Public company - responsible for the co-funding scheme.

4. TERMS AND CRITERIA OF SCHEME

<i>Main terms/conditions of the scheme?</i>	<p>COFINANCIA 2013: Once selected, each project had its microsite in the platform, blog for news and updates, communication tools, payment gateway, etc. The participating projects had access to two 40-day funding rounds: the first, "all or nothing", linked to the minimum budget for the development of the project, and the second round, linked to the "optimal budget", a higher amount with which the development of the project would be improved.</p> <p>This capital became effective when the projects reached the established minimum funding. For each contribution from the crowd, the Regional Government of Extremadura, through Extremadura Avante, made a similar contribution. The programme's conditions established a maximum contribution of no more than €100 for each contribution. This meant that Cofinancia's capital would double citizens' individual contributions, not exceeding 100 EUR. A maximum of 2.000 EUR was also established for each project in the first round of funding. It could be extended in the second round if it was not allocated to the participating projects. Once the campaign had ended and the funding objectives had been achieved, a deadline of one year was set for the implementation of the project.</p> <p>COFINANCIA 2014 The second Cofinancia programme worked similarly. A</p>
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	<p>maximum of 1.000 EUR was cofinanced per project. Once the project had raised 10% of the total funding required through the platform, the Government of Extremadura contributed the same amount, establishing a maximum of 100 euros per individual contribution. In that second edition, the regional government also paid a 5% fee for the money raised by the projects on the platform.</p>
<p><i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil?)</i></p>	<p>These were the criteria entrepreneurs/projects had to fulfil to participate in the programme: general feasibility of the proposal, suitability of the projects to be crowdfunded, maturity stage, identification of target groups and interest groups, development in the Euroregion (for the first edition), quality of the proposal, level of originality and innovation, and generation of positive impact.</p>

<p>5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN</p>	
<p><i>Please name the available documentation related to the scheme</i></p>	<p>https://www.lanzanos.com/cofinancia/ https://www.goteo.org/call/cofinancia-extremadura/projects</p>
<p><i>Description of communication Campaign</i></p>	<p>The #Cofinancia call for proposals was widely publicised on the Twitter profiles @goteofunding, @platoniq, and @extremadura, as well as on Goteo's and Extremadura Avante's Facebook pages. The programme's promoters, Extremadura Avante and the DG for Enterprise, also contracted some specific ads.</p> <p>https://www.goteo.org/blog/hoy-salen-a-campana-los-10-proyectos-seleccionados-para-cofinancia</p> <p>Lánzanos used its social profiles to disseminate the programme. Many informative posts were published on the platform's blog about the milestones achieved by the entrepreneurs and the different actions developed throughout the programme. All the posts are available at this link: http://www.lanzanos.com/cofinancia/blog/</p> <p>Lánzanos also publicised the projects or elements of the programme every day on Twitter and an average of four days a week on Facebook. A specific dissemination campaign was organised for each of the selected projects on both Twitter and Facebook.</p>



4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

Challenges:

The two editions of the Cofinancia programme were complex to implement for Public Administration. First, they were implemented 10 years ago when crowdfunding was not very well known. Second, there were no other projects combining crowdfunding and public funds that were taken as a reference for the development of the programmes.

Benefits:

As for the benefits:

- Pushing the boundaries of funding for companies.
- Investing in projects that the crowd has backed up.
- More credibility for investment.
- More visibility of the public funding and the projects themselves.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

As a summary of our experience, we can say that the two editions of the “Cofinancia” programme had good results in terms of participation and fundraising, considering the average fundraising objectives of reward-based crowdfunding.

As a public administration, by promoting programmes such as “Cofinancia”, we have contributed to improving knowledge and promoting alternative funding in our region.

This programme has favoured the start-up of new projects and contributed to improving confidence in crowdfunding, increasing its credibility with the support of the public administration.

Developing programmes such as “Cofinancia” has helped generate a community of micro investors in our region who know how crowdfunding works and are interested in supporting local projects.

It is worth noting that the maturity of the entrepreneurial ecosystem since the development of these programmes in the region can contribute to the future implementation of similar programmes to promote increasingly innovative and strategic projects and generate greater impact in the region.

6. After the scheme

What happened after the scheme was implemented?

Our DG decided not to continue with the scheme but continued afterward, organising impact-oriented programmes or specific activities linked with crowdfunding. The most relevant actions



developed in the following years were implemented under the EFES, an Interreg project involving our region and Portuguese partners. Everything related to that project is available [here](#), and specific [training](#) on crowdfunding, among many other resources, is available for anyone.

1.4 GOOD PRACTICE EXAMPLE: “Growfunding”, Belgium

1. Implementation time frame

<i>Implementation time frame</i>	Founded at the end of 2014. Match funding since 2021.
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

<i>1. Name of institution and their purpose (What they do in general)</i>	Growfunding is a Belgian platform for civic crowdfunding. It brings people and resources together to support projects that strengthen and sustain society. Its projects demonstrate that crowdfunding can serve as the driving force for social and societal change. To this end, they are committed to a bottom-up approach to build lasting partnerships among citizens, organisations, businesses, authorities, and academics. This cooperation strengthens not only the projects but also the various local communities. Match-funding fosters collaboration between Growfunding projects and public and private actors. As match-funders, these actors agree to automatically increase each contribution by a set percentage. Match-funders increase the social impact of their organisation while ethically increasing the visibility of their brand.
<i>2. Name of institution and their purpose (What they do in general)</i>	Companies, philanthropy, service clubs and (local) governments can play a role as match-funders.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
<i>The main goals of the Scheme.</i>	Growfunding's match-funding program allows companies, philanthropy, service clubs and (local) governments to strengthen social projects in a targeted and impactful way. As a match-funder, they co-finance a Crowdfunding project. In return, they get, in addition to direct visibility, the possibility to involve their customers, partners or employees in the project.
<i>Who was the main</i>	Projects that make the society stronger and more sustainable. Organisations, collectives, start-ups, or individuals can raise



beneficiary of the scheme?	funds to finance a project using a Growdfunding campaign.
How was the scheme Implemented? Present key activities.	<p>The Growdfunding projects are reward based. If the project does not reach its target amount before the chosen deadline, everyone who contributed is refunded.</p> <p>Growdfunding is the link between the match-funders and the projects.</p> <p>Match-funding can happen in 3 different ways:</p> <ul style="list-style-type: none"> • For an individual project. In exchange, the sponsor gets visibility on the campaign page and specific returns that are discussed with the project holder him/herself. • Thematic Matching Fund: for a cluster of selected projects after a project call or in a specific region. The sponsor receives a special page on the Growdfunding website with all supported projects and clear figures about the financial and social impact of their engagement. • Structural (using a fund).

2. RESOURCES USED	
Amount of Resources committed to the scheme.	Crowdfunding: 4.365.638 EUR raised. Matching funds: 912.515 EUR raised, of which 317.885 EUR match funded.
Sources of resources (local, regional, national, EU)? Public/private?	<p>Regional: Brussels, Flanders</p> <p>Donations are made by the crowd (individuals and organisations)</p> <p>Match funding is provided by companies, philanthropic organisations, service clubs and (local) governments.</p> <p>As a social enterprise, Growdfunding's operations are funded by a diverse funding mix:</p> <ul style="list-style-type: none"> • Contributions from Growfunders: 10% of each successful project is considered a donation to Growdfunding vzw. • Partnerships: The partners co-finance part of the costs of coaching the projects and maintaining the website. • Businesses and philanthropy: Growdfunding's operations are partially funded through cooperation partnerships with businesses and philanthropy. Match-funders contribute to the costs of coaching for the supported projects. • Authorities: Local authorities co-finance the operation of the city platforms. The regional Governments of Flanders and Brussels co-finance the general operation of Growdfunding and the research and development programme. The Brussels Capital Region co-finances our



	<p>support for social and circular start-ups in Brussels.</p> <ul style="list-style-type: none"> • Consultancy and advice: A contribution is requested for teaching assignments and lectures on request. • Knowledge institutions contribute to funding for the research and development programme.
<i>Which crowd the scheme is targeting (local, national, global)?</i>	Regional: Brussels, Flanders.
<i>Profile and Terms of engagement of investors in the scheme.</i>	<ul style="list-style-type: none"> • Individuals who want to support projects that make our society stronger and more sustainable can do this through donations in reward-based crowdfunding. • Companies, philanthropy, service clubs and (local) governments can play a role as match-funders.

3. ROLE OF INSTITUTIONS INVOLVED

<i>Institution 1</i>	Growfunding is the link between the match-funders and the projects.
<i>Institution 2</i>	Companies, philanthropy, service clubs and (local) governments can play a role as match-funders.

4. TERMS AND CRITERIA OF SCHEME

<i>Main terms/conditions of the scheme?</i>	Growfunding supports projects that respond to societal challenges and, most importantly, have positive social change as their main objective. Their platform is open to anyone with good ideas for a neighbourhood, village, city or region. They do not accept purely charitable projects, religious projects or party-political projects.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil ?)</i>	Growfunding is open to anyone with good ideas and whose project aligns with its values. This can include collectives (including citizen collectives), individuals, start-ups, non-profits, and other organisations. A legal personality is not necessary to start a campaign.

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN

<i>Please name the available documentation related to the scheme</i>	<ul style="list-style-type: none"> • https://growfunding.be/en • Publications of Growfunding Academy • Annual Report 2022
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<p><i>Description of communication Campaign</i></p>	<ul style="list-style-type: none"> • Get to know: A project applies and meets with one of the Growfunding coaches. The coach checks whether the project meets the criteria for publication on the Growfunding platform. • The project owners participate in free workshops on civic crowdfunding, how to define the target amount, communication planning, ... • Each project carries out its campaign. • Projects are published in the project overview on the Growfunding website.
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4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

The Growfunding projects have a success rate of 80%. In the case of the Match-funding program, the success rate is even 100%.

If the project does not reach its target amount before the chosen deadline, everyone who contributed will be refunded.

The crowdfunding at Growfunding is reward-based: the donor and the match-funder will receive a reward in exchange for a contribution. This is always tailored to the project. The reward enables the crowd and the match-funders to get to know the project. The system's strength is the close link between project owners and the community supporting them.

Since a reward is provided, no tax certificates are provided. But even if someone doesn't want a reward, Growfunding vzw cannot provide a tax certificate. In some cases, however, it is possible (e.g., if the project holder has an account with the King Baudouin Foundation BV), but this will then be explicitly stated on the payment page of your chosen project.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

At Growfunding, the personal coaching of project owners is very important. In the first meeting, the coach explores with the project owner whether and how Growfunding can help the project grow. Growfunding also invites them to free workshops to learn about civic crowdfunding, how to choose the target amount for your campaign, how to draw up a communication plan, and much more. Afterwards, the personal coach will support them further, from brainstorming about rewards to making the video. This training and coaching is crucial for the success of the model.

In the match-funding program, Growfunding is the link between the match funds and the projects, helping them decide which partnership best suits their objectives.



6. After the scheme

What happened after the scheme was implemented?

Growfunding is continuing its activities.

With [Growfunding Academy](#), Growfunding shares its expertise and knowledge online and through events.

In 2020, Growfunding published a manual book for people who want to launch a 'civic crowdfunding' project and professionals who want to coach an individual or group. From 2020, GrowFunding will also provide training to sociocultural workers as 'civic crowdfunding' coaches.

Though Growfunding wants to strengthen its role further as a Brussels city platform, it is a place where people can inspire each other, urban projects can introduce themselves to the city, and experimentation can occur. There is an event space and bar, a coworking space, and an incubator space.

[Research and Development](#) are one of Growfunding's cornerstones. The platform, which is the result of applied research (Odisee University of Applied Sciences), wants to continue to play a pioneering role in expanding civic crowdfunding in Europe through research and development.

1.5 GOOD PRACTICE EXAMPLE: “East Flanders Regional Fund”, Belgium

1. Implementation time frame

<i>Implementation time frame</i>	It started in 2016 in some regions of the province of East Flanders and was scaled up to the province from 2020.
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

<i>1. Name of institution and their purpose (What they do in general)</i>	Streekfonds Oost-Vlaanderen: The East Flanders Regional Fund strengthens local projects that connect people and with the environment. In the Ghent region, it supports projects to increase the resilience of young people. It connects donors and doers in an inspiring and active network and realises concrete impact in your neighbourhood.
<i>2. Name of institution and their purpose (What they do in general)</i>	King Baudouin Foundation: The King Baudouin Foundation is an independent and pluralist public utility foundation working to improve society for over 40 years. The King Baudouin Foundation's mission is to build a better society in Belgium, Europe and elsewhere in the world. The Foundation is an actor for change and innovation, serving the public interest and increasing social cohesion. They endeavour to maximise our impact through capacity building among organisations and people who contribute to a better society. They encourage



	effective philanthropy among individuals and businesses in Belgium, Europe and worldwide.
3. Name of institution and their purpose (What they do in general)	Support Council East Flanders: The Support Council welcomes impactful people active in the province and supports the East Flanders Regional Fund. The provincial Governor is the council's president.
4. Name of institution and their purpose (What they do in general)	Structural partners (companies): More and more companies recognise the importance of corporate social responsibility. They want to take on a role in society.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	East Flanders Regional Fund strengthens local projects that connect people and the environment.
Who was the main beneficiary of the scheme?	Local projects that connect people and with the environment.
How was the scheme Implemented? Present key activities .	<p>Mechanism of the scheme: East Flanders Regional Fund works with yearly project calls published by each of the 5 regions within the province of East Flanders.</p> <p>With a crowdfunding campaign facilitated by Streekfonds Oost-Vlaanderen, the selected initiatives raise money as a working budget for a specific project. The crowdfunding is donation-based.</p> <p>Thanks to the financial support of sponsors and partners, the Regional Fund can double the amount raised, with a maximum of 6,000 euros. This only happens if 60% of the target amount is reached. If not, the amount raised from the crowdfunding will be paid out but will not be doubled.</p>

2. RESOURCES USED	
Amount of Resources committed to the scheme.	Numbers for 2022: 188.000 EUR raised through crowdfunding, 178.000 EUR for doubling.
Sources of resources (local, regional, national, EU)? Public/private?	<p>Local, regional, EU. Public & private:</p> <ul style="list-style-type: none"> • Individuals • Many companies (most of them located in the



	<p>Province of East Flanders; some are local branches of multinationals)</p> <ul style="list-style-type: none"> • Intermunicipal companies (Veneco, Interwaas, DDS and Regional Landscape Schelde-Durme). • A subsidy for Rural Development, financed by the European Agricultural Fund for Rural Development, Flanders and the Province of East Flanders, is helping to roll out the regional fund. Europe invests in its countryside. <p>Donations from companies and other stakeholders cover the initiative's operating costs.</p>
<i>Which crowd the scheme is targeting (local, national, global)?</i>	Regional (province of East Flanders).
<i>Profile and Terms of engagement of investors in the scheme.</i>	<p>The investors can be:</p> <ul style="list-style-type: none"> • Individuals • Companies • Intermunicipal companies • Public authorities.

3. ROLE OF INSTITUTIONS INVOLVED

<i>Institution 1</i>	<p>Streekfonds Oost-Vlaanderen: The East Flanders Regional Fund management committee is an independent committee of people who represent the local community. It is responsible for developing the strategy and expanding the regional fund.</p> <p>Within the Regional Fund East Flanders, there are 5 regional networks, each with its management committee. Their task is to select the projects and build a community of people who want to support them.</p>
<i>Institution 2</i>	<p>King Baudouin Foundation: Regional Fund East Flanders is embedded in the King Baudouin Foundation. This foundation is involved in the selection and monitoring of the projects, responsible for contracting with the projects, monitoring the procedure, and guaranteeing transparency.</p>
<i>institution 3</i>	<p>Support Council East Flanders: The Support Council welcomes impactful people active in our province and supports the East Flanders Regional Fund. The provincial Governor is the council's president.</p>
<i>Institution 4</i>	<p>The mayors: they take on the sponsorship of the projects in their municipality/city. Therefore, the East Flanders Regional Fund is very locally embedded.</p>
<i>Institution 5</i>	<p>Structural partners (companies) support the operation and</p>



	projects of the East Flanders Regional Fund. The gold, silver, bronze, supporting partners, and 'friends of' resources go exclusively into the projects. Thanks to these resources, we can finance the doubling of crowdfunding.
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4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	Local projects that connect people and with the environment.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil ?)</i>	<p>Project owners can be:</p> <ul style="list-style-type: none"> • Individuals • Non-profit organisations • Schools • Companies. <p>The supported projects always contribute to at least one of the 17 United Nations sustainability goals. Commercial projects are not accepted.</p>

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	<ul style="list-style-type: none"> • https://streekfondsoostvlaanderen.be/ • Information about project call from 2023 on this webpage
<i>Description of communication Campaign</i>	<ul style="list-style-type: none"> • each project carries out its campaign. • Projects are published on the project page on the website of East Flanders Regional Fund.

4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

Since crowdfunding is donation-based (without rewards), supporters can receive a tax certificate for 40 EUR and more donations. This is thanks to the collaboration with the King Baudouin Foundation. The donor receives a tax deduction of 45% of the donation.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

The strength of the East Flanders Regional Fund is based on the local anchoring. It is based on local initiatives and projects in which people from the neighbourhood feel involved. Where they can ring the bell and visit, these are often initiatives that are difficult to finance in any other way. Partners, sponsors, and donors, therefore, make a concrete difference. The East Flanders Regional Fund connects and strengthens local donors and local initiators committed to the



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community. Bringing together ideas, people, and resources creates a better society for everyone and a network of socially committed citizens, entrepreneurs, and associations.

6. After the scheme

What happened after the scheme was implemented?

East Flanders Regional Fund is continuing its activities. The next call will be published in July 2024.



2 FUND-MATCHING GOOD PRACTICE EXAMPLES USING INVESTMENT CROWDFUNDING

2.1 GOOD PRACTICE EXAMPLE: “Crowdfunding loans Aviete”, Lithuania

1. Implementation time frame

<i>Implementation time frame</i>	From the 4 th of April 2018 till now.
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

<i>1. Name of institution and their purpose (What they do in general)</i>	<p>Investicijų ir verslo garantijos“, Ltd (INVEGA)</p> <p>INVEGA is a State-established financial institution with the following main objectives: provide financial services and implement and manage financial and other financing business.</p> <p>On 17 October 2018, the Government of the Republic of Lithuania granted INVEGA the status of a National Development Institution, and as of 3 December 2018, INVEGA has been added to the list of National Promotional Institutions by a decision of the Supervisory Service of the Bank of Lithuania.</p>
<i>2. Name of institution and their purpose (What they do in general)</i>	<p>The Ministry of the Economy and Innovation of the Republic of Lithuania is responsible for handling government business in the following areas: business environment, export, innovation, state-owned enterprises (SOEs), EU support to business, public procurement and tourism. Its mission is to develop a positive legal and economic environment for economic development and ensure public welfare and employment.</p>
<i>3. Name of institution and their purpose (What they do in general)</i>	<p>The Ministry of Finance of the Republic of Lithuania is an executive body whose mission is to formulate and implement an effective policy of public finance to ensure the country’s macroeconomic stability and economic development. The strategic objectives of the Ministry include the formulation of fiscal policy, which promotes trust in macroeconomic stability and ensures effective and economical management, as well as the use of public funds and European Union assistance. It also ensures the development of the financial sector and the smooth implementation of other financial measures. The Minister of Finance represents Lithuania in the Economic and Financial Affairs Council of the EU (ECOFIN) and major international and regional institutions.</p>



3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
<p><i>Main goals of The Scheme.</i></p>	<p>Crowdfunding loans <i>Aviete</i> (from now on referred to as “<i>Aviete</i> loans”) enable small and medium-sized enterprises to borrow through crowdfunding platforms.</p> <p>Main goals:</p> <ul style="list-style-type: none"> • to facilitate SMEs' access to financing for their business development projects through crowdfunding platforms; • contribute to the development of the financial technology (Fintech) sector in LT; • attract funds from natural and legal persons to finance LT businesses.
<p><i>Who was the main beneficiary of the scheme?</i></p>	<p>Small and medium-sized enterprises (SMEs) that comply with the SME status defined in the SME Law in Lithuania.</p>
<p><i>How was the scheme Implemented? Present key activities.</i></p>	<p>A share of the state funds intended for the financial instrument “<i>Aviete</i> loans” may reach up to 40% of the loan funds in an ordinary „<i>Aviete</i> loan”, but it may not exceed EUR 30,000. State funds for all valid signed agreements may not exceed EUR 30,000 for the same borrower.</p> <p>The interest rate depends on the company's risk, collateral and loan duration and corresponds to the market price. Loans are granted for a period not exceeding 36 months.</p> <p><i>Aviete</i> loans are granted through crowdfunding platforms. Crowdfunding platform operators, which have signed cooperation agreements for the implementation of <i>Aviete</i> loans, will select business projects to be co-funded under the financial instrument <i>Aviete</i>. The number of crowdfunding platform operators is not limited. Therefore, contracts can be made during the period of implementation and until all funds of the instrument are used.</p> <div data-bbox="571 1563 1273 1971" style="text-align: center;"> <p>CROWDFUNDING AVIETĖ</p> <p>UP TO 40% of state budget funds but no more than EUR 30,000</p> <p>+</p> <p>AT LEAST 60% private funds from other funders* determined by the funder</p> <p>Duration of the loan up to 36 months</p> <p><small>* Natural persons or legal entities</small></p> </div>



2. RESOURCES USED	
Amount of Resources committed to the scheme.	20 million EUR of returned/returning funds from the 2007-2013 EU programming period (state budget funds) plus at least 60% of private funds from other funders (natural persons or legal entities).
Sources of resources (local, regional, national, EU)? Public/private?	National and private crowdfunding resources.
Which crowd the scheme is targeting (local, national, global) ?	National.
Profile and Terms of engagement of investors in the scheme.	There are two types of investors: <ul style="list-style-type: none"> • Public investor – INVEGA, which invests in national budget recourses. • Private investors – private individuals through crowdfunding platforms.

3. ROLE OF INSTITUTIONS INVOLVED	
INVEGA	Implementing institution INVEGA, which invested in national budget recourses.
The Ministry of the Economy and Innovation	Owner of national budget recourses.
The Ministry of Finance	Managing authority in terms of EU funds management.

4. TERMS AND CRITERIA OF SCHEME	
Main terms/conditions of the scheme?	<ul style="list-style-type: none"> • Purpose: for business (except financial activity, refinancing of existing loans and residential real estate development) • Type: investment or working capital • Price: market interest rate, fees, etc. • Max loan amount: no limits • „Avietė“ amount per loan: max. EUR 30k and up to 40% of the total loan amount • The total amount of „Avietė“ fund for all valid signed agreements may not exceed EUR 30k for the same borrower • Max maturity: up to 36 months.
Required profile of beneficiary and criteria for the engagement.	Small and medium-sized enterprises (SMEs) that comply with the SME status defined in the SME Law in Lithuania.



<i>(Who could participate in the scheme, and which criteria did the beneficiary need to fulfil?)</i>	
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5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	Description and requirements of financial instrument "Aviete loans." https://invega.lt/doclib/imyr5kflq13h3bkvxdpmy78m2p9ra3ua
<i>Description of communication Campaign</i>	<p>The main information and news are provided on the INVEGA webpage: https://invega.lt/en/for-business/all-instruments-for-business/329/crowd-funding-loans-aviete-64.</p> <p>The Ministry of the Economy and Innovation provides information about the financial instrument "Aviete loans" on their webpage https://eimin.lrv.lt/en/news/the-first-state-supported-crowdfunding-instrument-aviete-loans-is-launched</p> <p>Information is also provided on the web pages of participating platform operators.</p>

4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

Main challenges:

- lack of proven track record working with crowdfunding operators.
- complicated process of repayment of issued defaulted, not eligible loans.
- too high project risk.

Main benefits:

- facilitated SMEs' access to financing for their business development projects through crowdfunding platforms.
- Contribute to developing the financial technology (Fintech) sector in Lithuania.
- attraction funds of natural and legal persons to finance businesses.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

This instrument has proven that alternative financing through crowdfunding platforms broadens access to finance and opens a new channel for business. It is very important to carry out the ex-ante assessment and perform dialogue with market participants. It is essential to correspond to the market needs, for example, the increased amount of the loan, to adjust to the new EU regulation. That highlights that aligning the EU regulation framework with national market challenges is very important.



6. After the scheme

What happened after the scheme was implemented?

The scheme successfully is still under implementation.

2.2 GOOD PRACTICE EXAMPLE: “Socrowd CVSO”, Belgium

1. Implementation time frame

Implementation time frame	Founded in 2004 and ongoing.
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	Socrowd is a cooperative company founded within Fairfin (formerly known as Netwerk Vlaanderen). This socio-cultural organisation has been encouraging people to use money as a means of social change for 35 years. In 2021, Fairfin transferred its shares to Netwerk Solidariteit vzw. Socrowd is a practical tool to encourage people and organisations to make a fair investment with their money.
2. Name of institution and their purpose (What they do in general)	Netwerk Solidariteit is Socrowd's most important shareholder. The association aims to raise funds to finance economic and socio-cultural projects in Flanders and Brussels. It is looking for financing models that promote alternative ways of dealing with money.
3. Name of institution and their purpose (What they do in general)	Ten other shareholders & 8 other partners.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	In line with its roots in Fairfin, Socrowd is encouraging people to use money for social change.
Who was the main beneficiary of the scheme?	Socrowd focuses on initiatives in several sectors: social economy, socio-cultural, ecological, welfare, education, and the north-south (international solidarity) sectors. Socrowd supports these initiatives with loans of max. 200.000 euros over 10 years.
How was the scheme Implemented?	Mechanism of the scheme: <ul style="list-style-type: none"> An organisation needs money (e.g. 60.000 euros) for a



<p>Present key activities.</p>	<p>project.</p> <ul style="list-style-type: none"> • They apply for a crowdfunding campaign to raise 20.000 euros from the crowd. • The credit committee accepts the application. • The organisation sets up a communication campaign, which results in the crowd buying shares of Socrowd for 20,000 euros. • The organisation receives a total interest-free loan from Socrowd of 60.000 euros. Socrowd takes the necessary collateral to reduce the risk. • The organisation carries out the project and repays the initial amount (max. 10 years) + an annual fee for administration costs. • The crowd can get its money back by selling its shares to Socrowd, but there is no financial return.
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<p>2. RESOURCES USED</p>	
<p>Amount of Resources committed to the scheme.</p>	<p>The cooperative has raised 3.5 million Euro equity since the start of 2004. 8,5 mln EURO loans have been provided to social enterprises since 2004.</p>
<p>Sources of resources (local, regional, national, EU)? Public/private?</p>	<p>Main shareholder - Fairfin/Netwerk Solidariteit – private non-profit. Public shareholders - Kringloopfonds in Vereffening (Belgian Federal Government) and the provinces of East Flanders/Flemish Brabant. Private shareholders – other non-profit and for-profit organisations: Ethias, Reva vzw. Crowd – about 1000 individuals and some families.</p>
<p>Which crowd the scheme is targeting (local, national, global) ?</p>	<p>Regional: Flanders and Brussels</p>
<p>Profile and Terms of engagement of investors in the scheme.</p>	<ul style="list-style-type: none"> • Citizens and organisations who want to support projects with a positive social impact can buy shares of Socrowd. • Most citizens invest at the moment of a match-funding campaign. • Other investors mainly support the fund in general. Their proceeds are used to match the money raised during match-funding campaigns.



3. ROLE OF INSTITUTIONS INVOLVED	
<i>Institution 1</i>	<p>Socrowd :</p> <ul style="list-style-type: none"> • Providing organisations an opportunity to get funding for their projects through crowdfunding. • Providing citizens and organisations an opportunity to invest in projects with a positive social impact.
<i>Institution 2</i>	<p>Shareholders: 2 possibilities:</p> <ul style="list-style-type: none"> • Buying shares to support a specific project • Buying shares to support Socrowd, which enables Socrowd to triple the collected support for the projects.
<i>institution 3</i>	<p>PMV Standaardwaarborgen NV, the Flemish public guarantee scheme.</p> <p>PMV Standaardwaarborgen NV, the Flemish public guarantee scheme, recognises Socrowd. This means Socrowd may use a public guarantee for up to 75% of the loan amount for 0.5% of the guaranteed amount x number of years of the guarantee (up to 10 years).</p>

4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	Organisations with a positive social impact and in good financial health.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil?)</i>	<p>Credit applications are assessed:</p> <ul style="list-style-type: none"> • Substantively, values include participatory entrepreneurship, transparency, collaboration, socialisation of revenues, expertise, and sustainability. • Financially: <ul style="list-style-type: none"> ○ revenue model ○ repayment capacity ○ guarantees.

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	<ul style="list-style-type: none"> • www.socrowd.be • Annual report 2022 • Articles of association • internal regulations <p>Technically speaking, Socrowd is not a crowdfunding platform according to the EU Regulation because investors invest by buying shares of Socrowd. Socrowd is required to publish an information note annually, which is submitted to the FSMA (Financial Services and Markets Authority). This note informs the public about the main risks of investing in Socrowd shares. https://socrowd.be/fsma-informatienota.pdf</p>



<p><i>Description of communication Campaign</i></p>	<ul style="list-style-type: none"> • Each project carries out its communication campaign. • Projects are presented on this webpage of Socrowd.
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4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

- Socrowd triples the amount raised once 60% of that target amount has been raised at the end of the campaign. But in reality, more than 98% of the Socrowd campaigns reached at least 100% of the target amount!
- More than 98% of projects repay the loan without any problems.
- About 30% of all projects that apply to Socrowd are given a place on the platform.
- Since the fundraising happens through buying shares, it's not possible to receive tax certificates (for donations). Also, the Tax Shelter for Start-ups is not applicable because Socrowd is not a startup.
- Socrowd focuses on interest-free loans. During the low-interest-rate period, it faced more competition from traditional bank loans. It is gaining competitiveness, and now interest rates are increasing again.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

Socrowd uses the concept of match-funding at the project level but provides additional guarantees to the crowd:

- Screening of projects by experts.
- Guarantee for each loan (including public guarantees).
- Any loss will be spread over the entire capital of SoCrowd. The main shareholder, Fairfin, also guarantees any first loss of up to EUR 50,000. This allows Socrowd to reduce the risk for the crowd.

6. After the scheme

What happened after the scheme was implemented?

Socrowd is continuing its activities. They also invest a lot in the [School of Success](#); this is the training they provide to project owners to map their networks and define how to crowdfund. The [Guide to a successful campaign](#) can be downloaded.



2.3 GOOD PRACTICE EXAMPLE: “Impuls Zeeland investment”, Netherlands

1. Implementation time frame

Implementation time frame	2018
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	Impuls Zeeland is a regional development agency in the province of Zeeland (Netherlands). It stimulates the regional economy by providing funds to innovative startups and scale-ups.
2. Name of institution and their purpose (What they do in general)	Collin Crowdfunding is a crowdfunding platform that connects projects to investors.

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	The main goal was to increase the commitment of the regional population (the crowd) to the development of the region and to show the work that Impuls Zeeland is doing to promote this development. Impuls Zeeland wanted to invest in this company but didn't want to be responsible for the full round. Thus, they turned to crowdfunding with a local crowdfunding coach.
Who was the main beneficiary of the scheme?	Can Cadsand Beds.
How was the scheme Implemented? Present key activities .	Collin Crowdfunding organised a crowdfunding event. Within one minute, the whole round was covered. A prerequisite of Impuls Zeeland was that the round of the crowd would be full, and then Impuls would match with 60k. This 60k was implemented through a convertible loan agreement, which eventually was not converted, but the loan was repaid.

2. RESOURCES USED	
Amount of Resources committed to the scheme.	EUR 60.000.
Sources of resources	Regional public funds.



<i>(local, regional, national, EU)? Public/private?</i>	
<i>Which crowd the scheme is targeting (local, national, global)?</i>	Population of the region of Zeeland.
<i>Profile and Terms of engagement of investors in the scheme.</i>	It was a subordinated loan required by Collin Crowdfunding.

3. ROLE OF INSTITUTIONS INVOLVED

What was the role of the institutions involved in the scheme?

<i>Institution 1</i>	Impuls Zeeland brought in the venture capital.
<i>Institution 2</i>	Collin Crowdfunding provides loans from the crowd.

4. TERMS AND CRITERIA OF SCHEME

<i>Main terms/conditions of the scheme?</i>	The whole round had to be on the table for Impuls to participate.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil?)</i>	A viable enterprise in the Zeeland region where a commercial loan could work.

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN

<i>Please name the available documentation related to the scheme</i>	interview
<i>Description of communication Campaign</i>	Communication through media of the crowdfunding platform and with a launching event where the prospect presented his case to potential investors. At the end of the meeting the amount had been raised.



4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

The main challenge was matching the conditions of the crowdfunding platform to those of the region. When the money had been raised, it turned out that the conditions of the platform were different than expected. Another challenge was to find an enterprise that fit the requirements (local, needed a loan) and a suitable platform.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

- The terms and conditions of this scheme would be an issue for bigger ticket sizes, as Collin Crowdfunding had strict conditions.
- Another lesson learned was that the valuation should be done with an independent expert.
- And there is a preference for an additional equity investor as market testing. Otherwise, as a regional development agency, it would be too much of a risk.

6. After the scheme

What happened after the scheme was implemented?

The loan was repaid. Although the initiative for which the entrepreneur asked for the loan was unsuccessful, the existing business was enough to repay the loan.

2.4 GOOD PRACTICE EXAMPLE: “Investment in OnePlanetCrowd”, Netherlands

1. Implementation time frame

Implementation time frame	2017
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	OostNL is a regional development agency in the province of Gelderland and Overijssel (Netherlands). They stimulate the regional economy of Gelderland and Overijssel by providing funds to innovative startups and scale-ups.
2. Name of institution and their purpose (What they do in general)	OnePlanetCrowd is a crowdfunding platform that invests in sustainable innovation. It brings together private investors and innovative entrepreneurs on its financing platform.



3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
<i>The main goals of the Scheme.</i>	Crowdfunding was in its infancy, and OostNL wanted to support this rise. The idea was that they might start co-financing deals.
<i>Who was the main beneficiary of the scheme?</i>	OnePlanetCrowd was also the main beneficiary because the capital was invested in developing their platform.
<i>How was the scheme Implemented? Present key activities.</i>	OostNL invested in OnePlanetCrowd with one other Venture Capital fund and the crowd. OostNL never spoke to the crowd; this all went through OnePlanetCrowd. They raised the capital through the crowd themselves. The crowd-investors are put into a foundation structure (the STAK), and OnePlanetCrowd manages the STAK. The crowd has financed at the start through a loan which is converted in later stage and in later stage the crowd financed through participation certificates.

2. RESOURCES USED	
<i>Amount of Resources committed to the scheme.</i>	EUR 700.000 in three rounds.
<i>Sources of resources (local, regional, national, EU)? Public/private?</i>	Regional and national public resources.
<i>Which crowd the scheme is targeting (local, national, global)?</i>	National crowd.
<i>Profile and Terms of engagement of investors in the scheme.</i>	OostNL invested in OnePlanetCrowd; they are currently shareholder. One of the employees of OnePlanetCrowd is responsible for the governance of the STAK.

3. ROLE OF INSTITUTIONS INVOLVED	
<i>What was the role of the institutions involved in the scheme?</i>	
<i>Oost NL</i>	Investment in the development of Oost NL's platform. Oost NL is a shareholder and has an active role in the preferred shareholders' meeting. Some company decisions were subject to approval by the preferred investors.
<i>One Planet Crowd</i>	Through this investment and investments in a later stage by Oost NL and exiting and new venture capital, One Planet Crowd was able to develop its IT platform, grow its mid- and back office



	and scale the number of investments through its platform.
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4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	The terms were very standard. Conditions from OostNL.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil ?)</i>	Investors registered on the One Planet Crowd platform.

5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	Interview.
<i>Description of communication Campaign</i>	Communication through the crowdfunding platform's media.

4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

- It is a big risk if the startup lacks crowdfunding knowledge.
- Extra challenging as it was a financing of the crowdfunding platform itself.
- There have been many discussions on the deal terms.

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

There was venture capital in place before OostNL entered and three angel investors from the beginning. Later, 4 other venture capitals were added. This made the participation of Oost NL possible.

6. After the scheme

What happened after the scheme was implemented?

It is still running.



3 FUND-MATCHING GOOD PRACTICE EXAMPLES USING OTHER FINANCIAL ALTERNATIVE TOOLS

3.1 GOOD PRACTICE EXAMPLE: “Investment Funds Andalusia”, Spain

1. Implementation time frame

Implementation time frame	2020 - 2029
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

1. Name of institution and their purpose (What they do in general)	<p>Junta de Andalucía, through its agency IDEA, Agencia de Innovación y Desarrollo de Andalucía. It reports to the Regional Ministry of Economy, Finance and European Funds.</p> <p>The Innovation and Development Agency of Andalusia (IDEA) is the regional development agency of the Andalusian Government and an instrument specialised mainly in promoting innovation in Andalusian society.</p>
2. Name of institution and their purpose (What they do in general)	<p>Three management companies manage a venture capital fund (VCF). All three entities specialise in private equity management, are independent, are 100% private equity, and are regulated by the Spanish Market Securities Commission (CNMV in Spanish).</p> <ul style="list-style-type: none"> • Quadriga Asset Managers SGIIC, SA (QUADRIGA), an independent financial management company link • Axon Partners Group Investment SGEIC, S.A. (AXON) Axon Partners Group Investment • Alter Capital Desarrollo SGEIC. S.A. (ALTER) link

3. About the fund-matching scheme

1. PURPOSE and IMPLEMENTATION OF THE SCHEME	
The main goals of the Scheme.	<p>The Junta de Andalucía promoted three venture capital funds through its innovation agency, IDEA. The three investment funds are co-financed by ERDF funds:</p> <p>1- Sherry Ventures Innovation FCR is an early-stage venture capital fund that QUADRIGA manages.</p> <p>2- Alter Cap Andalucía FCR, Venture Capital Fund for expansion phase, managed by ALTER</p> <p>3- Corporación Bética de Expansión Empresarial FCR, Expansion Stage Venture Capital Fund, managed by AXON.</p>



	<p>The objective is to cover market failures in innovative SMEs in the early stage/Start-up and early expansion stage/scale-up.</p>
<p><i>Who was the main beneficiary of the scheme?</i></p>	<p>Innovative Andalusian SMEs (head office or project in Andalusia) in the early stage of creation and the early expansion/scale-up stage</p>
<p><i>How was the scheme Implemented? Present key activities.</i></p>	<p>The IDEA Agency is launching two tenders in 2020 (Venture Capital Expansion and Venture Capital Start-up) to contract financial intermediation services for venture capital funds. This good practice has been included even though it does not involve crowdfunding instruments. The reason for including it relies on the way they have combined private funding and public funding co-financed by ERDF.</p> <p>The main activities to be carried out by the contractor are:</p> <ul style="list-style-type: none"> • Attracting investors as participants in the financial instrument. • Constitution of the financial instrument as an independent vehicle. • Detecting and analysing investment opportunities, making investments in companies, creating value in the investee companies and finally divestment. • Ensuring the implementation of effective and efficient internal control systems. • Regular information and reporting to unitholders. • Control of the correct execution of investments. <p>The execution period (total from the signing of the contract until 30.06.2030) is divided into 3 periods:</p> <ul style="list-style-type: none"> • Incorporation period: from the contract's signing to the fund's incorporation (max 9 months). • Investment period: from the establishment of the fund until 31.12.2023. • Disinvestment and liquidation period: from 1.1.2024 until the liquidation and winding up of the fund (max. 30.06.2030). <ul style="list-style-type: none"> • The main activities developed by the IDEA Agency are: • Inclusion of the funds in the OP ERDF Andalusia 2014-2020. • Financing agreement between DG European Funds and IDEA Agency. • Design of the instrument and preparation of the tender • Selection of financial intermediaries and signing of intermediation contracts. • Supervise the activities of the financial intermediaries. • Participate (in a non-voting capacity) in the Investment Committees. • Monitoring the eligibility of financial operations with



	<p>final beneficiaries.</p> <ul style="list-style-type: none"> Controlling the fulfilment of the purpose of the financed project.
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2. RESOURCES USED	
Amount of Resources committed to the scheme.	<p>Capital Riesgo Start-up:</p> <ul style="list-style-type: none"> Sherry Ventures Innovation FCR: 11.205,000 EUR. <p>Capital Riesgo expansión:</p> <ul style="list-style-type: none"> Alter Cap Andalucía FCR: 15.152,000 EUR. Corporación Bética de Expansión Empresarial FCR: 25.000,000 EUR.
Sources of resources (local, regional, national, EU) ? Public/private?	<p>Sherry Ventures Innovation FCR: Total assets of the fund: 11.205,000 EUR.</p> <ul style="list-style-type: none"> Andalusia ERDF OP 2014-2020: 8.000,000 EUR. The intermediary agency: 170.000 EUR. Private investors (retail investors): 3.035,000 EUR. <p>In addition, the instrument has mobilised a private investment (operation by operation) of 8.300,000 EUR.</p> <p>Alter Cap Andalucía FCR: Total assets of the fund: 15.152,000 EUR.</p> <ul style="list-style-type: none"> Andalusia ERDF OP 2014-2020: 10.000,000 EUR. The intermediary agency: 152.000 EUR. Private investors (family office): 5.000,000 EUR. <p>In addition, the instrument has mobilised a private co-investment (operation by operation) of 3.200,000 EUR.</p> <p>Corporación Bética de Expansión Empresarial FCR: Total assets of the fund: 25.000,000 EUR.</p> <ul style="list-style-type: none"> Andalusia ERDF OP 2014-2020: 19.000,000 EUR. The intermediary agency: 500.000 EUR. Private investors (family office): 5,500,000 EUR. <p>In addition, the instrument has mobilised a private co-investment (operation by operation) of 14.200,000 EUR.</p>
Which crowd the scheme is targeting (local, national, global) ?	<p>The target audience is high-net-worth private investors, companies and private banking investors, who are considered professional clients by the national regulations or request to be treated as such if they comply with the legal requirements, and non-professional clients, provided that, in the latter case, they commit to investing at least one hundred thousand Euros (€100,000.-), and declare in writing, in a document other than the investment commitment document, that they are aware of the risks linked to the intended commitment.</p> <p>In this respect, the Fund outlines the profile of investors:</p> <ul style="list-style-type: none"> Who understand the potential risk of capital loss in the underlying investments of the Fund;



	<ul style="list-style-type: none"> • Who have sufficient resources to bear losses (which may be equal to the full amount invested); • They fully understand and are willing to assume the risks arising from such an investment programme. • The private investors of the 3 funds are: • Sherry Ventures Innovation FCR: private retail investors (ticket from 100,000 to 200,000 euros) at the national level, mainly Andalusia. • Alter Cap Andalucía FCR: family offices at the national level. • - Corporación Bética de Expansión Empresarial FCR: family offices at national level.
<p><i>Profile and Terms of engagement of investors in the scheme.</i></p>	<p>All Unitholders of the Fund (public and private) invest on a pari passu basis, i.e. they share the risk in proportion to their participation in the Fund, with no preferential remuneration criteria for any of them and no asymmetric loss distribution between them. Likewise, the same disbursement and redemption conditions shall apply to all unitholders.</p> <p>In concrete terms, this means:</p> <ul style="list-style-type: none"> • All investors share the same risks and incentives. • Investment in the final recipients occurs simultaneously between the financial instrument and the private investors. • Private investors are independent of the beneficiary companies (except for follow-on transactions). • Private investors shall not have more favourable terms than the financial vehicle. <p>Co-investors shall be deemed to be any investors reasonably determined by the financial intermediary to be operating in circumstances which are by the market economy investor principle, irrespective of their legal nature and ownership. The co-investors and the financial intermediary must be independent of the final beneficiaries of the investment, except in the case of follow-on investments in final recipients that are already part of a previous co-investment round. Annex 5 of the Implementing Regulation (EU) 2016/1157 states that the financial intermediary shall not use a discriminatory approach when finding and investing with co-investors.</p>

3. ROLE OF INSTITUTIONS INVOLVED

<p><i>Institution 1</i></p>	<p>Junta de Andalucía: FACILITATOR - Regional Authority: promoter (Intermediate Body for FEDER 2014-2020) of the cofounding programme.</p>
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<i>Institution 2</i>	IDEA: PARTICIPANT /IMPLEMENTATION BODY – Public Company – responsible for the co-funding scheme and eligibility of the invested projects.
<i>institution 3</i>	Private investment funds: PARTICIPANTS—Private companies are responsible for managing the funds, recruiting investors, and selecting the invested projects.

4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	<p>NEED</p> <p>There is a market failure and sub-optimal investment conditions for SME investments in the Andalusia region, both in the form of debt, guarantee, and equity. As a measure to resolve the market failure highlighted in the Ex-ante evaluation, it is agreed, among other things, to create the "Capital Riesgo Expansión" line, endowed with 29.000,000 EUR, and the "Capital Riesgo Start-up" line, endowed with 10.000,000 EUR.</p> <p>OBJECTIVES</p> <p>The aim is to finance innovative SMEs in Andalusia (with headquarters or projects in Andalusia) with high growth potential:</p> <ul style="list-style-type: none"> • Venture Capital Expansion: 10-20 operations. • Venture Capital Start-up: 20-30 operations. <p>The aim is to mobilise total private capital (both at the level of private participants in the funds and at the level of each operation) of 250% of the public contribution.</p> <p>DURATION</p> <p>The Venture Capital Fund is established for an initial duration covering the period between the Fund's Incorporation Date and 31 December 2029 or, exceptionally, 30 June 2030.</p> <ul style="list-style-type: none"> • Incorporation period: Period from signing the financial intermediation service contract until the Fund is incorporated. • Investment Period: Until 31 December 2023, except for 31 December 2024 (provided that the European Commission agrees to extend the eligibility period). • Disinvestment Period: The deadline is 31 December 2029, which, exceptionally, may be extended by a maximum of six (6) months, i.e. until 30 June 2030, to liquidate the investments in the Fund's portfolio by agreement of the Board of Directors of the Management Company with the approval of the IDEA Agency.



	<p>Remuneration (of the financial intermediary)</p> <ul style="list-style-type: none"> • Basic fee: up to 2.5% per annum of the Fund's assets (investment commitments of all unitholders) during the investment period. • Performance fee: up to 2.5% p.a. of the invested assets/outstanding balance for the fund's life. • Success fee: 20% of the fund's net income at the time of liquidation of the fund.
<p><i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil ?)</i></p>	<p>In general:</p> <p>Viable business plans containing details of the product, sales and profitability of the business are financed, establishing ex-ante viability of the investment. At the same time, the incorporation of novel or innovative components technologically linked to the priorities of specialisation of the RIS3Andalucia (Innovation Strategy of Andalusia 2020). The target companies or final recipients will be SMEs, micro, small or medium-sized enterprises as defined in Annex I of Regulation 651/2014.</p> <p>Beneficiaries must meet the following eligibility criteria:</p> <p>- Independence between final recipients, investment committee members and fund participants.</p> <ul style="list-style-type: none"> • Companies without staff shall not be eligible for funding. • Investment in other Venture Capital entities will not be eligible. • Companies that are subject to collective bankruptcy or insolvency proceedings or meet the criteria established in legislation for being subject to bankruptcy or insolvency proceedings at the request of their creditors, by Law 22/2003, of 9 July, on Insolvency and other applicable legislation, or be considered a "company in crisis" by the definition of Regulation 651/2014/EU, of 17 June 2014, will not be eligible for funding. • They must not form part of one or more "restricted sectors" or be affected by the ERDF's sectoral limitations. • They must be up to date with their tax and social security obligations. They must not have any debts in the enforcement period of any public law revenue of the Autonomous Community of Andalusia at the time of approval of the financial operation. Likewise, they must not be in arrears according to the usual credit policy, and there must be no debts claimed for private law revenue from financial operations granted by the Regional Government of Andalusia.



- Registered office or operational centre (current or future) in Andalusia.
- The investment must not be made in listed companies.
- They must be in a growth and expansion phase in the case of Expansion funds or an early stage (< 7 years old) in the case of Start-up funds.
- Must be considered as an "innovative company".

Financial operations must fulfil the following conditions:

The financial intermediary must invest in the final recipients using direct participation in the share capital of the selected companies through the acquisition of their shares or company shares and by granting loans of a subordinated nature (such as participating loans capitalisable at Fund Instance or bond transactions convertible into shares or not issued by them), and in general any other financing transactions whose formalisation is permitted by Spanish legislation on venture capital entities. To ensure sufficient diversification of the Fund's portfolio, the amount of risk per final recipient (i.e. the sum of all series/investment rounds per final recipient) may not exceed 15% of the Fund's assets in the case of the feeder funds and 10% of the assets in the case of the start-up fund.

In addition, all financial operations must comply with the following criteria:

- The final recipient (SME) must be the recipient of the entire amount of the financial operation ("cash-in" operations), without prejudice that the operation can be articulated through a financial vehicle (for example, to guarantee pari-passu conditions with other co-investors through a "Newco") if this circumstance is justified (for example to guarantee pari-passu conditions). The money can be traced to the final recipient.
- Cash out or replacement capital transactions (including management buy-out or management buy-in) are not eligible for financing.
- There must be a clear and realistic exit strategy for each investment.

Requirement for private co-investment:

The total percentage of private participation at the SME (final recipient) level, calculated on a case-by-case basis, shall reach at least the following thresholds:

- (a) 10 % of risk finance provided to eligible enterprises before their first commercial sale in any market.
- (b) 40 % of risk finance is provided to eligible undertakings operating in any market for less than seven years after their first



	<p>commercial sale.</p> <p>(c) (c) 60 % of risk finance provided to eligible undertakings requiring an initial investment of risk finance, which, based on a business plan drawn up to enter a new product or geographic market, is more than 50 % of their average annual turnover over the last five years, or for follow-on investments in eligible undertakings after seven years from the first commercial sale.</p>
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5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<i>Please name the available documentation related to the scheme</i>	<p>START-UP INVESTMENT FUND https://www.juntadeandalucia.es/haciendayadministracionpublica/apl/pdc_si_rec/perfiles-licitaciones/detalle-licitacion.jsf?idExpediente=000000254766</p> <p>SCALE-UP INVESTMENT FUND https://www.juntadeandalucia.es/haciendayadministracionpublica/apl/pdc_si_rec/perfiles-licitaciones/detalle-licitacion.jsf?idExpediente=000000254918</p>
<i>Description of communication Campaign</i>	<p>https://www.juntadeandalucia.es/organismos/idea/servicios/actualidad/noticias/detalle/268382.html</p> <p>https://www.juntadeandalucia.es/organismos/idea/areas/subvenciones-ayudas-financiacion/financiacion-reembolsable/paginas/instrumentos-financieros-feder-2014-2020.html</p> <p>https://www.alhambraventure.com/los-fondos-de-capital-riesgo-la-gran-oportunidad-para-los-emprendedores-en-sus-inicios/</p>

4. Challenges and Benefits

Description of main challenges and benefits of scheme implementation:

Challenges:

- Fitting the private management model of a venture capital fund in the field of public administration, in particular, applying the law on public sector contracts.
- Verification and justification of the fulfilment of the purpose of the financed operations
- Verification of pari-passu conditions for private co-investment
- The investment period (limited by the ERDF 2014-2020 framework) has been short (30 months), while an optimal period is between 36 and 60 months. However, an implementation level of 87% has been achieved.

Benefits:

- A multiplier of 2.24 public money (among the 3 funds) has been achieved, i.e. each public euro has mobilised 2.24 private euros.
- A total of 37 companies have been invested, all innovative companies with high growth potential.



- Important contribution to promoting a venture capital ecosystem in Andalusia (funds investing exclusively in Andalusia and managed from offices in Andalusia).

5. Key lessons learned

Description of the lessons learned (about approach, factors, tasks, terms) that influence the successful implementation of the scheme:

- The implementation time (from design to selection of intermediaries and constitution of the funds) should not be underestimated. In the case of Andalusia, it was 18 months.
- The origin of public funding greatly conditions the management of the instrument. ERDF funding substantially increases the workload for all those involved (beneficiaries, intermediaries, the body implementing the instrument, and audit bodies) regarding the justification and monitoring of operations. There is a danger of de-certification of operations.

6. After the scheme

What happened after the scheme was implemented?

- The investment period ended on 31.12.2023, and they are now in the divestment period. It is still early to pronounce the impact achieved.
- The implementation is considered a success, and new tenders are being prepared on very similar terms but with a higher public contribution.

3.2 GOOD PRACTICE EXAMPLE: “Participatory budgeting and crowdfunding mechanism for innovative projects”, Braşov Municipality, Romania

1. Title of good practice fund-matching scheme and implementation time frame

<p><i>Title</i></p>	<p>‘Participatory budgeting and crowdfunding mechanism for innovative projects’ (Braşov Municipality)</p> <p>There are two mechanisms set up under this scheme; the one relevant for our mapping is <i>the participatory budgeting and crowdfunding mechanism for innovative projects (based on the integration of crowdfunding and match-funding into the current grant funding mechanism)</i></p>
<p><i>Implementation time frame</i></p>	<p>The mechanism was developed by the Center for a Sustainable Society Association (through a project financed by the Administrative Capacity Operational Program 2014–2020), having as a beneficiary of the project the Braşov Municipality, based on a local development partnership. The project ended in November 2023; at the end of the project, two mechanisms for fund-matching were delivered to the beneficiary, including a wider theoretical framework context analysis and monitoring procedures and tools.</p>



	<p>The mechanisms are proposed to be implemented in the participatory budgeting process of the Braşov Municipality in 2024. As such, the implementation timeframe is set for the future, during the budgetary year 2024, and the mechanism was not tested at the moment of this report (January 2024).</p>
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2. Short presentation of Institutions/organisations involved in the fund-matching scheme

<p>1. Name of institution and their purpose (What they do in general)</p>	<p>Braşov City Hall is a local public institution that, together with the Local Council and the Mayor, ensures the administration of Braşov Municipality and the delivery of local policies, including managing the municipality's budget (ensuring budget execution).</p> <p>Local budgetary policy has a component dedicated to financing projects based on participatory budgeting. Through this mechanism, the community proposes projects to be financed/ co-financed by the Municipality. After the selection phase, the projects are either implemented by the City Hall or co-financed and implemented by beneficiary organisations.</p>
<p>2. Name of institution and their purpose (What they do in general)</p>	<p>The crowdfunding platform administrator – since the mechanism has not been tested, there is no designated crowdfunding platform.</p> <p>The selected platform will host the projects selected as eligible for crowdfunding, collect the contributions of the project supporters, and, after the selection process is finalised, provide the collected sums to the beneficiaries. The platform will also play a role in monitoring procedures (e.g., publishing updates on the project's implementation and the final report). The mechanism does not provide other criteria or procedures for selecting the platform as part of the partnerships.</p> <p>The project that delivered the mechanism analysed here as good practice benefitted from the consultancy and partnership of a crowdfunding platform (Consolid8, a non-financial, reward-based national platform).</p>

3. About the fund-matching scheme

<p>1. PURPOSE and IMPLEMENTATION OF THE SCHEME</p>	
<p>The main goals of the Scheme.</p>	<p>The main objectives of the fund-matching mechanism are:</p> <ul style="list-style-type: none"> • Selection and implementation of projects that introduce new solutions to community problems by combining collective financing (crowdfunding) with institutional support, respectively, co-financing from the local public authority (match-funding). • Develop a social network of crowdfunding (monetary contributions) and distributed collaboration (services,



	<p>infrastructures, micro-tasking and other resources) through a crowdfunding platform.</p> <ul style="list-style-type: none"> • Autonomous development of creative and innovative projects with social, cultural, scientific, educational, technological, or ecological goals. • Ensure the necessary resources (both from the local public authority and natural and legal persons) for the implementation of projects with medium or long-term impact, which respond to a high degree to the real needs of the community and which propose new and innovative solutions to satisfy these needs; • Increasing citizen involvement and commitment, stimulating the community to participate in selecting and financing innovative projects (through crowdfunding) proposed by non-governmental organisations or other legal entities.
<p><i>Who was the main beneficiary of the scheme?</i></p>	<p>The main beneficiary of the fund-matching mechanism should be considered the community at large, as the projects selected to be co-financed by the public authority via the participatory budgeting scheme are considered eligible based on criteria of medium or long-term impact, which respond to a high degree to the real needs of the community and which propose new and innovative solutions to satisfy these needs.</p>
<p><i>How was the scheme Implemented? Present key activities.</i></p>	<p>Although the mechanism has not been tested yet, it is planned to be implemented with the municipality's participatory budgeting mechanism in the 2024 budgetary exercise.</p> <p>Key planned activities for 2024:</p> <ul style="list-style-type: none"> • Elaboration and validation of the documentation related to the call for projects, including publication and dissemination (applicant guide for the participatory budgeting scheme 2024). • Preparation/adaptation of the project submission platform (a different platform set up by the municipality, not the crowdfunding platform). • Crowdfunding platform selection (alternatively, developing own crowdfunding platform in the long term). • Establishment of the evaluation commission. • Submission of projects, project eligibility verification and technical evaluation. • Preparing the crowdfunding campaign, running the crowdfunding campaign, post-campaign and contracting; • Monitoring the implementation of selected and contracted projects, including during implementation



	<p>and final reporting by the beneficiary of the funding mechanism, validation of project implementation by the City Hall compared to the grant agreement).</p> <ul style="list-style-type: none"> • Evaluation of the alternative financing program (of the fund-matching scheme) – getting feedback from the main stakeholders on the perceived utility and impact of the financing program from participants, beneficiaries of funding/organisations implementing the projects financed via the mechanism, citizens – end beneficiaries of implemented projects), assessment of visibility of the funding mechanism, and the financed projects at community level. • Final evaluation of the program: comprehensive data on reaching the KPIs, reasoning for gaps in reaching the KPIs, corrective measures, relevance to funding beneficiaries’ and end beneficiaries needs, visibility in the community, perceptions of the stakeholders and reasoning for negative perceptions, corrective measures for future participatory budgeting processes.
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<p>2. RESOURCES USED</p>	
<p>Amount of Resources committed to the scheme.</p>	<p>There is no allocated budget (or it is not publicly available) for 2024. Still, for the previous 3 years, the allocation to participatory budgeting in the local budget was approximately 40,000 EUR/ budgetary year.</p>
<p>Sources of resources (local, regional, national, EU)? Public/private?</p>	<p>According to the proposed mechanism, the fund match is intended to be integrated only with the budgetary allocation dedicated to participatory budgeting for each budgetary year. As such, the public funding source is only the Braşov Municipality's local budget.</p> <p>However, the participatory budgeting mechanism for non-refundable funding is designed as a co-financing scheme, so the public allocation component will only partially cover the project's financing, the rest being co-financed by the beneficiary organisation (private funding). Based on past sessions of participatory budgeting, the minimum required co-financing component by the beneficiary was 25%.</p>
<p>Which crowd the scheme is targeting (local, national, global)?</p>	<p>The targeted crowd comprises the citizens of Braşov Municipality. Considering that eligible projects are assessed based on their impact on the well-being of the local community, the crowdfunding call will also target the local community. However, there is no normative constraint on who can contribute financially by crowdfunding; the procedure mentions ‘natural persons over 14 years old, residing in Romania’.</p>



<p><i>Profile and Terms of engagement of investors in the scheme.</i></p>	<p>According to the proposed mechanism, the participatory budgeting scheme is not designed to correspond to the financial crowdfunding model but rather to the non-financial types (reward-based or donation-based). The mechanism does not allow for investment or loan-based types of crowdfunding. The platform that was used as a consultant during the development phase of the mechanism is providing services for reward-based crowdfunding project owners.</p>
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<p>3. ROLE OF INSTITUTIONS INVOLVED</p>	
<p><i>Institution 1</i></p>	<p>In this fund-matching mechanism, the Braşov City Hall's role is related to delivering local policies, defining priorities for community interventions and interventions financed by the local budget, and mobilising the community to define the needs and solutions. In this mechanism, problem-solving and addressing citizens' needs are set as high priorities, but so are the involvement and support of the community in addressing them, as well as the knowledge and information that the crowd can provide (crowd-sourcing).</p> <p>The participatory budgetary component of the Brasov Municipality designates local funds for co-financing community projects, which will be implemented by the beneficiary organisations in the city of Brasov for the benefit of the community.</p> <p>In this process, the Braşov City Hall proposes the budgetary allocation, sets the main elements of the mechanism (no. of projects financed, % of financing / co-financing, eligibility criteria, other conditions on implementation, etc.), evaluates and selects the projects, designs the main elements of the crowdfunding campaign (how many projects, minimum no. of supporters/target financing obtained from the crowd), ensures dissemination and visibility to the scheme, provides trust and legitimacy to the proposed projects (by pre-selection before the entering the crowdfunding phase), provides training to the potential participants, supervises the implementation of projects. Most relevant role – financing via the participatory budgeting mechanism, part of the local budget of the municipality, the projects that comply with the criteria of the mechanism and attain the required thresholds of support through the crowdfunding stage: no. of supporters / minimum amount collected.</p>
<p><i>Institution 2</i></p>	<p>The crowdfunding platform administrator – since the mechanism has not been tested, there is no designated crowdfunding platform.</p>



	<p>The selected platform will host the projects selected as eligible for crowdfunding, collect the contributions of the project supporters, and, after the selection process is finalised, provide the collected sums to the beneficiaries. It will also play a role in monitoring procedures (e.g., publishing updates on the project's implementation and the final report). The mechanism does not provide other criteria or procedures for selecting the platform as part of the partnerships.</p>
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4. TERMS AND CRITERIA OF SCHEME	
<i>Main terms/conditions of the scheme?</i>	<p>The main terms and conditions of the proposed fund-matching mechanism are:</p> <ul style="list-style-type: none"> • Project proposals can be submitted by non-governmental organisations, commercial companies, authorised natural persons, family businesses, and any other legal entities under public or private Romanian or foreign law (...), provided they meet the eligibility criteria. • A dedicated commission (appointed by City Hall) will evaluate the eligibility of the applicants/projects. • Projects that meet the eligibility conditions will be selected to enter the crowdfunding phase, which includes publication on the crowdfunding platform, dissemination, and financing from the crowd (local community—each person can financially support a maximum of 3 projects in the crowdfunding campaign). • The applicant → beneficiary will implement the projects after signing the financing contract with the public authority. • The beneficiary will own intellectual and industrial property of the selected projects by applicable laws. • In the case of projects that did not reach their funding objective (<i>which is not set yet</i>), the amounts that citizens contributed during the crowdfunding campaign period will be returned to the accounts from which the payments were made.
<i>Required profile of beneficiary and criteria for the engagement. (Who could participate in the scheme and which criteria the beneficiary needed to fulfil?)</i>	<p>Eligibility of applicants and projects: the call for proposals is open for any innovative project that addresses community needs proposed by individuals and/or organisations from the municipality of Braşov.</p> <p>The following applicants can submit project proposals if their headquarters or workplace is in the municipality of Braşov: non-governmental organisations, commercial companies, authorised natural persons, individual enterprises, family businesses, and any other legal entities under public or private law, except local or central public administration institutions, as well as entities</p>



	<p>and organisations of which the local public authority is a part (for example, community development associations).</p> <p>Criteria for projects' eligibility:</p> <p>i) projects must be innovative and have the potential to activate the community of Braşov;</p> <p>Types of innovations that project implementation can pursue:</p> <ul style="list-style-type: none">• product/service innovations, for example, innovative elements of public infrastructure, new social services, and new cultural products (including events);• process and/or marketing innovations, for example, new approaches in interacting with the public/citizens, new methods of providing and/or presenting some public services;• technological innovations (can target both products/services and processes) - for example, new technologies for traffic monitoring or air quality monitoring, digital arts and new media, AI solutions, etc.;• social innovations - projects that address the community's social needs through new means, services and approaches, contributing to increasing the quality of life. <p>Other criteria (part of the participatory budgeting mechanism):</p> <p>ii) to be assimilated to an expense within the area of competence of the Braşov City Hall (eligible from the local budget);</p> <ul style="list-style-type: none">• To target premises or assets under the administration of the Municipality of Braşov, excluding premises under dispute or claimed; projects targeting privately owned spaces/goods are not eligible.• Not to enter the area of other programs or investments carried out by the municipality.• Not be contrary to or incompatible with the municipality's plans, projects, or strategies.• Not to have a commercial, advertising, or political character and not to be discriminatory.• To be delimited spatially.• To propose a realistic budget, detailed by expenditure category. <p>The projects proposed in the call cannot be presented/transmitted to obtain funding through other calls run by local public authorities.</p>
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5. AVAILABLE DOCUMENTATION & COMMUNICATION CAMPAIGN	
<p><i>Please name the available documentation related to the scheme</i></p>	<p>Relevant documents that are <u>not available yet</u>: the local budget for 2024, the guide/ regulation for the participatory budgeting mechanism, and the platform partnership.</p> <p>Documents describing the fund-matching mechanism:</p> <ul style="list-style-type: none"> • 'Implementation mechanism. Budgeting and crowdfunding mechanism for innovative projects. Program name: Budgeting and crowdfunding mechanism for innovative projects (assuming the integration of crowdfunding and fund-matching in the current grant funding mechanism)' • 'Monitoring procedure of the alternative financing mechanism for innovative projects in communities' <p>Author: Center for a Sustainable Society Association Available at: https://www.consolid8.ro/content/10/civic-crowdfunding</p>
<p><i>Description of communication Campaign</i></p>	<p>Communication campaign that occurred during the development of the crowdfunding & fund-matching mechanism having as beneficiary the Brasov Municipality (this ensured some visibility in the community of the proposed mechanism):</p> <ul style="list-style-type: none"> • A campaign to promote the mechanism was carried out online, and a Facebook page was created and updated: https://www.facebook.com/AsociatiaCSD. • 1 workshop was organised on the financing mechanism developed (70 citizens participated in the event). • 2 training courses were organised on alternative financing mechanisms for innovative community projects (including sessions promoting equal opportunities, non-discrimination, and sustainable development). <p>https://www.consolid8.ro/content/10/civic-crowdfunding</p>

4. Challenges and Benefits

5. Key lessons learned

6. After the scheme

We have no information for sections 4 to 6; the scheme was not implemented, but it will be implemented in the budgetary year 2024 (budget, guide/ regulation, platform partners pending).

We consider this mechanism relevant to be discussed here because we hope it will be functional soon. If it works, it could have the potential to contribute significantly to the dissemination of crowdfunding and fund-matching in Romania. In 2022, 16 large cities (country seats and the capital) conducted participatory budgeting processes, including citizens in selecting projects financed via this mechanism. All these municipalities could benefit from pilot-testing the role of crowdfunding in this fund-matching exercise.



PART2: ANALYSIS OF CURRENT FUND-MATCHING BARRIERS AND POTENTIAL MEASURES FOR BARRIER REMOVAL

LITHUANIA

Analysis of key current fund-matching barriers

Barrier 1: Legal framework

Description of the situation:

The possibility of financing community projects (such as building modernisation, electrical e-vehicle chargers, RES projects, etc.) was discussed during the stakeholder meeting. The main legal barrier is The Law on Consumer Financing. By the Law on Consumer Financing, only institutions included in the List of Consumer Credit providers can issue loans for natural persons. The list of consumer credit providers is formed and supervised by the Bank of Lithuania; therefore, this creates additional responsibilities and obligations for these institutions. Also, it should be noted that administration of the consumer credits is a difficult process that requires relevant IT systems and capabilities.

Barrier is causing following negative impact(s) or bottleneck(s):

There is no financing accessibility for the communities' projects financing as they are not bankable.

Barrier 2: Information and knowledge barriers

Description of the situation:

The substantial insecurity for investors is related to the reputation of crowdfunding and the administrator's ability to estimate project risks and ensure risk management measures because the whole crowdfunding market in Lithuania is still in the development stage and lacks experience and track record. Therefore, most investors might choose other investment opportunities and strategies. Thus, every crowdfunding platform should have a strong marketing and PR strategy to reach and attract potential investors. The success of raising funds mostly depends on advertisements' efficiency and reach on social media. Another reason crowdfunding does not attract enough investment is that there are better investment opportunities in the market in terms of conditions such as IRR, duration, repayment method, etc.

Barrier is causing following negative impact(s) or bottleneck(s):

Not a sufficient amount of raised funds.



Identification of potential measures for barrier removal

<i>SUGGESTED MEASURE: Legal framework</i>	
Objective and background of the suggested measure	A suggested measure could be to make an exemption in The Law on Consumer Financing, as it was amended, for the financing of multiapartment building modernisation projects when these kinds of projects are not subject to this law and refer to another regulation.
Content description of required activities	Change of The Law on Consumer Financing.
Expected result	Possibility to finance community projects (such as building modernisation, electrical e-vehicle chargers, RES projects, etc.)
Key stakeholders For the implementation of the measure	Bank of Lithuania.

<i>SUGGESTED MEASURE: Information and knowledge increase</i>	
Objective and background of the suggested measure	The whole crowdfunding market in Lithuania is still in the development stage, lacking experience, a track record, and information found online or in the media.
Content description of required activities	To promote crowdfunding in media and raise public awareness of its benefits.
Expected result	Increase the amount of raised funds.
Key stakeholders For implementation of the measure	The Ministry of Finance, Bank of Lithuania, and crowdfunding platform operators.



ROMANIA

Analysis of key current fund-matching barriers

Barrier 1: Level of Digitalization in Romania

Description of the situation:

For the implementation of models matching financing from crowdfunding and public funds, a barrier can result from the low level of digitalisation of public services for both citizens and companies, according to the Digital Economy and Society Index (**DESI 2023**). This score also reflects the digitalisation resistance of public institutions in Romania. Digital public services for citizens (47.58 out of 100 points, compared to 77.03 EU average) and businesses (44.61 out of 100 points, compared to 83.73 EU average) are scarce and limited in scope.

Digitalisation scores are low for other dimensions of the index, reflecting similar barriers from the perspective of citizen participation or SME participation in both crowdfunding and fund-matching schemes:

- Overall score for Romania - 30.6 (ranks last in EU-27).
- Share of SMEs with at least a basic level of digital intensity (52.50%) – a significant increase from 2022, approx. 22%;
- Percentage of enterprises sharing information electronically (16.8%);
- Above basic digital skills – 8.73%.

Source: <https://digital-decade-desi.digital-strategy.ec.europa.eu/datasets/desi/charts>

Also, the eGovernment Benchmark 2023, monitoring Europe's digitalisation of public services, ranks Romania 32 (out of 35 European countries) with an overall score of 46%, compared to the 70% EU average.

<https://digital-strategy.ec.europa.eu/en/library/egovernment-benchmark-2023>

Barrier is causing following negative impact(s) or bottleneck(s):

- Low level of implementation of ICT tools and practices in both the private and the public sectors;
- Low prioritisation of such investments, including in the education/ skills accumulation of their staff (Enterprises providing ICT training', Romania scores the low value of 8.8% compared to the 22.4% EU average);
- For 'pioneer' administrations, it is difficult to generate ideas, design, obtain support for, and implement financing public policies around concepts that are so unpopular in Romania and have such weak support infrastructure in terms of digitalisation.

Barrier 2: Financial education, financial inclusion, financial literacy (companies, citizens)

Description of the situation:

Although we do not have data on the knowledge of financial solutions/ alternatives and digital financing mechanisms at the level of public authorities in Romania, we see from existing policies that they are pretty conservative in design, thus reflecting the general knowledge of the market and society.

Indicators reflecting this problem from the market perspective are listed below:

- Level of knowledge and use of financial products and services - overall score 27 (out of



100) for SMEs and 43 for large companies.

- The overall financial literacy of Romanian companies (68 out of 100, with 67 for SMEs) correlated with scores on the financial behaviour of companies (39 out of 53, and 39 for SMEs) and financial attitudes (8 out of 18, and 8 for SMEs) seem to provide some nuances to the apparent lack of interest of SMEs in accessing alternative finance, which may be the result of factors other than just lack of financial education (such as banking and grant institutions bureaucracy, complexity of digital models, and low level of digitalisation).
- The level of financial inclusion of Romania's population reached 68% in mid-2022, which reflects progress made in the last decade, but it was still 26% below the EU average.
- According to the National Bank of Romania's studies analysing the status of the Romanian economy, there are two important, persistent, structural vulnerabilities: a very low degree of financial intermediation and the inadequate level of companies' capitalisation, both strongly related to the modest degree of financial education of entrepreneurs' (BNR, 2023).

Barrier is causing following negative impact(s) or bottleneck(s):

- Low financial education or conservative financial behaviours in the private sector translate into a lack of demand for alternative financing at market level, and as such, low awareness, knowledge, and expectations on how these could translate into the delivery of public policies, including financing solutions.
- The general low level of financial literacy (especially related to alternative finance) in the market/society is reflected in the low awareness of public authorities of such financing alternatives and the possibility of integrating them into public policies.

Barrier 3: Lack of a collaborative culture

Description of the situation:

Our stakeholders identified two social obstacles: 'lack of investment culture of the population' and 'lack of collaborative culture', affecting not only individuals' tendency to invest in crowdfunding projects but also SMEs' reluctance to enter collaborative agreements, including crowdfunding projects, and a 'general distrust of the population in others, including their peers' (the respondent mentioned this as a social phenomenon, rather than a specific sociological or economic indicator, which the literature describes as 'trust and support among citizens, cultural perspectives on citizens' trust in the public institutions and their peers').

Furthermore, describing the barrier as a 'lack of collaborative culture,' the respondent argued that in Romania, 'we have few examples of efficient functioning of communities, from private entities to public areas.'

Barrier is causing following negative impact(s) or bottleneck(s):

This problem is undoubtedly relevant for the potential of developing crowdfunding and fund-raising models, as existing studies have documented the link between market development and collaborative societies. The Cambridge Centre for Alternative Finance study (2021) on crowdfunding markets concluded that 'underperforming countries in developed economy contexts were those associated with a combination of small home markets, strict financial regimes, especially traumatic experiences during the previous financial crisis, and/or low levels of social trust'. Romania perfectly fits this profile.



A general distrust in the financial sector, market instruments, alternative investment models, etc., reduces the willingness of citizens with disposable income to consider crowdfunding and of economic operators to consider financial arrangements or capitalisation solutions that are new, unknown, complex, digital... anything other than traditional bank loans and grants.

Identification of potential measures for barrier removal

<i>SUGGESTED MEASURE: Increase the level of digitalisation in Romania</i>	
Objective and background of the suggested measure	<p>There are sufficient strategies and policies in place to increase the general level of digitalisation in Romania. For the public sector, we have strategies for the digitalisation of health, education, There is a public institution (the Authority for Digitalization of Romania) that is strategising and implementing digitalisation policies for the public sector. Its mission is to digitally transform public institutions from both central and local public administration.</p> <p>https://www.adr.gov.ro/</p> <p>At national and regional levels in Romania, EU-funded grants are dedicated to digitalizing the private sector, especially SMEs.</p>
Content description of required activities	<p>Apply existing strategies, policies, and commitments for digitalizing the public sector. Ensure adequate financing of digitalization projects (digital infrastructures), adaptation of the existing regulatory and procedural framework, adequate staff training, and public communication and dissemination of digital solutions implemented.</p>
Expected result	<p>There has been an increased level of digitalisation of the public sector and increased support inside the public sector for policies involving more digital solutions.</p>
Key stakeholders For the implementation of the measure	<ul style="list-style-type: none"> • Local public authorities and national authorities implementing digitalisation policies. • Private sector – demanding digital public services for businesses and support for their own digitalisation measures.

<i>SUGGESTED MEASURE: Increase levels of financial education, financial inclusion, and financial literacy (companies, citizens, public sector)</i>	
Objective and background of the suggested measure	<p>Romania has a strategy in place to address the underdevelopment of the capital market: the 'National strategy for the development of the capital market in Romania for the 2023-2026 period'. The strategy acknowledges the problems inherent to the Romanian capital market due to insufficient financial education at the market level, both companies and investors. Education and awareness building should be part of a concerted effort made by public and private actors directly interested in the development of the market.</p>



	Credibility and trust among investors and market participants should follow successful education for more sophisticated financial behaviours of the population.
Content description of required activities	<p>The Strategy has some objectives and measures that address education and awareness at the market level as foundational measures to promote capital market development. All these measures are relevant for the potential contribution to the crowdfunding market and for the potential for fund-matching:</p> <p>- 'General objective 4: Promoting savings among individual investors/ natural persons, as well as increasing the participation of individual investors and the business environment in the capital market' – this objective is operationalised in specific measures including awareness-raising campaigns, education campaigns for both individuals and the business environment; another specific objective and the related measures are supposed to build the trust of potential investors in financial instruments markets and investments.</p> <p>Such information/ education campaigns could include crowdfunding and other alternative finance options/ models. It is possible that national stakeholders (platform operators and public authorities willing to pilot alternative financing models) influence the content of these campaigns to cover crowdfunding, and there are potential positive effects for crowdfunding and fund-matching from increased financial education, awareness of alternative investment instruments and disposable income of the individuals.</p>
Expected result	Increased financial literacy at market level (companies, investors), changes in capitalisation and investing behaviours, and changes in demand for alternative financing solutions in case of public support so that novel financing capacities can be mobilised (including from crowd financing).
Key stakeholders For the implementation of the measure	<ul style="list-style-type: none"> • SMEs, large companies, investors – the demand side of innovative public policies. • Public authorities design financing instruments and mechanisms for the private sector.

SUGGESTED MEASURE: Increased transparency and public communication on relevant topics (new market developments, inherent risks of new instruments, change resistance behaviours) and clear and detailed regulation of collaborative agreements at market level

Objective and background of the suggested measure	The proposed measures target two dimensions of extensive social lack of trust: transparency and communication and revising and amending existing regulations on private sector collaborative arrangements.
Content description of	The remedial measures consist of creating as extensive a set of rules as possible by amending and detailing existing legislation.



<p>required activities</p>	<p>Each association of companies will have to have at its base documents that specify very clearly how to enter the association, how to leave, what is lost versus what is gained, etc.</p> <p>As an example, proposed amendments to Law no. 31/1990 on commercial companies to include relevant and detailed clauses for the protection of the minority shareholder since the current regulation provides little incentive for potential individual investors to be interested in equity crowdfunding models.</p> <p>Structured rules on market cooperation and protecting investors' rights should be accompanied by reducing the bureaucratic burden on market participants from any interaction with public authorities and institutions.</p>
<p>Expected result</p>	<p>A more structured regulatory and procedural framework for collaborations among companies and with financing entities/investors will reduce uncertainty and distrust among companies and among companies and potential investors by the crowd. This, in turn, will project a more trustworthy investment environment in society, also coupled with the positive effects of increased transparency and communication on these topics from the public sector.</p>
<p>Key stakeholders For implementation of the measure</p>	<p>On the issue of cooperation, our stakeholders expected a leading role from public institutions to support market-level cooperation and fund-matching mechanisms. As such, main political factors are reported as barriers to public-private cooperation in the form of fund-matching: 'high bureaucratisation resulting from cooperation with public authorities and involving public funding', 'the fact that public authorities would have to take responsibility for the failure of a project', 'legislative barriers', 'high resistance to change in public institutions/organisations, at central and local levels' – all considered as political factors.</p> <p>Public authorities are relevant for the capital market. Regulatory authorities in the financial sector.</p>



GREECE

Analysis of key current fund-matching barriers

Barrier 1: Inadequate information and knowledge

In the Greek case, it was found that the first factor that creates obstacles in fund-matching is inadequate information and, subsequently, knowledge regarding this issue. Specifically, the lack of comprehensive information surrounding fund-matching topics creates a significant knowledge gap, particularly when it comes to understanding the complexity of the process. This gap leads to inefficiencies and delays in the fund-matching process, preventing Greece's ability to fully leverage available funds.

Barrier is causing following negative impact(s) or bottleneck(s):

- The lack of information and knowledge regarding the possibilities of fund-matching hinders the identification of the most suitable sources of financing, which are connected with the objectives of each case attempting to participate in a crowdfunding scheme.
- Potential interested parties are not well aware of the legislation and necessary procedures regarding fund-matching and crowdfunding due to a lack of knowledge.

Barrier 2: Lack of communication

The lack of communication around the fund-matching topic creates a significant obstacle to disseminating existing opportunities. Without proper channels for communication and relevant promotional campaigns, potential funders are unaware of the fund-matching options available, leading to reduced involvement. This insufficient communication is a barrier to the growth and development of projects that could have been implemented by fund-matching.

Barrier is causing following negative impact(s) or bottleneck(s):

- The lack of proper communication affects both those who are looking for opportunities to receive crowdfunding and those who intend to offer financial support to the aforementioned. Essentially, obstacles arise when the two parties come into contact, which may result in missing fund-matching opportunities.
- The lack of communication results in reduced engagement among individuals/organizations that intend to act as project financiers. Consequently, the low degree of dissemination concerning the possible fund-matching options may lead to reduced participation of funders who might have shown interest in financing projects that will finally not be possible to implement because of it.
- The inadequate promotion of existing fund-matching opportunities and, consequently, the inability to implement them could be considered reasons for the non-implementation of innovative projects and ideas that could contribute to society's overall progress and have a positive impact on its economic growth.



Barrier 3: Trust and transparency issues

The suspicion surrounding fund management in fund-matching schemes, particularly those involving public bodies, is based on the need for accountability and transparency. Public bodies must manage the available funds in a meritorious and impartial manner, strengthening the public's need for trust. The perception of abuse and mismanagement heightens potential investors' suspicion.

Barrier is causing following negative impact(s) or bottleneck(s):

- Potential investors show low levels of trust, as they are possessed by a sense of suspicion, which is likely to act as a deterrent to their intention to participate in a fund-matching scheme. Their non-participation implies limited funding sources that will make implementing projects and ideas impossible.
- The existence of suspicion leads to increased controls to ensure the transparency of the various processes. As these controls involve time-consuming accountability procedures, this leads to delays in the execution of projects.

Barrier 4: Lack of policy support

The lack of political will when it comes to fund-matching issues is being detected in the central administration's reluctance to allow local administrations to take initiatives. This causes obstacles to the progress of local development projects related to fund-matching, as they are heavily dependent on central administration. Moreover, the central administration often does not know the real needs of local societies to properly allocate the available funds. At the same time, it is possible that it does not realise the significance of the delays in the execution of local development projects based on fund-matching.

Barrier is causing following negative impact(s) or bottleneck(s):

- The lack of political will on the issue under consideration can cause obstacles to the implementation of local development projects due to a lack of funding, especially when it comes to fund-matching procedures or execution delays.
- The central administration is probably not to make a correct distribution of the available funds as it does not know exactly the needs of the local societies. So, there is a risk that funds will be allocated for the implementation of projects that are not that important compared to others.
- The intense involvement of the central administration significantly increases the already high volume of bureaucratic procedures, further delaying the implementation of projects aimed at improving local societies.



Identification of potential measures for barrier removal

<i>SUGGESTED MEASURE: Adoption of Eligibility/review criteria in calls for funding</i>	
Objective and background of the suggested measure	Adoption of Eligibility/review criteria in calls for funding will lead to more and better-informed interested parties.
Content description of required activities	Discussions and deliberations with the managing authority of the Region of Central Macedonia (RCM) on adding new eligibility/review criteria for candidates (natural persons or legal entities). For instance, give priority to those who have already received crowdfunding or to those who have already implemented/participated in funded projects related to the core objective of CROWDFUNDMATCH (a combination of sources). An additional eligibility criterion could be the priority for those who present an innovative idea in the context of each project. Furthermore, the level of readiness for the implementation of each action plan could be established as an eligibility criterion.
Expected result	Several positive outcomes could be created, such as an efficient evaluation process, learning and continuous improvement, efficient interactions, better information, increased access to information, better knowledge, etc. Additionally, this will increase interest in participation while also attracting highly experienced applicants. Moreover, the applicants' expertise will increase the projects' quality and ensure their positive impact.
Key stakeholders For implementation of the measure	<ul style="list-style-type: none"> • Policy makers / managing authorities. • Strategic planners.

<i>SUGGESTED MEASURE: Communication strategy to raise awareness about fund-matching</i>	
Objective and background of the suggested measure	Develop a clear, goal-driven communication strategy around the fund-matching topic. This will allow the appropriate parties to be approached, new partnerships to be developed, and existing fund-matching opportunities exploited.
Content description of required activities	To ensure effective communication and dissemination of the topic, RCM needs to develop an expanded and multi-layered communication strategy. The Strategy will include targeted dissemination and publicity actions, which will kick off during the current Regional Operational Programme 2021-2027. These actions will follow all axes of possible approaches for both the public and the target audience. In addition, there will be extensive use of relevant websites as well as social media and other dissemination channels (press releases, interviews, etc.) to attract the desired audience.
Expected result	Messages will resonate with the intended audience, leading to higher



	<p>engagement levels. Tailored content is more likely to capture attention and foster interaction. In addition, it will lead to positive changes in behaviour, such as increased engagement on this topic. The targeted communication strategy could also facilitate the creation of partnerships and thus result in more efficient consortiums. There will also be increased dissemination of the existing fund-matching opportunities, and it will be easier for those interested to take advantage of them.</p>
<p>Key stakeholders For implementation of the measure</p>	<ul style="list-style-type: none"> • External consultants/experts. • Local and national media.

<p><i>SUGGESTED MEASURE: Raising trust regarding the management of public funds</i></p>	
<p>Objective and background of the suggested measure</p>	<p>Developing a sense of trust/transparency and accountability regarding the management of public funds. The above can be achieved through regular controls and relevant public information regarding these controls to ensure the transparency of the procedures.</p>
<p>Content description of required activities</p>	<p>Through the conduct of certification audits, it will be possible to ensure the proper and respectable distribution of available funds as well as compliance with the relevant legislation. The adoption of suitable software could facilitate and speed up the control procedures even more. In addition, the establishment of strict penalties in cases of non-compliance with the legislation or finding irregularities during the audit will force organisations to comply and follow all legal procedures.</p> <p>In addition, encouraging stakeholders to participate in potential project evaluations and their funding processes will further enhance public confidence and ensure public engagement. This can be achieved by:</p> <ul style="list-style-type: none"> • Implementing educational programs to enhance stakeholders' understanding of public bodies processes and their rights. • Encouraging public engagement in decision-making through consultations, public hearings, and forums. • Harnessing technology to facilitate online participation and feedback mechanisms. • Fostering a culture that values and incorporates public input into policy development.
<p>Expected result</p>	<p>Through the above measures, the audience's trust in public bodies will increase, and there will be a greater intention to develop partnerships with them. In addition, the transparency of all relevant procedures will increase, both theoretically and practically.</p>
<p>Key stakeholders</p>	<ul style="list-style-type: none"> • Accredited Third-Party Certification Bodies.



For the implementation of the measure	<ul style="list-style-type: none"> • Policy makers / managing authorities. • Academia and Research Centres/Institutions. • Potential beneficiaries (investors, individuals, private sector etc.) • Civil Society.
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<i>SUGGESTED MEASURE: Decentralization and strengthening of local autonomy</i>	
Objective and background of the suggested measure	Decentralization of decision-making and strengthening of local administrations to increase their autonomy will also reduce delays in implementing fund-matching projects.
Content description of required activities	<p>Good cooperative relations between the central and the local administrations will be a basic prerequisite for removing the barrier under consideration. The central administration should grant responsibilities to the local ones to facilitate the implementation procedures of fund-matching projects. Furthermore, by providing appropriate training to the local authorities, they will be able to take many initiatives and carry out projects that will benefit the development of these areas. Moreover, this decentralisation can ensure that available funds are distributed proportionally to each locality, which knows its needs better than the central administration does. To ensure transparency in this whole process, it would help to collect data concerning the needs that exist, evaluate them, and then approve and finance the relevant projects that will contribute to the development and well-being of societies.</p> <p>Another critical aspect which will contribute to confronting the challenge of “political will” is to enhance productive collaboration between local administrations and nonpublic sector players (e.g. the scientific community, NGOs, and individuals). This can be achieved by communicating insights and offering operational support in ways that conform to real fund-matching project requirements. Steps for implementing this process may be:</p> <ul style="list-style-type: none"> • Convene task forces or study groups to bring together experienced people. • Convene topical meetings of experts when it might be hard for counterparts in the government to do this for political or practical reasons.
Expected result	It is very important that the local administrations will be strengthened and, to some extent, autonomous in matters related to the execution of development fund-matching projects. In addition, the implementation times of the projects will be reduced since the bureaucratic procedures will be reduced, too. Also, the quality of projects will be improved since they will be implemented based on the real needs depending on the case.
Key stakeholders	<ul style="list-style-type: none"> • Policy makers / managing authorities.



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For implementation of the measure	the	<ul style="list-style-type: none">• Academia and Research Centers /Institutions.• Potential beneficiaries (investors, individuals, private sector etc.)
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POLAND

Analysis of key current fund-matching barriers

Barrier 1: General legislation framework

The legal barrier at the European Union level and the level of national legislation, i.e., The European Commission regulations on the disbursement of Structural and Investment Funds, do not foresee rules and regulations for matching private and public financial tools, which is reflected in national legislation in Poland. The Implementation Act of 28 April 2022 does not envisage the matching of private and public funding as a project financing tool. The Act stipulates that the Project Beneficiary must be in a financial position and have the financial potential to implement the project. The Act does not prohibit but also does not stipulate that the Beneficiary can raise funds from external sources, and the provision on the necessity to have one's own financial potential to implement the project can be and is interpreted as the lack of possibility to finance the own contribution by means of private financial tools such as crowdfunding.

The barrier is causing the following negative impacts/impediments/bottlenecks:

- No indication of the implementation of private tools to raise project funds.
- Lack of regulations regarding the possibility of implementing private financial tools.
- Current provisions condition the requirement to have one's resources or the ability to raise funds from credit (or to have creditworthiness), which makes it impossible to officially identify or implement private financial tools for co-financing projects.

Barrier 2: Inconsistent or inadequate development of financial programs

The provisions of the programmes implemented on Polish territory do not provide for the implementation of private financial tools to raise funds for their own contribution. Such provisions of the National and Regional Programmes result from the Implementation Act of 28 April 2022. None of the programmes implemented on the territory of Poland has provisions allowing the implementation of additional private financial tools, and the level of negotiations of the programmes with the European Commission makes it very difficult to introduce changes to the above-mentioned provisions. Also, the project assessment criteria relating to the requirements of programmes on the economic potential of the beneficiary (among other things, provisions on the possession of economic potential) make it impossible for entities to access European Funds, even if they obtain funds on their own within the framework of crowdfunding, to be discredited as beneficiaries due to the lack of their own sufficient financial potential (in the case of entrepreneurs, the assessment of financial condition most often in the last three years before submitting the application for funding). The official introduction of crowdfunding tools often contradicts the provisions of programmes at the regional and national levels.

The barrier is causing the following negative impacts/impediments/bottlenecks:

- Even when raising funds via crowdfunding for an individual contribution, scoring a company's economic potential reduces the entity's chance of being funded.
- Lack of initiative to seek alternative sources of funding among private actors due to awareness of the evaluation criteria and lack of indication of alternative funding



possibilities by the Managing Authorities.

- The failure of Managing Authorities to implement alternative funding tools for their contributions.

Barrier 3: Unstable political situation in recent years

Under Polish law, private investors may be afraid to involve private funds in projects with public participation because of the investment risk of political or legal changes that may affect the project's outcome and the investment result. In addition, the low level of public trust in public institutions may be a barrier to the willingness to co-finance projects with public funds.

The barrier is causing the following negative impacts/impediments/bottlenecks:

- Limited investor confidence.
- Limitation on the return on investment often associated with restrictions on project revenues, which particularly applies to foundations and associations,
- It can also cause significant delays in financial decisions by potential investors through the participation of public funds in it.

Barrier 4: Differences in legislation framework for private or public funds

There are significant differences between the legal frameworks for private and public sources of funding, and often, these regulations conflict on certain selected issues. This can make it even more difficult for Implementing and Managing Authorities to make changes at the level of EU-funded programmes and, on the other hand, make it even more difficult for private actors to make effective use of crowdfunding.

The barrier is causing the following negative impacts/impediments/bottlenecks:

- Discouraging public institutions from introducing private tools such as crowdfunding into financial instruments linked to EU public funding.
- A lack of clear guidelines for investors, which is a disincentive - especially for large investors in major investments.
- Reluctance to introduce crowdfunding as a private financial tool for participation in projects financed with public tools by public institutions.

Identification of potential measures for barrier removal

SUGGESTED MEASURE: Update of the legislation

Objective and background of the suggested measure	Indicating directly and allow alternative private financial tools to ensure own contribution to the implementation of projects, within the legal regulations concerning the implementation of programmes financed by the European Funds.
Content description of required activities	Changing legislation at the EU and national level



Expected result	Amendments to the provisions of the Implementation Act of 28 April 2022 at the national level. Top-down identification of alternative private financial tools as sources of financing for projects in the scope of own contribution, which will force the implementation of the above-mentioned Tools by the Managing Authorities in Poland.
Key stakeholders For implementation of the measure	<ul style="list-style-type: none"> • European Commission. • Ministry of Funds and Regional Policy.

SUGGESTED MEASURE: Comprehensive changes to the provisions of regional and national programmes introducing crowdfunding

Objective and background of the suggested measure	Identification of alternative sources of project financing for own contribution at the programme and Managing Authority level as a possible source of financing for own resources in the project and change of provisions regarding the current financial capacity of the beneficiary in favour of provisions regarding the future capacity generated by the project.
Content description of required activities	Comprehensive changes to the provisions of regional and national programmes introducing crowdfunding at the programming stage and emphasising the future potential generated by the project (economic and social) and not promoting Beneficiaries with current high financial capacity.
Expected result	Allowing companies and entities with low current financial capacity to apply for EU funds. Implementation of crowdfunding as a source of funding for own contributions with tools to assess the future financial and social potential gained from the project.
Key stakeholders For implementation of the measure	<ul style="list-style-type: none"> • Managing Authorities for EU-funded programmes. • Regional governments. • Ministry of Funds and Regional Policy.

SUGGESTED MEASURE: Measures to encourage investors

Objective and background of the suggested measure	Encouraging investors to participate in crowdfunding campaigns matched with public funds from the EU.
Content description of required activities	Activities to increase public confidence in public institutions and to generate transparent procedures for amending legislation. Mainly public campaigns and a change in the language of communication with the public.
Expected result	Private investors participate in crowdfunding campaigns matched with funds from EU-funded programmes.
Key stakeholders	<ul style="list-style-type: none"> • Local law-making bodies.



For implementation of the measure	the	<ul style="list-style-type: none"> • National law-making bodies. • Public bodies involved in the implementation of EU-funded programmes.
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<i>SUGGESTED MEASURE: Simplification and unification of legal provisions</i>		
Objective and background of the suggested measure		Simplification and unification of legal provisions for private and public financial instruments, especially when they are matched
Content description of required activities		Exclusion at national legal level of conflicting legal provisions for private and public funds, which exclude the use of private financial instruments in the framework of public funding, elimination of contradictions in the above-mentioned provisions in the framework of their matching, possibly creating separate provisions for funds matched in this way.
Expected result		Encouraging public institutions to introduce crowdfunding into public EU-funded programmes and encouraging investors to invest in crowdfunding matched with EU funding further simplifies regulations.
Key stakeholders	For implementation of the measure	the <ul style="list-style-type: none"> • Implementing Authorities. • Local law-making bodies. • National law-making bodies.



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