



*Capacity Building of BLUE Economy Stakeholders
to Effectively use CROWDFUNDING*

Transnational position paper on complementarity of civic crowdfunding with ESI funds

Author: Marche Region

Contributors: Region of Central Macedonia (Greece), Campania Region (Italy), Vlore Region (Albania)

Index

Index	1
Executive Summary	2
1. Introduction	3
Context	3
The aim	3
Methodology	4
Working Team	4
2. Civic Crowdfunding and complementarity with ESI funds	5
2.1. Before Civic Crowdfunding	5
2.2. Civic Crowdfunding	6
2.1.1 Match-funding structures.	7
2.1.2 Role of the public body	7
2.3. Normative evolution	8
2.4. Civic crowdfunding and ESI funds in the framework of the Cohesion Policy	10
3. Main characteristics of the good practices analyzed	13
3.1. Summary of taken measures	13
3.1.1 Region of Central Macedonia (GREECE)	14
3.1.2 Campania Region (ITALY)	14
3.1.3 Marche Region (ITALY)	15
3.2. Prospects of integration between crowdfunding and public funds	16
3.2.1 Potential use of crowdfunding per ESIF thematic objectives	16
3.2.2 Perspectives of the innovative financial tools in the new scheduled Programming Period 2021-2027.	18
4. Conclusions	21
5. Recommendations	24
Annex 1 - Good Practices (National and Regional Context)	27

Executive Summary

Defined as the practice of raising funds from large numbers of individuals using online platforms, crowdfunding in Europe has become increasingly important in recent years: constant growth and further acceleration following the COVID-19 epidemic, thanks to its ability to rapidly raise funds from a wide range of individuals and social investors in response to specific aspects of the crisis.

Compared to the traditional credit system, crowdfunding is considered an innovative form of financing, democratic and meritocratic in consideration of the fact that the success of the initiative depends on the effectiveness of the project combined with "validation" by the crowd.

In a post-COVID-19 scenario, when the need for funding reaches its peak with the resumption of commercial activities, crowdfunding can play a key role in supporting the economic recovery, even more so if supported by the public sector through match funding actions with ESI funds.

Crowdfunding is an alternative finance tool that is becoming more and more interesting to public authorities: transparency, ease of access, democratization of finance as well as accountability and control over the actions financed are just some of the advantages that this instrument can offer, especially as regards the framework of cohesion policy.

The best practices outlined in the case studies on the following pages provide an in-depth insight into how this tool can be used effectively even with the support of public resources, such as the ESI Funds.

The purpose of this work is threefold.

First, it aims to discover the key mechanisms and frameworks for partnerships between crowdfunding platforms and public authorities: the advantages and shortcomings of partnership schemes in which public authorities play different roles are highlighted in the first part of the work, with a focus on the mix between resources collected through crowdfunding, resources available from the public budget and the combination of these with ESI funds.

Secondly, the work aims to show some of the existing best practices, different from each other: the aim is to provide a wide range of possible solutions that are truly applied and potentially replicable.

Finally, the work provides food for thought for public administrations for the realization of Civic match funding strategies - from the simplest to the most complex - linked to the complementarity of civic crowdfunding with ESI funds considering the framework for the future cohesion policy of EU (2021-2027).

Here under is the outline of the proposed work:

The **first** paragraph will provide a brief overview of the general characteristics of crowdfunding, the main results, the methodology used and the work team.

In the **second** one we will deepen Civic Crowdfunding and Complementarity with ESI funds, describing the role of public authorities, regulatory evolution and Civic crowdfunding in the framework of the cohesion policy 2021-2027

In the **third** one we will get to the core of the research, describing the Main characteristics of the good analyzed practices (described in detail in the annex)

In the **fourth** one we will highlight the Prospects of integration between crowdfunding and public funds through the results that emerged from the organization of a series of workshops (QUADRUPLE Helix Workshop) which had the main objective of bringing together public administrations, ESI funds experts and crowdfunding experts.

Finally, we will share the conclusions of this work and some recommendations that emerged from the experience just ended.

1. Introduction

Context

This position paper was produced as part of the activities of the **Blue Crowdfunding Project** which is an initiative funded by the INTERREG Mediterranean program of the European Commission with the general aim of improving and enhancing knowledge and capacities about crowdfunding in the MED area.

This is a pilot project that aims to foster the birth of a solid crowdfunding ecosystem in Europe, connecting different stakeholders in order to share knowledge, contacts and skills to support the creation of a civic crowdfunding culture.

Match funding initiatives have increased in the European Union over the past years:¹ the simplicity of the procedures, the flexibility of the crowdfunding models and platforms has allowed the creation of new partnerships with public administrations in different organizational, political, social and economic contexts.

The partnerships between public bodies and crowdfunding platforms have diversified in terms of models and forms of crowdfunding financing, moving from simpler partnerships (grant-only or support linked to more accessible crowdfunding forms, such as donations and rewards) to more complex integration such as loans, guarantees and equity investments (through equity and lending strategies).

The previous programming period of cohesion policy (2014-2020) had already shown that there was room to combine the resources of the ESI Funds with crowdfunding, thanks to the compatibility between the different crowdfunding models and the thematic objectives of the ESI Funds.

Considering the framework for the future EU cohesion policy (2021-2027), as emerged from the workshops organized under this pilot project, the importance of crowdfunding for the main policy objectives remains high confirming the trend of the previous period.

The aim

The aim is to investigate the match-funding experiences between public funds and funds deriving from crowdfunding in order to identify the aspects characterizing successful initiatives and the priority elements for the creation of replicable models.²

The primary purpose of the study was to extrapolate from gathered experiences the elements necessary to identify functioning and successful match-funding models, starting from the elements characterizing the territorial context up to the specific elements linked to the projects that can be financed.

These are the questions that guided the working group in gathering information and drafting this work.

- Which public funds can be used to match co-funded projects and crowdfunding?
- What types of crowdfunding³ are best suited to match-funding models?
- What kind of impact (economic, financial and social) do these co-financing initiatives generate?
- Which match funding models are more functional and replicable?

¹ *Crowdfunding and ESF opportunities: Future Perspectives for Managing Authority*, published in July 2020.

² The analysis starts from the good practices collected in the ECN paper "Triggering participation: a collection of civic crowdfunding and match-funding experiences in EU", and it is deepened in "Crowdfunding and ESF opportunities: future perspectives for managing authorities". This document has been produced with the financial assistance of the European Union. The authors of the study are the European Crowdfunding Network and the European Investment Bank, Financial Instruments Advisory Division.

³ Crowdfunding can be applied on the basis of different approaches, which can be traced back to the following types:

Donation Based: the supporters, in this circumstance, make donations in a liberal way, to carry out a cause considered worthy, without receiving a reward or an asset of equivalent monetary value. This form of collection is, therefore, mainly used for philanthropic purposes: no form of remuneration is provided for the resources paid through the platform and can therefore be traced back - on a legal level - to a donation contract. The recognition sought by the investor is therefore purely moral and symbolic.

Reward Based: this is a form of support connected to a specific reward, which in most cases is non-financial, but can be represented by goods or services to be used at a later stage. Reward-based crowdfunding represents the best known and most used model.

Lending Based: investors are repaid for their investment over time, with a profit margin represented by the interests agreed upon during the contribution of resources. It is an alternative to bank credit with the difference that, instead of borrowing from a single source, businesses can obtain resources from dozens, sometimes hundreds of people willing to lend money. In many cases it is the investors themselves who launch offers, indicating the interest rate at which they would be willing to grant a loan.

Equity Based: investors, in exchange for their contribution of financial resources, receive a share in the company's capital. Through equity-based crowdfunding, crowdfunders are therefore allowed to become part of the corporate structure of the issuers, by making the related contributions (in the case of a capital increase in service) or by purchasing existing shareholdings. Equity crowdfunding allows, through online portals specifically authorized by Consob, to purchase shares or quotas of joint-stock companies in a regulated and controlled context.

Methodology

The methodology used provides:

- a **first phase** of analysis of the current context, mainly linked to the theoretical analysis of the market situation of Civic Crowdfunding (numbers and literature), of the ESI funds and of the matching between these two tools;

- a **second phase** more "operational" one where each partner contributes by collecting their own experiences and organizing workshops with professionals in the field (Quadruple Helix Workshop⁴). The subjects interviewed were asked to try to think about possible future scenarios with focus on possible additions and future developments of match fundings.

- a **third phase** represented by the collection of data through the compilation of a specific template.

To collect the data, a template containing requests for information was distributed to the partner regions and local authorities regarding:

- title of the initiative and geographical area;
- used funds and beneficiaries of the measure;
- type of support, involved subjects and role;
- Prospects of integration between crowdfunding and public funds

- a **fourth phase** linked to the elaboration of the data and synthesis of the results.

Starting from these results, the working team implemented the research by analyzing the experiences that emerged from the Quadruple Helix Workshop out in each region participating in the project. The integration of technical considerations on the results of the workshop in relation to the results obtained by regional and national initiatives has brought out REPLICABLE MODELS of match funding in the public administration, expanding the existing survey sample and deepening the qualitative aspect.

The effort of the analysis finally materialized in identifying some recommendations for the structuring and the adoption of models that implement public funds and private funds, through the use of crowdfunding.

Working Team

the Blue Crowdfunding project is promoted by a consortium of 13 partners from 8 MED countries and 1 partner from outside the program area. The Consortium includes 4 blue economy clusters / chambers, 3 crowdfunding experts, 2 academia and 4 regions.

The working team aims to:

- Analyze the complementarity of civic crowdfunding with ESI funds
- Evaluate synergies between crowdfunding and additional available funds
- Actively participate in the creation of the European regulatory context for crowdfunding.

The goal is to use this project as a pilot experience, with the aim of creating a replicable model.

⁴ The workshop, which took place online, had the aims of:

- exploring public-private fund matching with regional funds and
- spreading the knowledge of crowdfunding also within the public administration.
- Stimulate the discussion on the opportunities and the mechanisms of the crowdfunding as a financial instrument

2. Civic Crowdfunding and complementarity with ESI funds

In this section, after a brief introduction on the state of the art on the financing systems of public initiatives linked to the social and economic development of the territory, the Civic crowdfunding tool is analyzed in depth: types of usable forms, Match-funding structures and Role of Public Body.

The section analyzes also the regulatory evolution of this alternative financing instrument and, in the concluding part, the work focuses on the potential of Civic crowdfunding and match funding with ESI funds within the European cohesion policy.

2.1. Before Civic Crowdfunding

In the past, initiatives dedicated to territorial and social development have traditionally been financed through public funds managed and assigned by public authorities and officials according to an agenda built around pre-identified needs based on the interests and needs of citizens and the business community.⁵

Private institutions have also played a role in fostering the development of different aspects of territorial development, providing funding to NGOs and non-profit organizations operating in specific sectors such as culture, social inclusion and education.⁶

However, both types of entities mainly followed a top-down approach which, while on the one hand it guaranteed concrete support, on the other hand it failed to adequately involve citizens in the decision-making process and in the allocation of funding.

This absence of participation in the development of one's own territory, in conjunction with other factors, has tended to encourage the loss of interest and sense of belonging of citizens towards their cities and regions.⁷

A good balance between public and private funding is a fundamental element and represents the ideal solution both to guarantee greater resources for regional development initiatives, but also to allow greater involvement of all stakeholders.

With the aim of taking another step forward - and moving from a "*partially bottom-up*" to a "*really bottom-up*" approach - combined with the growing need for additional resources under the ESI Funds, several local and regional authorities of the EU have begun to explore innovative funding schemes, among which crowdfunding has emerged as one of the most promising.

In this context, crowdfunding - due to its open, inclusive and participatory nature - represents a reliable ally for public authorities, significantly increasing the opportunities for wider participation, stimulating citizens' ownership and a sense of belonging to a community, offering a "bottom-up validation" of the need for specific local actions that are actually perceived by citizens.

To confirm the above said statements the Joint Research Centre of the European Commission described crowdfunding as *an "open call for the collecting of resources (funds, money, tangible goods, time) from the population at large through an Internet platform. In return for their contributions, the crowd can receive a number of tangibles or intangibles, which depend on the type of crowdfunding"*.⁸

This general definition has been accepted by the crowdfunding industry, by European institutions and by the academic world, and has further evolved to include - in addition to the classic types of crowdfunding (Donation, Reward, Lending, Equity) - also **Civic Crowdfunding** which it is defined as a "*sub-category of crowdfunding through which citizens, often in collaboration with the public body, propose, finance and implement projects that aim to provide a service to the community or to provide public value through projects to improve the local area*".⁹

In the next section we deepen the analysis on Civic Crowdfunding.

⁵ *The evolving context for territorial development policy and governance in Europe – from shifting paradigms to new policy approaches*, Philip O'Brien, Olivier Sykes, David Shaw. Dans L'Information géographique 2015/1 (Vol. 79), pages 72 à 97

⁶ *Private Funds, Public Purpose: Philanthropic Foundations in International Perspective*. Anheier, Helmut K., Toepler, Stefan (Eds.), 1999

⁷ "*Bottom-up or top-down: which is the best approach to improve csr and sustainability in local contexts? Reflections from italian experiences*". Mara Del Baldo, (U. Urbino), Paola Demartini (U. Roma III) - WP-EMS Working Papers Series in Economics, Mathematics and Statistics

⁸ *Understanding Crowdfunding and its Regulations. How can Crowdfunding help ICT Innovation?* Garry A Gabison, Joint Research Center, Luxembourg: Publications Office of the European Union, 2015.

⁹ *Matching the Crowd*, NESTA, 2017. This study examines the impact of matched crowdfunding as a new means of getting ideas and projects off the ground, through analysis of a £251,500 matched crowdfunding pilot for arts and heritage projects.

2.2. Civic Crowdfunding

It is a bottom-up financing method capable of actively involving citizens, allowing fundraising through flexible tools, capable of favoring the development of the territory and communities.

A **Civic Crowdfunding** campaign, in general, can be structured through one of the following strategies:¹⁰

- "non-financial" strategy: donation and reward based
- "financial strategy": equity-based and lending.

This civic fundraising in favor of all citizens presents, for the Public Administration, strengths and weaknesses:

Points of strengths

- increases the sense of belonging and the involvement of citizens for their own territory
- favors transparency through a more effective allocation of funds;
- makes relations with citizens and with small and medium-sized enterprises more solid;
- tests citizens' interest in each new project by identifying the real priorities of each territory;
- Invests its own budget in those projects considered important by the citizens themselves (match funding)

Points of weakness

- lack of knowledge of what crowdfunding and civic crowdfunding are and how they work
- the difficulty of developing crowdfunding knowledge both at the institutional level and at the level of individuals
- difficulty in overcoming the complexity of the internal bureaucracy

In recent years, civic crowdfunding is becoming an increasingly useful tool for the implementation of match-funding projects, which see a collaboration between public bodies and local communities.

Match-funding (co-financing) is a type of financing, carried out through civic crowdfunding campaigns, in which cooperation between bottom-up funding portals and public authorities (with own resources or ESI funds) is provided for the benefit of all local communities.

These are co-financing initiatives aimed at supporting all those projects that may not represent a priority for state bodies, but which - on the contrary - are of great value for citizens.

Through match-funding, therefore, we can see the cooperation between local and regional authorities with the citizens themselves, within the crowdfunding platforms.

Despite the undoubted opportunities it offers, to date, match-funding is not being used to its full potential. For this reason, the aim of this work is to highlight the successful practices of match funding initiatives in the public sphere to facilitate access - in a simple and replicable way - by public administrations that want to experiment with this democratic and meritocratic tool.

Starting from this concept, the fundamental characteristic of **Civic Match-Funding** is represented by an "active participation" of crowdfunding in the funding program of a public authority - generally regional or local - with the common goal of achieving results both in terms of co-financing and in terms of dissemination and involvement of citizens in determining the success of initiatives in specific sectors of public interest.

Regardless of the crowdfunding model, any cooperation between public authorities and "crowd" resources aims to increase the availability of funding for projects that have turned to crowdfunding.

When the projects financed in crowdfunding are aligned with the priorities of the Operational Plan (OP), this translates into the opportunity for the Public Body to increase the effectiveness of its action by amplifying the effectiveness of the ESI funds.

The type of model adopted by the crowdfunding platform is important in choosing the most suitable financial instrument to support the initiative:

DONATION and REWARD BASED: donation-based platforms usually have a non-profit nature. They therefore have limited interest in managing financial instruments as their users usually seek support in the form of **grants**.

LENDING-BASED: lending mechanisms (**ESIF loan**) and guarantee schemes (ESI funds covering losses incurred by crowdfunding lenders) provide crowdfunding platforms with greater security and liquidity to partially cover the risk taken by investors.

EQUITY-BASED: Equity investments require a great deal of prep work as they involve ESI resources to co-invest in the ownership of business ventures. In this perspective, combining the shareholding with business development services (**financial instruments - grant combinations**) statistically increases the success rate of the financed initiatives. For this reason, public

¹⁰ SCALING UP PARTNERSHIPS - A publication of the multi-stakeholder working group Crowdfunding for European Structural and Investment Funds. 2021

administrations interacting with equity-based platforms must rely on the services of specialized intermediaries.

In summary, in order to enhance the benefits of crowdfunding, a Public Body could design financial instruments that support crowdfunding through loans, guarantees and equity, also in combination with grants.

Regardless of the type of financial instrument chosen, Public Administrations can provide support to projects at different times of the campaign depending on the type of "stimulus" they want to give and the objective to be achieved.

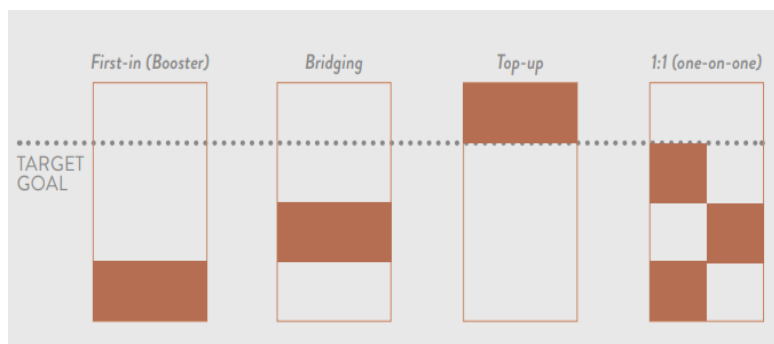
We will examine in depth this in the next section.

2.1.1 Match-funding structures.

Managing authorities can provide support to crowdfunding platforms and underlying projects at different stages of their campaign. Each choice has its pros and cons as explained below:¹¹

- *as a first in, the ESI Funds contribute first to the crowdfunding campaign, via a fixed amount or a percentage of the campaign target. Whilst this option constitutes a desirable option for the promoters, it could weaken the wisdom of the crowd principle;*
- *ESI Funds can also be triggered in a bridging phase, when the campaign reaches a predefined, intermediate stage. This is an intermediate solution that could help avoid potential interruptions during the campaign;*
- *as a top-up, ESI Funds constitute extra-funding once the project has fully reached the targeted amount. This solution could enable the promoter to lower the initial target and the managing authority to allocate resources only to already-validated projects;*
- *in case of match-funding the amounts raised through the platform, ESIF matches investors' contribution at a predefined rate (for instance, 1:1).*

Fig. 1 - Main match-funding structures.



Source: Triggering Participation, a collection of civic crowdfunding and match-funding experiences in Europe, Eurocrowd, 2018

The flexibility of crowdfunding and its digital nature therefore allow public administrations not only to choose among different levels of commitment in the implementation of a crowdfunding or match-funding scheme, but also to decide when to intervene and, above all, to receive feedback and concrete results on performance in a short time (the period in which crowdfunding campaigns are active and citizens can support them).

2.1.2 Role of the public body

Cities and regions across Europe have found different roles within the civic crowdfunding paradigm, ranging from simple sponsors to co-financers. Davies (2014) suggests four models to get cities involved in civic crowdfunding¹²:

- *Sponsor: the Public Authority runs its own campaign for a specific project on an existing civic crowdfunding platform.*

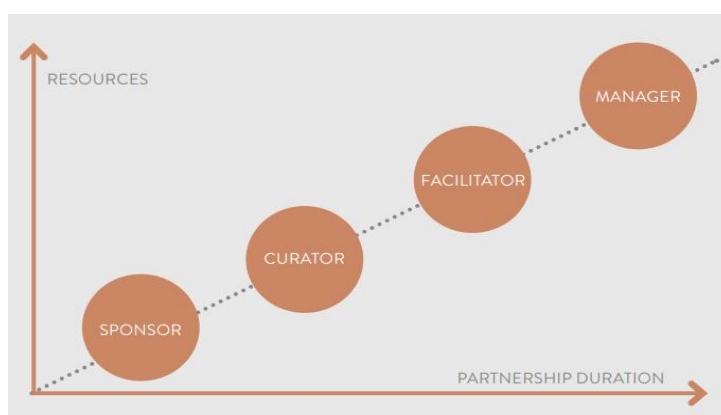
¹¹ Crowdfunding and ESF opportunities: Future Perspectives for Managing Authority, published in July 2020

¹² Triggering Participation: A Collection of Civic Crowdfunding and Match-funding Experiences in the EU, European Crowdfunding Network 2018, ECN_CF4ESIF_Report_Triggering-Participation_2018 [visited at 17/08/2021]

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

Each public administration can then select the form in which to formalize the partnership. From the creation of its own proprietary platform, to the offer of dedicated support and consulting services, to the creation of a crowdfunding campaign, to the allocation of funds from its public resources that are assigned to successful crowdfunding campaigns.

Fig. 2 Commitment levels according to the role of managing authorities in a partnership scheme with crowdfunding platforms



Source: Crowdfunding and ESF opportunities: future perspectives for managing authorities, fi-compass, July 2020

2.3. Normative evolution

Italy was the first European country to have introduced a specific discipline for crowdfunding¹³. In particular, the legislator has issued regulations and acts dedicated solely to equity-based crowdfunding, while for the other models contained in the previous paragraph - donation, pre-purchase, reward and royalty - it is customary to refer to existing regulations for similar financing methods¹⁴.

In any case, the Italian and EU provisions of greatest interest, to date, for crowdfunding can be summarized as follows¹⁵:

- Consolidated Law on Finance (TUF): Legislative Decree no. 58 of February 24, 1998
- Consolidated Banking Law (TUB): Legislative Decree no. 385 of 1 September 1993
- AIFMD Directive (Alternative Investment Fund Managers): Directive 2011/61/EU,
- Payment Services Directive 1 and 2: Directive 2007/64 / EC (PSD1) and 2015/2366 / EU (PSD2)
- Directives against money laundering and against the financing of terrorism¹⁶
- Privacy Code: Legislative Decree no. 196 of 30 June 2003
- MiFID directives: Markets in Financial Instruments Directive, 2004/39/EC

Further updates also arrived with some important revisions to the equity crowdfunding regulations. Among the most relevant news should be mentioned¹⁷:

- the possibility of issuing mini-bonds on crowdfunding platforms by SMEs

¹³ The reference is the Consob official website.

¹⁴ <https://www.crowd-funding.cloud/it/>

¹⁵ For an in-depth study on the subject, please consult the third chapter of the text U. PIATTELLI, *Il Crowdfunding in Italia*, G. Giappichelli Editore, 2013.

¹⁶ The most recent text is reported here: "<http://eur-lex.europa.eu/legal-content/IT/TXT/?qid=1485188259430&uri=CELEX:32005L0060>".

¹⁷ The reference is the Consob official website.

- the possibility of setting up, on its website for equity-based portals, online bulletin boards for the purchase and sale of financial instruments, which have been the subject of offers successfully concluded as part of a crowdfunding campaign.

After summarizing the main regulatory interventions on equity crowdfunding, we broaden our perspective taking into consideration the new **European Crowdfunding Regulation**¹⁸, investigating above all the ways in which the European Community has implemented and responded to the phenomenon.

The community framework has so far been characterized by fragmentation and inhomogeneity. However, recently the European Union has come to the publication of a Regulation (2020/1503) which should guarantee a harmonized regulatory framework on crowdfunding, in particular equity and lending crowdfunding, and overcome national differences by finally creating a single common market of European crowdfunding platforms.

After the pioneering Italian legislative experience, other states (France, Germany, Spain and the United Kingdom) between 2014 and 2015 have begun to regulate the crowdfunding phenomenon, but have done so in a way that is not harmonized enough with each other, in such a way as to create a highly heterogeneous situation in Europe, both geographically (not all Member States have adopted regulation and not all at the same time) and normative (not all States have regulated the same types of crowdfunding and not all with the same regulatory interventions).

To clarify and highlight the different picture of the crowdfunding discipline in Europe, here are some important considerations¹⁹: since 2017 only 11 out of 28 Member States had specific regulations on crowdfunding (besides Italy, also Austria, Belgium, Finland, France, Germany, Lithuania, the Netherlands, Portugal, the United Kingdom and Spain). Five of these countries, including Italy, have structured the discipline through the introduction of specific exemptions to the existing regulatory framework, while the others through other solutions.²⁰

All this has made the European framework at the level of crowdfunding regulation extremely inhomogeneous and complicated, characterized by individual national regulations on the one hand and a series of European directives on the other.²¹

But despite the difficulties of regulatory compliance, crowdfunding has proved to be a valid tool for raising funds with significant and rapidly growing collection volumes, especially in some countries such as the United Kingdom.²² However, the development of the sector in Europe has taken place unevenly, with the creation of considerably different regulatory regimes between States.

This is a situation that on the one hand constituted a serious obstacle to the development of a single and transnational market for crowdfunding but on the other hand highlighted the need for a single and homogeneous Community regulatory framework,²³ to which the European Commission has in fact worked in recent years, and which took shape in October 2020, with the publication of the new Regulation (EU) 2020/1503 on crowdfunding which will be applied starting from 10 November 2021.²⁴

The European Union has thus initiated a profound harmonization process in order to create a single regulatory framework on crowdfunding, capable of overcoming the obstacles to the creation of a single capital market, supporting a balance of interests and facilitating those transnational transactions still stagnant within the European Union (the diversity of regulations does not allow the platforms of one State to raise capital in another State of the Union).²⁵

There are two aspects in particular that have constituted the most significant obstacles to an efficient and homogeneous

¹⁸ "Rules and Regulations" (EU) 2020/1503 of European Parliament and Board of October 07th 2020 relative to european suppliers of crowdfunding services for enterprises, and that modifies the regulations (EU) 2017/1129 and guidelines (EU) 2019/1937" in "Gazzetta Ufficiale dell'Unione Europea". October 20th 2020, L. 347/1.

¹⁹ Cfr. European Crowdfunding Network, Review of Crowdfunding Regulation 2017. Interpretations of existing regulation concerning crowdfunding in Europe, North America and Israel, Bruxelles, 2017.

²⁰ In the Netherlands, the United Kingdom and Portugal, crowdfunding regulation is entrusted to a body aimed at controlling the financial markets and protecting investors, comparable to our CONSOB; Austria, Finland and Lithuania have instead introduced specific regulations, a "Crowdfunding Act"; while other countries have only more recently adopted regulations in this regard, such as Ireland and Sweden. Further differences can also be detected: in Italy, for example, we find a well-structured discipline but dedicated primarily to equity crowdfunding, while other countries, such as France and Belgium, have also introduced regulations for "lending-based" crowdfunding. Furthermore, further differences between state and state can be found at the threshold level: from 300 thousand euros in Belgium, to 2 and a half million in France and Germany, up to 8 million in Italy.

²¹ For European guidelines applicable to crowdfunding in 2017, refer to the contribution of Delivorias A., Crowdfunding in Europe. Introduction and state of play, European Parliamentary Research Service (ERPS), 2017.

²² Politecnico di Milano – Dipartimento di Ingegneria Gestionale (a cura di), *Osservatori Entrepreneurship & Finance. 3° Report italiano sul CrowdInvesting*, Milano, luglio 2018, [online].

²³ Ziegler T. et al., Expanding horizons: The 3rd European alternative finance industry report, Cambridge, 2018.

²⁴ However, there is a transition period (Article 48), valid until 10 November 2022, within which it will still be possible for those who already offer crowdfunding services in accordance with national legislation, to continue to operate in the aforementioned way. During this transition period, operators will be able to adapt their activities to the new legislation.

²⁵ Ziegler T. et al. 2018; Siclari D., *European Capital Markets Union e ordinamento nazionale*, in "Banca, Borsa, Titoli di credito", Giuffrè Editore, fasc. 4 E, 2016.

spread of the equity and lending crowdfunding systems:

- the absence of a single community discipline and central coordination;
- the difficulty in practice, on the part of both platform managers and investors, of being able to operate outside national borders.

The new Regulation aims to overcome these difficulties through the establishment of uniform minimum requirements throughout the Union in terms of the provision of crowdfunding services and with the creation of a European passport that allows authorized platforms to operate in all Member States and investors to finance projects through portals of countries also different from their own, within what is configured as a single European market for the alternative financing of startups and SMEs.²⁶

As we will see in the following paragraphs, harmonization of the disciplines related to *equity* and *lending* crowdfunding represents a further opportunity for Public Administrations.

So far, the Civic Crowdfunding initiatives were mainly aimed at simpler models such as *rewards* and *donations*, mainly for:

- organizational complexity within the Public Body
- complexity related to different legislation towards the supervision linked to these two types of crowdfunding.

Now this regulatory evolution opens solutions to scenarios that are more complex but very interesting, both in terms of match funding with ESI funds and in terms of dissemination and visibility of the initiatives of Public Bodies.

2.4. Civic crowdfunding and ESI funds in the framework of the Cohesion Policy

As said in the introductory paragraph, a good balance between public and private funding (ESI funds + Civic crowdfunding) represents the ideal solution both to guarantee more resources for regional development initiatives and to allow greater involvement of all stakeholders.

A clear example of this onset is represented by the approach adopted by the European Commission within the European Structural and Investment Funds (ESI Funds), aimed at fostering economic and social convergence between EU regions and co-managed together with the Authorities of Management at a national and/or regional level.²⁷

For the 2014-2020 period, the European Commission has warmly encouraged the combination of grants and financial instruments (FIs) in the implementation of the European Structural and Investment Funds (ESIF).

At the same time, the 2014-2020 Cohesion Policy Regulation stressed the importance of 3 different aspects:

- providing information on existing opportunities
- communication of results
- give visibility to funded initiatives

These aspects have become an integral part of Cohesion Policy, as follows:²⁸

"Informing potential beneficiaries about funding opportunities is a crucial part of programme management. In order to ensure that cohesion policy invests in the most relevant and innovative projects, the widest possible audience of potential beneficiaries needs to be informed. This happens not only by highlighting the investment opportunities, but also by showcasing the results achieved. The Managing Authorities, together with project beneficiaries, have to demonstrate to the region's citizens as well as to the media and politicians at all levels, the results of these investments. Taxpayers within the EU have the right to know how their money is spent. As a positive side effect, EU cohesion policy can contribute to strengthening public support for the European Union as a whole, by highlighting the positive impact that the many projects have in each of the 274 regions across the Union".²⁹

Despite the efforts undertaken by both the European Commission and the Managing Authorities, and the results achieved by the inclusion of the financial instrument in the funding mechanisms of the Cohesion Policy, the visibility of those initiatives financed in their respective territories, still have enough room for improvement.

Furthermore, the shared management principle adopted in cohesion policy leaves room for a *"partially bottom-up"* approach in the decision-making phase: this means that in the management and assignment of funding phases, citizens often have

²⁶ Urti G. 2020; Cardani O. et al., *Equity crowdfunding. La normativa, i trend, le valutazioni. Una ricerca empirica del mercato italiano*, CFA Society, 2021.

²⁷ https://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/summary_data_fi_1420_2016.pdf

²⁸ Articoli 115-117 e allegato XII del Regolamento (UE) n. 1303/2013

²⁹ *Ensuring the Visibility of Cohesion Policy: Information and Communication Rules 2014-2020*, March 2014

limited opportunities to influence the agenda of their representatives in terms of actions that deserve funding.³⁰

In past years, public authorities have managed to combine different sources of public funds with crowdfunding mechanisms³¹: the literature highlighted how the experiences of integration between public authorities' own resources and crowdfunding were actually feasible³² but in the first part of the previous programming period (2014-2020) integration with the resources of the ESI Funds, remained a mainly theoretical option.

However, in the second part of the same period, there was an acceleration and 27.2% of the cases analyzed³³ used ESI resources in combination with crowdfunding, both in the form of grants and in the form of financial products coming from Operational Plans at national, regional and metropolitan level.

If we add to this trend the novelty represented by the entry into force of the European regulation on crowdfunding service providers (which starting from November 2021 will allow crowdfunding platforms to operate in all EU Member States according to a set of harmonized rules), we can understand the importance of a tool such as crowdfunding for achieving policy objectives in light of the next framework for the future EU cohesion policy (2021-2027).

Citizen contributions and participation can be activated in many different sectors through the implementation of match-funding schemes: environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries and health research have all been topics in which crowdfunding helped citizens and public authorities to join forces.

These objectives are of central importance for crowdfunding strategies and are also reflected in the new funding programs of the 2021-2027 multiannual financial framework. A budget of about € 330.2 billion amounts to the Cohesion Policy, which will pursue five thematic objectives (replacing the 11 of the 2014-2020 program):³⁴

- *Smarter Europe*: a smarter Europe through innovation, digitization, economic transformation and support for small and medium-sized enterprises;
- *Greener, carbon free Europe*: a greener and carbon-free Europe thanks to the implementation of the Paris agreement and investments in the energy transition, renewable energy and the fight against climate change;
- *Connected Europe*: a more connected Europe, equipped with strategic transport and digital networks;
- *Social Europe*: a more social Europe, which achieves real results regarding the European Pillar of Social Rights and supports quality employment, education, professional skills, social inclusion and equal access to health;
- *Europe closer to citizens*: a Europe closer to citizens by supporting locally managed development strategies and sustainable urban development across EU.

Investments for regional development will mainly focus on objectives 1 and 2. Between 65% and 85% of the resources of the European Regional Development Fund (ERDF) and the Cohesion Fund will be allocated to these priorities, according to the relative Gross National Income (GNI) status of the Member States.

In detail, most of the resources of the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), equal to € 200.4 billion and € 42.6 billion, will fund the first two objectives. In the EU budget 2021-2027 the European Social Fund (ESF) gives way to the ESF Plus, which merges the current European Social Fund (ESF), the Youth Employment Initiative (YEI), the Fund for European Aid to the Most Deprived (FEAD), the Program for Employment and Social Innovation (EaSI). The overall financial endowment of the ESF + for the years 2021-2027 amounts to € 88 billion, an overall lower budget than the sum of the funds of a 2014-2020 program, equal to approximately € 100 billion. As regards the Common Agricultural Policy, and the Common Fisheries Policy, the total endowment amounts to approximately € 350 billion, which however also include funds for decentralized agencies and other actions.³⁵

All these resources can be implemented with match funding strategies with the aim of providing economic and social returns to their communities.

The following section will present several case studies in which crowdfunding platforms have collaborated – in different forms and to varying degrees – with public authorities, in order to improve the dialogue taking place with their citizens and to allocate more efficiently and more directly those funds for social and territorial development.

³⁰ *Triggering Participation: A Collection of Civic Crowdfunding and Match-funding Experiences in the EU*, European Crowdfunding Network 2018, [ECN CF4ESIF Report Triggering-Participation 2018](#) [visited at 17/08/2021]

³¹ The previous programming period of cohesion policy (2014-2020) had already shown that there was room to combine the resources of the ESI Funds with crowdfunding strategies, thanks to the compatibility between the different crowdfunding models and the thematic objectives of the ESI Funds.

³² *Triggering Participation*, a collection of civic crowdfunding and match-funding experiences in Europe, Eurocrowd, 2018

³³ *SCALING UP PARTNERSHIPS* - A publication of the multi-stakeholder working group Crowdfunding for European Structural and Investment Funds. 2021

³⁴ https://ec.europa.eu/regional_policy/en/2021_2027/

³⁵ More specifically, the agreement provides for:

- for the European Agricultural Guarantee Fund (EAGF): 258.5 billion at 2018 prices, entirely borne by the MFF,
- for the European Agricultural Fund for Rural Development (EAFRD): 77 billion 850 million from the EY budget, plus 7.5 billion from Next Generation EU, for a total of 85.3 billion euros
- for the European Maritime and Fisheries Fund (EMFF): 5.4 billion at 2018 prices, corresponding to 6.1 billion at current prices.

Each case study will describe in detail why and how both the type of crowdfunding and the type of ESI grant were chosen to maximize the effectiveness of the match-funding strategy.

3. Main characteristics of the good practices analyzed

This section summarizes information relating to the main characteristics analyzed: the objective is to have a picture of the situation on what has been done (limited to the sample analyzed) and to think about the perspectives of the innovative financial tools in the new scheduled Programming Period 2021 -2027.

In the first paragraph, after summarizing the results that emerged from the work of the various partners of the project (the complete sheets are in Annex 1), we focus on the specific experience of each partner.

In the second paragraph we proceed with an analysis of the potential use of crowdfunding for ESIF thematic objective and then the findings emerged within the respective *Quadruple Elix Workshop* will be analyzed.

3.1. Summary of taken measures

This section is dedicated to the summary of the results that emerged from the cases analyzed (presented in Annex1).

Region of Central Macedonia, Region of Campania and Region of Marche has provided several case studies with reference to best practices both locally and nationally. Specifically, each partner was asked to identify initiatives both locally and nationally and, for each of them, to analyze the type of campaign, the match funding models adopted, the type of public funds used and the areas of intervention that benefited most from civic match funding. Below are the main characteristics of the analyzed good practices.

A total of 8 **initiatives** were analyzed and collected: the selected initiatives covered different levels of government (local, regional, national), different countries, different forms of financing used, different combinations, different sectors of interest for each initiative and different nature of the beneficiaries.

In terms of **geographic coverage**, the analysis concerned the initiatives present in the partner countries, Greece and Italy respectively.

Regarding the **type of Public Authority** involved, most of the cases analyzed were initiated by municipalities, but involved both associations and National Ministries.

With reference to the **types of crowdfunding models** and forms of financing that were combined, all the initiatives presented concerned the combination of grants and / or "non-financial" support from public entities in Donation and Reward Crowdfunding modes.

The "**non-financial**" instruments are confirmed as ideal for a first pilot experience. For the next phases it is obviously desirable to accelerate through a balanced use of all models and forms of crowdfunding financing (non-financial and financial). While *reward* and *donation* financing systems remain significantly and widely implemented, the creation of "**financial**" partnerships has emerged as an additional opportunity to be exploited (as recorded in the literature review) but not used in this context.

Another element of differentiation among the case studies lies in **the focus on social innovation, post-covid recovery and support for cultural initiatives**.

With reference to the **resources used**, the purpose of this task was to investigate the methods of implementation / combination between European funds (such as European structural and investment funds or other direct funds) and Civic crowdfunding strategies. The initiatives analyzed used both own resources (of public authorities in combination with crowdfunding), and resources from different European funds: mainly European Social Fund (ESF), European Regional Development Fund (ERDF) and Employment and financial instruments for social innovation (EaSI).

Role of Public Authorities: Public authorities (P.A.) have found different roles to engage with crowdfunding platforms (Sponsor, Manager, Curator and facilitator) even though the Enabler function (in which case the public authority provides support services to encourage the use of crowdfunding among its citizens) appears important in all the analysed cases.

All the contributions highlighted how the match funding between ESI funds (or own resources) and crowdfunding generates a series of "**virtuous processes**":

- *Increase in funding*: match funding made it possible to integrate available resources (from the available budget or ESI Funds) with those that came from the crowd ("leverage effect": on average equal to double the resources initially available, often even more thanks to presence of numerous initiatives that have gone into overfunding)
- *Increase in social proof*³⁶: both for the P.A. (which appears more involved in the eyes of citizens), and for initiatives

³⁶ "Social proof" means that the number of people involved is the main way of judging the behavioral accuracy. The persuasive ability of this principle increases considerably in two situations:

1. When we find ourselves in a context of uncertainty about what we should do or think.
2. When social proof is sought in the context of people similar to us.

(perceived as "safe" thanks to the support of a public body)

The benefit of Civic Crowdfunding: by leveraging the close ties that crowdfunding platforms have with local communities, it can promote and amplify the sense of involvement and belonging among citizens, allowing them to contribute to specific projects with the idea of bringing on a shared utility in their own territories.

Starting from this vision, the crucial fundamental characteristic of civic match-funding is represented by a "dynamic contribution" of crowdfunding in the funding program of a public authority - generally regional or local - with the common goal of achieving results both in terms of co-financing and in terms of distribution and commitment of citizens in determining the success of initiatives in specific sectors of public interest.

In detail, for each initiative analyzed, the partners answered the following questions:

- Which public funds can be used to co-finance civic Crowdfunding campaigns?
- What types of crowdfunding are best suited to match-funding models?
- Which models are more functional and replicable?
- Are there any intervention areas where the match funding strategies are more effective?

3.1.1 Region of Central Macedonia (GREECE)

The analysis started by considering a *DG Regio Guide on the synergies between ESIF and other sources of funding*³⁷. The same rationale, Region of Central Macedonia translated the same cases as possible scenarios of synergies between ESIF (and other funding sources such as national funds) and crowdfunding. In that context the possible scenarios could be the following:

1. *Simultaneous/cumulative use of funds (ESIF and crowdfunding in the same project)*
2. *Sequential funding (first ESIF for preparation and then crowdfunding for implementation and vice versa)*
3. *Parallel/additional use of funds (e.g crowdfunding for the realization of the action and in parallel use ESF for training courses to enhance the skills of those dealing with crowdfunding. This is also relevant to Blue Crowdfunding project as there are crowdfunding campaigns envisioned as pilots and there will be also training courses on crowdfunding to enhance the skills of the experts)*

Based on the above-mentioned classification of the possible synergies Region of Central Macedonia has identified at least one case-example at national and/or regional level that matches the features of each type of synergy:

- **The simultaneous or cumulative use of ESI funds and crowdfunding within the same project.** This is the case of the CWDF campaign for the maintenance and improvement of infrastructures of the Forest Open Theatre of National Theatre of Northern Greece (although in this case the public funds were not from ESI but were from national funding).
- **The corresponding use of ESI funding and civic crowdfunding for the support of separate but complementary or mutually supported projects.** This is the case of the CWDF campaign for the school meals for schoolchildren delivered to schools at Trikala and Kavala 2016 - 2017 presented in the Annex 1.
- **The sequential use of crowdfunding and ESI funds,** whereas the action realized with crowdfunding enables the participation in an ESI funded project. Apparently, this is the case of DIAZOMA Association and in particular the CWDF Campaign for the studies for the restoration of the ancient theatre of Cassope.

Number of initiatives: 4

Public funds used:

- **ERDF** [Regional and Sectoral Operational Programmes - Interreg (including IPA & ENI instruments)]
- **ESF** - European Social Fund
- **National Funds**

Types of civic crowdfunding: Donation and Reward-based.

Intervention areas: Combatting poverty and social solidarity, Culture, Environment Protection, Green Deal, Circular Economy Accessibility.

3.1.2 Campania Region (ITALY)

Project: Reconstruction of the Science Centre "Città della Scienza" (12,000 sqm of exhibition space) following an arson attack.

Science City centre "Città della Scienza" is Italy's first interactive science museum, a place for experimentation, learning, fun, meeting and constructive dialogue with science and technology.

The solidarity fund of civic crowdfunding: FSC 2007/2013 Fund. Through the financial aid of the Ministries involved national

³⁷ https://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

resources have been allocated to co-finance the project. In particular, the Ministry of University and Research contributed with 1.5 million Euros.

“Città della Scienza”: €1,463,867 raised out of a target of €100,000 thanks to the contribution of 2,584 backers (Platform: <https://derev.com>)

Social impact: The reopening of the venue and its large exhibition sites and the start-up of the scientific exhibitions allowed families and schools to resume educational, social and cultural activities within these places (smart education and technology days, the exhibition on dinosaur eggs and babies). The generated impact also concerned the creation of an induced activity that led to the reopening of commercial activities, maintenance and services related to the structure and therefore the resumption of work for the employees of the Science Centre.

Number of initiatives: 1

Public funds used:

Municipal and regional funds by identifying and including a specific item in the authority's budget to meet the needs of the community.

Types of civic crowdfunding: Donation-based.

Intervention areas: Reconstruction of the Science Centre “Città della Scienza” following an arson attack.

3.1.3 Marche Region (ITALY)

In the analyzed experiences, the most consistent public funds were those deriving from the “PON METRO 2014-2020” - Axis 3 “Services for social inclusion” (Co-financed by ERDF and ESF). In each campaign there was an integration represented by funds allocated in the ordinary budget of the respective municipalities.

There was the possibility to make match funding with funds from private foundations. Milan and Venice are such projects, where the items to be reported were reversed. In detail:

- “SI PUO FARE” - Civic Crowdfunding Municipality of Milan
Project contribution: “PON METRO 2014-2020” - Platform / training cost: Municipal resources
- “LA CITTA’ SICURA DI SE” - Civic Crowdfunding Municipality of Venice
Project contribution: Municipal resources - Platform / training cost: “PON METRO 2014-2020”
- “Famiglia FORTE” - Municipality of Senigallia
Project contribution / Platform cost: Cariverona Foundation - Training and co-design: “work performance” of the staff involved.

The flexibility of crowdfunding has allowed public administrations to choose between different levels of commitment in the implementation of the match-funding scheme³⁸. The Civic match funding of the initiatives carried out in Italy was characterized by the mix of instruments most used by public administrations at the moment: resources collected through the crowd + own resources + resources deriving from European Funds.

Throughout this process, public bodies have provided support to projects in the various phases of their campaign through the support of dedicated services both from crowdfunding platforms and from institutional partners with reference to training and coaching.

Number of initiatives: 3

Public funds used:

- PON METRO 2014-2020
- Municipal resources
- Cariverona Foundation

Types of civic crowdfunding: Donation and Reward-based.

Intervention areas: Environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries and health

³⁸ See chapter 2, The role of the public body:

- Sponsor: the public authority runs its own campaign for a specific project on an existing civic crowdfunding platform.
- Manager: a subnational government creates its own crowdfunding platform to foster the development of its territory.
- Curator: the local authority selects a list of projects that reflect their agenda from an existing crowdfunding platform.
- Facilitator: the Public Administration plays an important role in facilitating citizen and civil society empowerment.

3.2. Prospects of integration between crowdfunding and public funds

This section analyzes the prospects for integration between crowdfunding and public funds, primarily from a theoretical point of view (literature analysis) and then through comparing the former with the results emerging from both the analysis of the case studies and through the *Quadruple Elix Workshops*.

The first part analyzes the potential use of Civic crowdfunding with reference to the thematic objectives of the ESI funds.

In the second one the work examines the prospects of innovative financial instruments in the new programming period 2021-2027.

3.2.1 Potential use of crowdfunding per ESIF thematic objectives

The adoption of Innovative Financial Instruments, among which Crowdfunding, could be of great value for the Regional Administrations within the new Programming Period 2021-2027 of the European Structural and Investment Funds, specifically the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

Regarding the ERDF, it would already be possible to think over taking up the match-funding models using crowdfunding within interventions to support the creation of new businesses through both direct incentives and the offer of services, as well as micro-finance interventions.

The mixture of public and private funds can be further tested by integrating various forms of guarantee or using the existing microcredit instruments.

Starting from the evaluation of the Programme 2014-2020, crowdfunding has been recognised as an Innovative Financing Instrument remained unexplored and worth to be applied in the new period integrated with available structured funds through dedicated measures.

Below is a diagram resuming the potential use of crowdfunding for the SIE thematic objectives (2014-2020).

Fig. 3 - Potential use of crowdfunding per ESIF thematic objective (2014-2020).

THEMATIC OBJECTIVES	CROWDFUNDING MODEL			
	Donation	Reward	Lending	Equity
TO 1 – strengthening research, technological development and innovation	Moderate	High	High	High
TO 2 – enhancing access to, and use and quality of ICT	Limited	Moderate	High	High
TO 3 – enhancing the competitiveness of SMEs	High	High	High	High
TO 4 – supporting the shift towards a low-carbon economy	Moderate	Moderate	High	Moderate
TO 5 – promoting climate change adaptation, risk prevention and management	Limited	Limited	Moderate	Moderate
TO 6 – preserving and protecting the environment and promoting resource efficiency	Limited	Limited	Moderate	Moderate
TO 7 – promoting sustainable transport and removing bottlenecks in key network infrastructures	Limited	Limited	Limited	Limited
TO 8 – promoting sustainable and quality employment and supporting labour mobility	High	High	High	High
TO 9 – promoting social inclusion, combating poverty and any discrimination	High	High	High	High
TO 10 – investing in education, training and vocational training for skills and lifelong learning	High	Moderate	High	Limited

Source: Crowdfunding and ESF opportunities: future perspectives for managing authorities
fi-compass, July 2020

Looking forward at the upcoming framework for the future EU cohesion policy (2021-2027), the importance of crowdfunding for the five policy objectives can certainly grow (Smarter Europe, Greener, carbon free Europe, Connected Europe, Social Europe, Europe closer to citizens).

Considering the 2021-2027 Cohesion Policy framework, a first analysis on potential synergies and suitability for policy targets with different crowdfunding models is provided in the following table:

Fig. 4 - Overview of the potential compatibility of crowdfunding with ESIF policy objective (2021-2027).

POLICY OBJECTIVES	CROWDFUNDING MODEL			
	Donation	Reward	Lending	Equity
1 – A smarter Europe – innovative and smart economic transformation	Low	High	High	High
2 – A greener, low-carbon Europe	Low	Moderate	High	High
3 – A more connected Europe – mobility and regional ICT connectivity	Low	Low	Low	Low
4 – A more social Europe – implementing the European Pillar of Social Rights	High	High	High	High
5 – Europe closer to citizens – sustainable and integrated development of urban, rural and coastal areas through local initiatives	High	High	Moderate	High

Source: ERDF proposal for a regulation, CPR proposal for a regulation (2018 version, for 2021-2027 period), ESF Proposal for a regulation

This paper has analyzed the development of the civic crowdfunding inside the PA and the match funding, underlining the different role and engagement of a PA in the using and implementation of the crowdfunding: sponsor, manager, curator and facilitator.

In particular, different kinds of match-funding have come up and each choice has its pros and cons, as explained above.³⁹

When a public authority partners with a crowdfunding platform and commits to supporting a match-funding or crowdfunding scheme, the overall success rate of projects funded under that programme increases from an average of 60% up to an average of 80-90% ([ECN CF4ESIF Report Triggering-Participation 2018](#)). The leverage effect is statistically significant in all effectively planned initiatives.

This aspect is linked to both the economic incentive and the communication and social proof work guaranteed by a public institution. This leverage effect can be increased by exploiting the new frontiers of match funding offered by the setting of disciplines related to equity and lending crowdfunding (new Regulation (EU) 2020/1503).

Although in theory there are many possible combinations, while the data confirms that the conscious use of "financial" models in Civic Match funding strategies are the most effective (with a high impact both on the quality of the initiatives and on the amounts collected⁴⁰), in the case studies analyzed in this work, most of the SIE-crowdfunding combinations involved the use of SIE grants as a means of supporting social projects, in particular matchfunding grants with non-financial crowdfunding models (donation and reward).

This solution has proved its effectiveness in supporting initiatives with a high social value, but it is a choice dictated by the lower procedural complexity linked to the implementation of the strategy.

This choice is preferable for pilot initiatives and to take the first steps in the world of Civic match funding, in order to overcome those obstacles that have emerged from the market practice, such as:

- Lack of knowledge and information within public bodies: a large part of public bodies has a very limited knowledge of the opportunities offered by crowdfunding which is perceived as a useful tool to finance local non-profit initiatives, without financial implications.
- Lack of training and support for potential beneficiaries: the existence of a dedicated training program (which also includes a

³⁹ See chapter 2, The role of the public body.

⁴⁰ SCALING UP PARTNERSHIPS - A publication of the multi-stakeholder working group Crowdfunding for European Structural and Investment Funds. 2021

coaching and support service) that the beneficiaries can access in their process of approaching the world of crowdfunding is an important factor for the success or failure of these initiatives.

- Bureaucratic aspects and administrative difficulties: further obstacles are posed by administrative and bureaucratic procedures. The case studies have shown that, although public administrations could have entrusted the committed amounts of ESI funds directly to successful projects this solution was not adopted, preferring a different choice represented by the use of an intermediary created ad hoc for the management of funds.

An acceleration towards "financial" crowdfunding models with the aim of making this instrument the driving force for economic recovery remains desirable: financial instruments can play an important role in supporting crowdfunding, in particular lending and equity crowdfunding platforms, but in this case the public body has to move a step further.

An intermediate solution, in order to enhance the benefits of crowdfunding, could be represented by a scheme that sees the managing authority designing financial instruments that support crowdfunding through loans, guarantees and equity in combination with Grants.

Grants can be used alongside financial instruments in the following situations:

- initial support for projects that are at an early stage and may, in the future, access a financial product;
- as a contribution to crowdfunding platforms or other entities that provide non-financial services (eg coaching, mentoring, financial education and training, business planning assistance, marketing and communication, etc.) in favor of project promoters seeking funding through crowdfunding.
- support a project by combining a non-repayable component with the financial product provided to the recipients (investment contribution): this solution can help overcome the initial difficulties in accessing credit for promoters, giving the necessary boost to the project in the start-up phase.

The economic impact that such mechanisms could have in times of shrinking public budgets remains a focal point, but the social aspect is also fundamental to address the new challenges in a post-COVID digital economy and help achieve the goals for a fast and sustainable European recovery.

3.2.2 Perspectives of the innovative financial tools in the new scheduled Programming Period 2021-2027.

In the second part of the survey, through the results that emerged from the *Quadruple Helix Workshops*, the subjects involved were asked to think about the possibility of integrating the local public funds used with the European upcoming funds.

It was also requested to make a further effort in identifying possible matching of crowdfunding with these funds, with the aim of providing useful information for the upcoming 2021-2027 programming period. Thanks to the interaction with professionals in the sector, the workshops have signified that most of the measures adopted can be integrated with the European Structural and Investment Funds.

The following are the main funds taken into consideration by all the partners involved:

- **European Regional Development Fund (ERDF):** promotes balanced development in the different regions of the EU.
 - Regional and Sectoral Operational Programs
 - Interreg (including IPA & ENI instruments) and Urbact Programs to develop and showcase pilot initiatives for crowdfunding with lessons learned and shared at transnational level
- **European Social Fund (ESF):** which supports employment projects throughout Europe and invests in the human capital of Europe: in workers, young people and all those looking for a job.
- **Cohesion Fund (CF):** finances projects in the transport and environment sectors in countries where per capita gross national income (GNI) is less than 90% of the EU average
- **European Agricultural Fund for Rural Development (EAFRD):** focuses on solving specific challenges facing EU rural areas.
- **European Maritime and Fisheries Fund (EMFF):** helps fishermen use sustainable fishing methods and coastal communities to diversify their economies by improving the quality of life in European coastal regions.

Structural and Investment Funds 2021-2027 are worth over **EUR 330 billion** (almost a third of the EU's long-term budget).

The funds will finance regional and local projects aimed at reducing economic and social disparities between Member States and regions, while stimulating a sustainable recovery from the pandemic through investments in green and digital priorities.

The 2021-2027 package pursues the defined cohesion policy which provides for multi-annual investments; in this context, most of the resources will be allocated to the least developed countries and regions in order to promote social, economic and territorial cohesion throughout the EU.

The new EU priorities are:

- strengthening innovation and digitization,
- making a transition to a net zero carbon economy
- improving the connection with transport and digital strategic networks
- focus on social inclusion.

Overall, around 30% of the structural funds will contribute to the decarbonisation of the economy, with a specific climate coefficient for each type of investment activity. Projects will also have to respect the principle of "*do no significant harm*", in line with the EU's environmental objectives.

The main cohesion policy funds are:

- *European Regional Development Fund (ERDF)* - **EUR 200 billion** for regional funding with targeted support for certain regions and areas and a greater focus on cities and sustainable urban development, as well as support for competitiveness and job creation work in small and medium-sized enterprises. Funded by the ERDF, the Interreg program will pay over € 8 billion to cross-border projects that aim to help border regions develop their full economic potential
- *Cohesion Fund* - **EUR 42.5 billion** for Member States with per capita GNI below 90% of the EU average; support for trans-European transport networks as well as for projects in the energy and transport sectors which benefit the environment
- *European Social Fund Plus (ESF +)* - **€ 88 billion** to support job creation, education and training as well as social inclusion

These objectives are also of central importance for the **Civic crowdfunding initiatives/strategies** implemented by the Public Administrations through match funding strategies.

The results of the survey carried out and the considerations that emerged in the *Quadriple Helix Workshops* confirm that the most used methods (and considered "replicable") to date, are represented by the *Reward* and *Donation* models but the harmonization of the disciplines related to equity and lending crowdfunding (new Regulation (EU) 2020/1503 on crowdfunding) represents a further opportunity for public administrations.

So far - for both organizational difficulty within the public body and for complexity linked to the different legislation and supervision connected to these two types of crowdfunding - the Civic Crowdfunding initiatives were mainly aimed at simpler models: this evolution could facilitate further experimentation represented both by a greater use of the Lending and Equity models and by the integration of forms of guarantee by exploiting already existing microcredit instruments.

Analyzing **the expected economic and financial impact**, the covid-related crisis has increased the awareness of experiencing a crucial moment where innovation in the public administration plays an important role in the recovery of the social and economic system.

Public Bodies, in view of the new programming period of EU funds 2021-2027, must be ready to seize the opportunity represented by Civic Crowdfunding: an alternative finance tool accessible to all and capable of multiplying the resources available through involvement active of all citizens.

In this context, the opportunity provided by Civic Match Funding generates a real and measurable impact on communities and at the same time creates an increase in available resources: this approach by the PA reworks the relationship between public and private investor, which is no longer to be considered a philanthropist but a person who by investing in the public sector creates wealth for the investing company itself and value for the society.

Here are the main objectives that can be achieved through the implementation of ESI funds with Civic Crowdfunding:

- Faster access to the necessary funding for specific projects or actions compared to the time needed for the approval of an EU or national project funding.
- Unlocking of greater amounts of ESI funds while the preparatory actions related to a big project are being supported financially with crowdfunding.
- Increase of local/regional attractiveness and enhancement of the local/ regional economy.
- Creation or maintenance of job positions.

With reference to **the expected social impact**, the ESI Funds integrated into Civic Crowdfunding strategies represent a unique opportunity that allows public bodies to innovate development policies by adopting the tools of social innovation.

Tools capable of developing ideas, products and services that respond to social needs starting from the

creation of new relationships, collaborations and business models.

The strategic value of social innovation has already been explicitly recognized in the EU 2020 strategy⁴¹ (the promotion of social innovation has been included among the priorities to be achieved using the financial instruments designated by the Commission for growth and cohesion) and through the new programming period 2021-2027 the EU intends to continue strengthening the adoption of social innovation models for the construction of public policies through the development of the social economy.

Main features:-Engagement and activation of people beyond the local community (e.g., people living abroad) to contribute financially for the execution of a local project.

-Promotion/ recognition of citizens or businesses that have contributed to civic crowdfunding campaigns.

-Sentiment of ownership by the people that contributed to the action.

-Further promotion of the participatory democracy, the participatory budget and the participation of the citizens in the decision-making procedures at local/ regional level.

-Support of socially vulnerable persons (homeless, unemployed, refugees) living below the poverty line through specific crowd-funding actions and increase of the feeling and sense of social solidarity.

- Improvement of transparency and accountability to the society by both the public and the private sector

-Citizens become more socially sensitive and environmentally responsible.

-Businesses also become more socially and environmentally responsible through their participation in the action.

In addition to the economic and social aspects (environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries and health research), the impact deriving from the increase in knowledge of crowdfunding within the local community is also very important by increasing awareness of the potential of crowdfunding at an institutional and political level (especially in view of the activation of match-funding initiatives for future campaigns within medium and long-term strategies).

⁴¹ <https://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

4. Conclusions

The good practices collected in this sample of analyses made it possible to compare different types of initiatives by public bodies from different countries in the European environment. These P.A. have approached match-funding, using different crowdfunding models and adopting different support methods.

The analysis of these initiatives leads to the identification of common success factors of the initiatives and some critical factors to be considered in the structuring and adoption of such models.

Success factors

- provide training and dissemination moments of the crowdfunding culture
- insert the initiative within a broader and long-term strategy, which can also count on other forms of financial and non-financial support for the identified targets;
- build the measure by involving subjects already operating on the crowdfunding market;
- make available the skills necessary for the use of the crowdfunding tool to the beneficiaries of the measure.

Critical factors

- lack of a diffusion of the crowdfunding culture;
- lack of the necessary skills for the use of the tool (strategy, marketing and communication) both by the public administration and by the direct beneficiaries of the measures;
- lack of ad hoc administrative tools for managing funds through this form of support;
- difficulty in managing the dynamics of disbursement and reporting for projects that must be validated through crowdfunding.

The result leads us to say that the best strategy initially involves a match funding, perhaps through the offer of services. Then, after a first experience, we can move on to design more important roles where, in addition to services and communication support, an integration with ESI Funds can be formed, also from a planning perspective of the new programming period 2021 - 2027 Funds.

The case studies of this position paper highlight how the public administrations can start virtuous processes thanks to the match funding between ESI funds and crowdfunding: the analysis has shown how important it is to start even with a simple partnership where the driving force is represented by the *"institutional brand"* which alone confers security and lowers the level of mistrust towards the initiative by citizens.

Then, the following steps are represented by a participation in services and subsequently by a real match funding that increases the availability of the public body: in this scenario of ongoing evolution the crowdfunding platforms can become a reliable partner and a necessary resource for public administrations for both terms of simplification procedures and those linked to the in-depth of issues and strategies unknown until sometime ago.

All the analyzed cases have successfully reached not only the set goal (economic target), but also increasing levels of participation, regarding both the presented ideas and the contributors and beneficiaries of the funded initiatives.

The case studies point out not only the ideas but also the contribution and the citizens' participation, in many different areas through the implementation of match funding patterns: social inclusion, entrepreneuriality, creative and cultural industry, environment, reconstruction, research and education, have all been issues in which crowdfunding has supported the public authorities and the citizens to combine their efforts in reaching a shared goal.

Many case studies have been co-funded thanks to the grants received by FESR or ESF, which means that there is more awareness regarding the importance of the crowdfunding applied in the economic and social area for the development of the regions also within a wider pattern of the European political cohesion.

Despite the numerous advantages pointed out in the analysed cases, all dynamics of the Civic crowdfunding and the match funding partnerships with the public authorities are still making the first steps forward and there is a lot to do to exploit at the maximum their potential.

This process of optimization comes from a "learning by doing" step, where at the beginning are experienced simpler strategies (and less "invasive" towards the public administration internal dynamics) then the level of complexity increases gradually up to strategies that don't only involve the match funding with funds coming from donation/reward campaigns but also advanced strategies with more complex models such as lending and equity (thanks to the introduction of the new European Regulation).

Although crowdfunding has been considerably widespread within the alternative finance landscape, it's still very difficult to implement match funding schemes and other patterns of partnerships between the public administrations and the platforms.

Here are a few issues that prevent the development of such an innovative funding pattern providing some hints on how these challenges have been successfully dealt with— thanks to the analysed cases.

- **"Resistance to change"**: the first obstacle lays in the lack of information on crowdfunding of citizenship and no profit organizations. This tool is not known enough and it's difficult to change strategy or to spend time in getting to it,

something that is perceived as “complex” (mainly because it involves the web, social media, financial planning typical of the startup). This resistance concerns citizens but also the public administration, and it is for this reason that an awareness and training action should primarily involve the staff of public bodies involved in match funding actions. Without this preliminary action, the whole process risks getting stuck at the beginning.

- **“Informatic asymmetry”:** the second obstacle is a mutual lack of knowledge regarding the modes of operation by the involved subjects.
 - *Crowdfunding Platforms* don’t know the internal mechanisms of PA and – so far – don’t apply any process that could be adapted to the different public patterns.
 - *The Public Administration* are still anchored to their old internal modes of operating, the public officials instead of focusing on getting to know the potential synergies and mutual mechanism of functioning, still focus on adapting the crowdfunding to their internal patterns.
- **“Competition vs cooperation”:** public financial report and funding programs are often addressed to the same areas covered by the crowdfunding platforms. This means that, in lack of a shared communicative strategy, the real difference lays within the procedures required to get the funds. There is a “substitution” effect: public funding usually discourages the use of crowdfunding when it should take advantage of its multiplicative effect.
- **Lack of flexibility within the PA:** Another obstacle is to be found in the lack of flexibility of PA: this characteristic slows down the passage from the pilot phase (*learning by doing*) to the integration of innovative patterns in their traditional ones. The Public Body should leave gradually the pilot action and focus on a full integration of public funds (“non-financial” and “financial” strategies)⁴². There is a resistance to changing, due mainly to the fear of upsetting too much their own functionality: if in one way the rigidity of the procedures marks a stop to the evolution on the other hand it is a “guarantee” of accuracy in the european funds reporting.

All the involved partners of the above said *pioneeristic initiatives* in the working paper, have taken, adapted and customized patterns coming from literature and from pilot actions of previous initiatives: the case studies have shown how, in time, all initiatives have faced various obstacles and created successful and replicable cases.

With reference to the *lack of trust* and information of the citizens towards crowdfunding and crowdfunding platforms, the public administrations have organized free training workshops and special events where the citizens could learn more about crowdfunding from platforms trainers and specialized experts and trainers.

To avoid a *lack of knowledge* of crowdfunding among the public officers, the platforms have provided a specific training to the public administrations’ employees and, in many cases, the Public Administrations themselves have involved professionals by organizing internal workshops and training courses⁴³.

The strong local dimension of crowdfunding is one of the many features of this financial tool, but thanks to the web diffusion this tool can encourage an inclusive approach such as “act local, think global”, perfectly in line with the goal of the social, economic and territorial bond recommended by the European Commission.

Cohesion Politics is one of the most visible policy dimensions in the wide range of the actions and initiatives funded by the European Community. Conceived as a fundamental pillar for a regular development and a good functioning of the single market, it aims to promote a process of economic and social convergence between the different European regions by providing economic support through the ESI Funds⁴⁴.

A very important aspect is that all SIE funds are assigned by the European Commission according to a principle of partnership and additionality, i.e. the european grant doesn’t have to cover the whole regional cost but it’s just a support of cofinancing those projects that are not included in their priorities.⁴⁵ The balance of funds must come either from other national or regional public resources or from budget constraints for public authorities, leveraging from private investments or capitals: in this way crowdfunding seems to be a tool that matches perfectly with these criteria.⁴⁶

⁴² The main restriction of the integration with innovative patterns that apply the combination of own resources and private ones is given by from three main aspects: the Public Budget Management, proper allocation of the resources and the systematic reporting.

⁴³ In order to make the *selected initiatives* even more solid and able to reach the declared economic target, many Public Administration have required in their “call for idea” a training to be made prior to the campaign, to support the campaign itself (by a skilled professional). This “plus” not only has increased the percentage of success, but has also allowed the PA that weren’t yet ready to start a complex action of match funding (Crowdfunding + ESI Funds) to make a first step forward, more easily, represented by the “matching” between the funds gathered from the campaign and the offer of services (Crowdfunding + training services).

⁴⁴ Article 174 of the Treaty on the Functioning of the European Union (TFEU) provides that, in order to strengthen its economic, social and territorial cohesion, the Union is to aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favored regions or islands, and that particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps.

⁴⁵ Rules and regulations (UE) n. 1303/2013, part I, article 87 attached I, common strategic framework.

⁴⁶ Maximum cofinancing rates:

- FESR and FSE: between 50% and 85% according to the region type (possible increase according to the specific rules of FSE);
- Goal of European Territorial Cooperation: 85%;
- Cohesion fund: 85%; FEAMP: 75% (possible increases to determined conditions);
- FEASR: between 53% and 85% (possible increase to determined conditions).

Based on the experiences that emerged from this work here are the main advantages of crowdfunding in the area of structural funds:

Economic benefits

- The match funding offers added value to those private resources and provides maintenance of the strategic priorities pointed out by the European Commission and by the member States.
- The economic contribution coming from the fund raising not only provides for the increase of the economic resources (that sometimes go beyond the programmed expectations, having seen the many cases of “overfunding”) but it also presumably contributes to achieve priority thematic goals specified in the operative plans set by the regional authorities.
- The grants obtained through the citizenship provides access (for the residual part) to community funds and so within an “act local, think global” approach, they are included in the action field of general goals of cohesion politics.
- Greater level of efficiency, effectiveness, accountability and transparency in the allocation of SIE funds, solving in this way all those problems arising in the past: the actions related to the civic match funding initiatives offer a valid solution to mitigate this trend, by giving to the citizens a primary role in the selection procedures, assignment and implementation of the co-financed projects through campaigns of crowdfunding.
- the combination of public funds and private resources increases the success rate of the project but on the other hand it warrants a proper realization of the financed project thanks to the active involvement of the citizenship.

Visibility

- One of the main strengths of successful campaigns is the ability to exploit at its best the communication channels, this characteristic indirectly helps to give more visibility and make more understandable the goals of the European Union and of the cohesion politics.
- Crowdfunding platforms, thanks to their role of “intermediary” between PA and citizenship, amplify this “visibility” effect since these internet portals are visited by thousands of people every day, who would indirectly start to understand - by a more “userfriendly way” - both the logic of crowdfunding and the opportunities offered by the ESI funds
- The ease of access to platforms extends to a greater number of people the possibility to get acquainted with the initiatives of Civic match funding proposed by Public bodies, bestowing to the achievement of the goals and to the strategic priorities pointed out by the member States and by European Commission.⁴⁷

Citizenship involvement

- The real added value in a Civic match funding strategy is represented by the fact that citizenship is integrated in a decision-making process and in the assignment of contributions by directly communicating their preferences or priorities perceived in their areas.
- A greater degree of involvement and interest by the citizens would be that of including not only those who have financially contributed to the Civic Crowdfunding campaign, but also those who have actively followed the development of the campaign and all those who have surfed the portals, who start to get involved in the initiative by sharing it with their contacts (families and friends).
- The initiatives of civic crowdfunding promote the acquisition and diffusion of a series of skills for the citizens' benefit: “learning by doing” represents a practical path that, step by step, brings the citizen from a stage of initial curiosity to a stage of “active donator” to that of promoter of his own initiatives (perhaps in a first phase, addressing only to platforms, and for local projects) and later on to become familiar with the available tools and make the most of ESI funds and the infinite potential of match funding.

These objectives are of fundamental importance for crowdfunding strategies and are also reflected in the new funding programs of the multiannual financial framework 2021-2027: a budget of approximately 330.2 billion euros that corresponds to Cohesion Policy.

All these resources could be implemented with match funding strategies with the aim of providing economic and social returns to their communities. Civic crowdfunding can therefore represent the tool that positions itself as a multiplier and amplifier of the initial economic investment undertaken.

The data highlights the limited leverage of of ESF financial instrument⁴⁸: exploring synergies with crowdfunding platforms - which by nature exploit the resources of a large pool of investors - could help Public Administrations to take a decisive leap forward.

Civic match funding can have a multiplicative effect on the public resources represented by the ESI Funds, making the latter not the point of arrival but the starting point for attracting additional private resources, both through private contributions (“non-financial models”) and through private resources from retail investors (“financial models”).

European Commission, General Management of Urban and Regional Politics, Publications Dept. Of the European Union, Luxembourg, november 2015.

⁴⁷ The main goal of the cohesion politics is that of fostering solidarity and joining of member states, reducing in this way the social and economic differences among the various European Areas. The investments made are “multisectoral” and involve a great variety of actors in the whole European Union. This implies a certain degree of complexity for the Cohesion Policy. Nevertheless, Crowdfunding with its ease of visibility and access makes less complex this process of evolution from “local citizenship” to “european citizenship”.

⁴⁸ The fi-compass ‘Survey on FIs under the ESF - Reflections at present and ideas for future’ was conducted in May and June 2019. The survey collected feedback on current experiences and future views in connection with the implementation of FIs under the ESF. The report is available at this link: <https://www.fi-compass.eu/publication/factsheets/survey-esf-fis-report>.

This paper encourages Public Bodies to become familiar with crowdfunding and its peculiarities to exploit the potential contribution of crowdfunding to ESI funds and to the priorities of the European Union.

5. Recommendations

Our main goal is that of enhancing how crowdfunding represents an important tool of matchfunding, to be considered as one of the finance tools that foster the realization of structural funds and European investments.

Thanks to the availability of many different patterns in both terms of "ease of access" and in those of achievable economic objectives (Donation, Reward, Lending and Equity), crowdfunding can provide the necessary flexibility at the local level and thus can have the role of "forerunner" for more complex projects.

The theme of alternative financial tools and of new options of matching the source of funding with European Funds is gradually taking an important role in many local, regional and European agendas.

The European Strategic Investment Fund (ESIF) has sent local and regional authorities to realize actions that would help the economic growth and social cohesion in their own territory, highlighting the importance of leveraging on the private capitals and of the match funding that could change traditional and alternative funding sources.

In this context, and in line with the point of view of regional and local authorities as key actors in promoting an inclusive and sustainable economic recovery, the European Commission has published guidelines on how to combine ESIF and ESI Funds since 2016.⁴⁹

The aim of a simplification of the accessibility and of the auditing procedures, as well as of the reporting and certification of expenditures, would be that of making the overall process clearer and more transparent for both the managing and the auditing authorities.

According to the trends and commitments that have emerged over the years in the **Cohesion Policy**, it is not surprising that crowdfunding is considered a further option to be included in the existing mix of financial tools that complement the EU resources in this policy area. Transparency, finance democratization, easier access to grants, nevertheless more responsibility and control over the financed actions, are only some of the advantages that this tool can offer, as widely shown by the initiatives previously analysed in this paper.

The inclusion of local and regional authorities in the fundraising process through crowdfunding and the realization of a new single European Regulation (New Regulation (EU) 2020/1503 on crowdfunding) can help to face some important obstacles at a European level: lack of trust towards the transactions based on internet, financial awareness, knowledge on how crowdfunding works and generally paying attention to crowdfunding projects in the short-term. All these holdbacks could be reduced significantly by promoting further partnerships between local public institutions and crowdfunding platforms, with the support of European Fundings, such as ESI.

Although the figures at a European level show that the "financial" Civic crowdfunding initiatives (Lending and Equity) are also starting to take hold⁵⁰, the results of the undertaken tasks and the contribution from the partner regions⁵¹ highlight a more "prudent" approach. The results show a strong correlation between pilot experiences of the Public Administration and simpler match funding models linked to initiatives in the non-profit world.

This **approach** is characterized by:

- match funding with ESI funds or own resources, mainly through crowdfunding models defined as "*non-financial*" (such as rewards and donations)
- *Role of Enabler*: the public authority provides support services to encourage the use of crowdfunding among its citizenship
- increasing targets based on the experience acquired: *pilot experiences with small amounts* to be achieved, subsequent ones with increasing amounts and match funding.
- Prevailing model of the *grant* released upon reaching a scheduled percentage

It is important to highlight how the **context of an economic crisis** caused by the current COVID-19 pandemic has accelerated the digitalization process, contributing to greater knowledge and awareness on the use of crowdfunding, among other aspects of the digital economy, both in the public sector and among wider citizens and stakeholder groups.

The increase in the number of Civic crowdfunding initiatives and "replicable" successful match-funding experiences is a clear

⁴⁹ European Commission, European Structural and Investment Funds and complementarity of the European Funds for strategic Investments, Ensuring coordination, synergies and complementarity, Brussels, February 2016.

⁵⁰ SCALING UP PARTNERSHIPS - A publication of the multi-stakeholder working group Crowdfunding for European Structural and Investment Funds. 2021

⁵¹ Region of Central Macedonia (GREECE), Campania Region (ITALY), Marche Region (ITALY).

sign of this trend and highlights two important aspects:

1. more public authorities are willing to open their decision-making process through crowdfunding
2. an increasing number of citizens are willing to co-finance local projects together with the public sector.

This *virtuous process* – after the initial testing phase – would reveal some standardized procedures for the realization of partnerships within the European cohesion policy, encouraging the learning process and the following executive phase for whoever wants to enter the process.

Taking into account the figures, the results, the impact, the obstacles and the analyzed solutions in this position paper, the working group BLUE CROWDFUNDING recommends to undertake further actions in the following policy areas:

1. Training courses on crowdfunding education and on knowledge of SIE funds.

Through the implementation of training courses, workshops and disclosure events that can be supplied to different social groups and economic actors. A greater knowledge of crowdfunding is necessary to unlock the whole potential of the financial patterns, as the main strength of this partnership is based on the concept that it could be a tool effectively accessible for any kind of business, organization or citizen.

2. Working on synergies

In order to increase the overall scope and also financial availability, all those synergies with thematic priorities corresponding to the ESIF objectives and the resources of the ESI funds aimed at financing initiatives that could be appropriate for a crowdfunding campaign should be deepened. This process would allow:

- To increase the financial resources thanks to the crowdfunding campaign realized together with a public authority
- To increase the number of projects eligible to receive fundings without increasing the allocated amount from the public budget
- To guarantee greater visibility to the European Union and to the cohesion policy allowing the managing authorities to be more reactive and better equipped when they invest in the territory and in the citizenship needs.

3. Realisation of pilot programs in partnership with crowdfunding platforms.

Governments and platforms of civic crowdfunding should act side by side in specific areas, in order to realize patterns of innovative match funding. All the objectives set in the schedule 2021-2027⁵² could be a starting point for the matching pattern plan, supplying a long-term system where the pilot programs can be tested.

4. Increase public partnerships with crowdfunding.

Expanding the range of public partnerships with crowdfunding by designing safe and transparent ways in which to spread the match-funding mechanism (also including lending and equity crowdfunding, thanks to the introduction of the new Regulation (EU) 2020/1503): patterns of innovative financing that can combine public subsidies with financial crowdfunding models could provide for not only "social well-being" returns for the citizens, but also financial returns and a renewed economic dynamics of the territory.

Tightening the bonds with their citizens, local and regional authorities have played in the year, an important role in the process of European development: in fact, they have an important role as a "mediator" between Europe and "European citizens".⁵³

Although the latest developments in the European Union crowdfunding market show many promising perspectives, and since the goal is a continuous growth, a harmonization action is needed within the Commission, integrating the flexibility of crowdfunding models in a structured and recurrent way inside the operating mechanisms of the European Structural and Investment Funds.

As already mentioned in this paper, the matching of private resources raised through the crowdfunding campaigns and the SIE funds can be regarded as an emerging financial model in the light of the additionality principle.

The most beneficial result - and the major aim of future efforts - would be that of the explicit inclusion of match-funding through civic crowdfunding initiatives in the text of the future SIE funds regulations, in order to promote the realisation of this new financial pattern and facilitate its widespread diffusion of its benefits in the European territories.

⁵²

- *Smarter Europe*: a smarter Europe through innovation, digitization, economic transformation and support for small and medium-sized enterprises;
 - *Greener, carbon free Europe*: a greener and carbon-free Europe thanks to the implementation of the Paris agreement and investments in the energy transition, renewable energy and the fight against climate change;
 - *Connected Europe*: a more connected Europe, equipped with strategic transport and digital networks;
 - *Social Europe*: a more social Europe, which achieves real results regarding the European Pillar of Social Rights and supports quality employment, education, professional skills, social inclusion and equal access to health;
 - *Europe closer to citizens*: a Europe closer to citizens by supporting locally managed development strategies and sustainable urban development across EU.

⁵³ Local and regional governments have been asked to support the European Commission in its very ambitious goal of promoting a good standard of living and an economic growth all over Europe, by supporting and fostering different initiatives included within the cohesion policy and European structural Funds.

Our long-term goals are those of introducing in a clear way civic crowdfunding as a valid option for the match funding in the general framework of the SIE funds: the challenge will be that of experiment, test and discover new patterns that - with time - will represent important guidelines and a fundamental reference point constantly evolving.

“We need a new way of thinking if we want to solve problems caused by an old way of thinking” (Albert Einstein)

Annex 1 - Good Practices (National and Regional Context)

Match-funding models from the target Regions, Countries or related to international initiatives: use of public funds in support of Civic Crowdfunding campaigns.

Contributors: Region of Central Macedonia (Greece), Campania Region (Italy), Marche Region (Italy)

Region of Central Macedonia (Greece)

Experiences from the target region (when present): examples of Civic Crowdfunding campaigns that have adopted match-funding models.

Title of the CWDF campaign	Social Plate: Limiting food waste, providing meals for those in need
Geographical area	Region of Central Macedonia Regional Unit of Thessaloniki
Objective of the CWDF campaign	<p>Large quantities of food, that could cover the needs of people facing poverty and social exclusion, are wasted in garbage cans every day. This also has a significant environmental impact, both in terms of producing and distributing food, as well as in terms of waste disposal. "Social Food Support" is a non-profit organization set-up by the "Thessaloniki Central Market S.A." with a view to making use of unsold fruit and vegetables which after sorting and repackaging is distributed to public welfare grocery stores, charities, church soup kitchens and other bodies, while at the same time providing work to long-term unemployed people. The creation and pilot operation of "Social Food Support" organization and the "Social Plate" Initiative was initially funded through the Interreg V-A Greece-Bulgaria 2014-2020 Programme within the specific objective 9b.</p> <p>The present CWDF campaign was launched in order to support the regular operation of "Social Food Support" organization and the "Social Plate" Initiative in 2020 (after the completion of the above co-funded project).</p>
Involved Subjects and roles	The implementor of the Campaign was the Hellenic Corporation of Assets and Participations (https://www.hcap.gr/en/) who is the sole shareholder of "Central Market of Thessaloniki S.A.".
Funds used for match-funding	<p>The creation and pilot operation of "Social Food Support" organization and the "Social Plate" Initiative was initially funded through the Interreg V-A Greece-Bulgaria 2014-2020 Programme within the specific objective 9b, within the implementation of the project "Supporting Social Enterprises in combating poverty and social exclusion (Social Plate)" co-financed from the European Regional Development Fund (85%) and national funds of the participating countries (15%).</p> <p>In order to continue its operation in 2020, after the completion of the project, Act4greece crowdfunding platform supported the "Central Market of Thessaloniki S.A." in raising funds.</p>
Beneficiary/ies of the funds	<p>"Social Food Support", the non-profit organization set-up by the "Thessaloniki Central Market S.A." was the beneficiary of the funds, while indirectly the following social partners were benefited through the initiative.</p> <ul style="list-style-type: none"> - 14 public welfare grocery stores - 20 church soup kitchens - 15 Institutions - Organisations offering shelter to children or other vulnerable groups (orphanages etc.)
Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign	This case of CWDF does not show a direct and simultaneous complementarity among ESI funds and crowdfunding but a sequential funding case. It is the ERDF funding to support initially the planning and implementation of the action, as well as the tools to guarantee its visibility and sustainability (e.g., a new NGO with specific mission to manage the action, an online platform to inform about the action and attract supporters, the pilot implementation of the action itself etc.). And afterwards, the crowdfunding is being selected to support an action with an already certain level of recognition and success and ensure the viability of the initiative after the closure of the funded project.
Achieved results	30,950.00€ were collected in a period of four months (Jul-Nov 2020), overpassing the financial target of 30,000.00€ initially set. The implementation of the "Social Plate" initiative continued through 2020 resulting to the collection of 147 tons of surplus food and distribution of 103 tons of them up to October 2020.

Economic and financial impact	The amount collected ensured the operational costs of the “Social Food Support” organization for a certain period (2020) and also the continuation of the employment of long-term unemployed in its regular activities.
Social impact	<ul style="list-style-type: none"> - Socially vulnerable persons (homeless, unemployed, refugees) living below the poverty line benefit from the action. Around 70 partner bodies (municipalities, NGOs, social general grocery stores, church soup kitchens) receive food from the “Central Market of Thessaloniki S.A.” and give them raw or cooked to those in need. - Citizens become more social sensitive and environmental responsible adopting at the same time a sharing and zero-waste approach in their everyday lives. - Businesses also become more social and environmental responsible through their participation in the action.
Other information	https://foodangels.socialplate.eu/en https://www.act4greece.gr/actions/Action_socialplate

Title of the CWDF campaign	Maintenance and improvement of infrastructures of the Forest Open Theatre of National Theatre of Northern Greece (NTNG)
Geographical area	Region of Central Macedonia Regional Unit of Thessaloniki
Objective of the CWDF campaign	<p>The Forest Theatre of Thessaloniki (Theatro Dassous) is the most emblematic and significant open-air theatre venue of the National Theatre of Northern Greece, located on the slopes of Kedrinis Hill, enjoying a panoramic view over the city and its port, operating without interruption since 1976, with a wide range of art events every summer. However, this fine theatre with the passing of time has suffered considerable wear and tear, since according to the relevant study, waterproofing of the stage and the theatre seating area is necessary. At the same time, new, fully enclosed and roofed buildings will be built aiming at housing key parts of stage sets and costumes of historic NTNG productions.</p> <p>The present CWDF campaign was launched aiming to sensitize bodies, associations, local businesses, citizens, as well as political leaders encouraging them to contribute financially to the realization of an action plan for the improvement of the structures of the most well-known open theatre of Thessaloniki, also bringing unseen aspects of the theatrical world closer to the public.</p>
Involved Subjects and roles	The implementor of the Campaign was the National Theatre of Northern Greece (Ministry of Culture and Sports)
Funds used for match-funding	<p>The CWDF campaign reached its target in a small extent. However, the mobilization of the major stakeholders in the field of Culture in Greece resulted to the funding of the project also through non-tactical national financial support.</p> <p>The total funds raised through the crowdfunding platform, as well as the non-tactical national financial support amounted to 100,000€.</p>
Beneficiary/-ies of the funds	The National Theatre of Northern Greece
Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign	In this particular case, the Civic Crowdfunding campaign funds were integrated with the national public funds simultaneously and they were mutually supportive in order the project realization to be achieved.
Achieved results	<p>The total amount of 100,000.00€ raised ensured the implementation of the following:</p> <ul style="list-style-type: none"> (a) Waterproofing and damp-proofing of the Forest Theatre (b) Restoration of the Cloakroom of the Theatre of the Earth (c) Establishment of first theatre backstage facilities that can be visited by the public while in operation in Greece.
Economic and financial impact	The improvement of the Theatre’s structures attracted more artists, shows and events as well as more audience, increasing the income of the National Theatre of Northern Greece in order to be able to invest it in bigger theatrical projects where a greater number of actors could be involved.
Social impact	Awareness raising with regards to citizens’ responsibility towards the protection of local cultural and natural heritage.
Other information	https://www.act4greece.gr/actions/Action_theatrodasoy

Experiences from the target country (when present) or from other countries: examples of Civic Crowdfunding campaigns that have adopted match-funding models

Title of the CWDF campaign	Studies for the restoration of the ancient theatre of Cassope
Geographical area	Region of Epirus Regional Unit of Preveza
Objective of the CWDF campaign	Public institutions in Greece face a significant difficulty to finance technical studies because of their high-cost and their limited annual regular budget, given that their funding through ESI funds or other national funds is not eligible in most of the cases. At the same time, a series of technical studies is considered necessary when applying for funding within calls of the Regional or Sectoral Programmes. The objective of the CWDF campaign was to raise the necessary funds (80,000.00€) in order DIAZOMA Association to assign the studies deemed necessary for the restoration and overall showcasing of the ancient theatre of Cassope and finally deliver them to the Antiquities Ephorate of Preveza, in order the last one to be well-prepared for the submission of a project proposal for the restoration of the theatre itself.
Involved Subjects and roles	The implementor of the Campaign was the DIAZOMA Association (https://www.diazoma.gr/en/) DIAZOMA Association together with the National Bank of Greece, a Corporate Member of DIAZOMA implemented the CWDF campaign for the Ancient Theatre of Kassopi (Epirus) "My Kassopi" via the crowdfunding platform Act4Greece powered by the National Bank of Greece.
Funds used for match-funding	European Regional Development Fund. The "Restoration-Showcasing of the ancient theatre of Cassope (Phase I)" project has already been included in the "Environmental protection and sustainable growth" framework of the Operational Program "Epirus" funded with the amount of €1 million. Funding was secured by means of the "Cultural itinerary to the ancient theatres of Epirus" program implemented by all the competent bodies and financed by "Integrated Territorial Investments" of Epirus Region in the amount of €37 million.
Beneficiary/ies of the funds	Antiquities Ephorate of Preveza Scientists and technicians involved in the studies' implementation.
Describe the procedure through which the funds have been integrated with the Civic Crowdfunding campaign	In this particular case, the Civic Crowdfunding campaign funds were integrated with ESI funds sequentially starting from the fund raising through CWDF campaign to implement the preparatory actions of the project (for the implementation of the studies) that could not be eligible for funding within the Regional Operational Programme (ERDF). Afterwards, as soon as the studies were finalized and delivered to the Competent Authority (Antiquities Ephorate of Preveza - Ministry of Culture), the funding of the 1 st phase of the Restoration-Showcasing of the ancient theatre of Cassope was made possible through the Regional Operation Programme of Epirus (ERDF and national funds).
Achieved results	The target amount (80,000.00€) was raised well before the deadline that was set for the act4Greece crowdfunding platform to restore and preserve the ancient theatre of Cassope. Thanks to the funds raised, the DIAZOMA Association assigned the studies deemed necessary for the restoration and overall showcasing of the ancient theatre of Cassope (architectural study, study for the structural restoration of the theatre, geotechnical study and study for preventing the risk of landslides from the rock behind the theatre of Cassope). And since the delivery of the studies to the Antiquities Ephorate of Preveza, the Ephorate was in position to submit a project proposal for the restoration of theatre itself. Finally, the campaign contributed to the wider promotion of the historical and cultural heritage of Preveza and Epirus and the enhancement of the territorial attractiveness.
Economic and financial impact	The completion of the studies unlocked 1.000.000€ for the implementation of the 1 st phase of the Restoration-Showcasing of the ancient theatre of Cassope through the Regional Operation Programme of Epirus (ERDF and national funds). The approval of the proposal for the above project contributed to the creation of job positions both for scientists (i.e. archaeologists, architects etc.) as well as for technical staff, the workers. In a long-term basis, the restoration of the theatre will contribute to the increase of the touristic attractiveness of the area and consequently to the local economic development.

Social impact	<p>The moto of DIAZOMA Association is “the wisdom of synergies” since its main aim is “not to find, nor simply to persuade, but to inspire the big sponsors, to assist the services responsible, to mobilize the Ministry of Culture, to draw more and more of [their] fellow-citizens along with [them] in [their] work” (Statement of Mr Stavros Benos, Ex. Minister of Culture, Founder and President of DIAZOMA).</p> <p>The “My Kassopi” CWDF campaign had a great social impact engaging important institutions, actors, various stakeholders for its promotion and also for its support, inspiring at the same time citizens all over Greece to support financially the project with smaller or bigger amounts.</p> <p>To be noted that the CWDF campaign video had more than 15,000 views on Youtube.</p>
Additional information	<p>https://www.act4greece.gr/actions/Action_arxaiotheatrokassopis</p> <p>CWDF campaign video https://www.youtube.com/watch?v=sfB3ppveile</p> <p>https://www.diazoma.gr/en/theaters/theatre-of-kassopi/</p>

Title of the CWDF campaign	School meals for schoolchildren delivered to schools at Trikala and Kavala 2016 – 2017
Geographical area	Region of Thessaly Municipality of Trikala Region of Eastern Macedonia and Thrace Municipality of Kavala
Objective of the CWDF campaign	The aim of the CWDF campaign was to raise funds in order to (i) provide food aid for schoolchildren that belong to vulnerable population groups, (ii) build the foundation for a healthy Mediterranean diet, by creating a healthy perception of the value of a proper meal from a very young age and (ii) support the learning process and help prevent children from dropping out of school.
Involved Subjects and roles	The implementor of the Campaign was the Ministry of Labor, Social Insurance and Solidarity.
Funds used for match-funding	European Social Fund. The two Municipalities of Kavala and Trikala that were selected, participated at pilot level in the Ministry’s Programme “Social Solidarity Income” (ESF).
Beneficiary/ies of the funds	Primary schoolchildren in the Municipalities of Trikala and Kavala
Describe the procedure through which the funds have been integrated with the Civic Crowdfunding campaign	In this particular case, the Civic Crowdfunding campaign funds were raised in order to finance an action with supplementary character to a project already financed through ESF (Social Solidarity Income). More precisely, the Municipalities of Kavala and Trikala were selected out of 30 others where the Ministry’s Programme “Social Solidarity Income” (ESF) has been implemented on a pilot basis, as an additional action designed to provide food aid for schoolchildren that belong to vulnerable population groups and at the same time support the learning process and help prevent children from dropping out of school.
Achieved results	A total amount of 445,601.00€ was raised (76% of the set target). With this amount, the action funded 87,328 hot lunches in 18 elementary schools in Trikala, covering the food needs of 1,202 schoolchildren, as well as 90,016 meals in 9 elementary schools in Kavala, meeting the needs of 1,183 schoolchildren.
Economic and financial impact	Support of families under the threshold of poverty Contribution the maintenance of job positions through the assignment of meals’ preparation to Social Cooperatives of Limited Liability in Trikala and Kavala.
Social impact	The action itself had a high humanitarian and inclusive character offering support to families under the threshold of poverty. The feeling of being part of inclusive and supportive communities was further enhanced in the two municipalities. Also, apart from the participatory character of the campaign itself, within the implementation of the actions, the meals were prepared together with the Social Cooperatives of Limited Liability in Trikala and Kavala, thus offering additional benefits in the local communities.
Additional information	https://www.act4greece.gr/actions/Action_sxgeymatasetrikala-kabala

Summary of the results from previous initiatives:

Which public funds can be used to co-finance civic crowdfunding campaigns?	ERDF <ul style="list-style-type: none"> - Regional and Sectoral Operational Programmes - Interreg (including IPA & ENI instruments) ESF - European Social Fund National Funds
What types of crowdfunding are best suited to match-funding models?	The donation-based crowdfunding and the rewards-based. Both types demonstrate a satisfactory compliance with the national legal framework for fundraising, sponsorships and donations. Moreover, it's much closer to the citizens' culture that traditionally offer willingly financial and/ or in-kind contributions for common benefit projects and actions. Although in Greece, as in many other countries, the dominant view is that the funding of public works, public utility projects etc. falls within the exclusive responsibility of the public administration and the local and regional self-government, a high sense of collective social responsibility and co-responsibility is still present especially in smaller societies (villages, neighborhoods).
Which models are more functional and replicable?	The donation-based crowdfunding and the rewards-based are equally functional and replicable. The functionality of the models is related to the role that public institutions will have in the civic crowdfunding campaigns. In the case of the Greece the most suitable roles that allow the flexible and fast implementation of the campaigns and the actions themselves are: The role of Sponsor - It fits to the public entities that prefer to run their own campaigns for a specific project on an existing civic crowdfunding platform. This is the case of the public entities that propose their projects for funding through the Act4Greece platform. The role of Facilitator - This is a challenging role that represents a new type of public-non-profit private partnership with citizens and civic crowdfunding platforms. The role of the Region or the Municipality will be to bring together citizens and civil society organisations. This role includes planning permission, financial as well as technical expertise support, co-screening and/or co-designing projects, etc. ⁵⁴
Are there any intervention areas where the match funding strategies are more effective?	Combatting poverty and social solidarity Culture Environment Protection Green Deal Circular Economy Accessibility

Summary of the results from Quadruple Helix Workshop:

What ESI funds could be used to co-finance civic Crowdfunding campaigns? (as emerged from the QUADRUPLE HELIX WORKSHOP)	ERDF <ul style="list-style-type: none"> - Regional and Sectoral Operational Programmes - Interreg (including IPA & ENI instruments) and Urbact Programmes to develop and showcase pilot initiatives for crowdfunding with lessons learnt and shared at transnational level ESF - European Social Fund EAFRD - European Agricultural Fund for Rural Development EMFF - European maritime and fisheries fund Additionally, <ul style="list-style-type: none"> - HORIZON 2020 - Creative Europe - Citizens, Equality, Rights and Values Programme
Define the procedures through which the ESI funds identified above be integrated with a Civic Crowdfunding campaign. (as emerged from the QUADRUPLE HELIX WORKSHOP)	Based on the Guidance for policy-makers and implementing bodies for the enhancement of synergies issued by the European Commission on 2014 ⁵⁵ and after having studied successful cases in Greece and exchanged ideas with stakeholders and experts invited in the quadruple helix workshop held in the Region of Central Macedonia, we consider that four (4) different procedures could be followed: <ul style="list-style-type: none"> - The simultaneous or cumulative use of ESI funds and crowdfunding within the same project. This is the case of the CWDF campaign for the maintenance and improvement of infrastructures of the Forest Open Theatre of National Theatre of

⁵⁴ Triggering Participation: A Collection of Civic Crowdfunding and Match-funding Experiences in the EU, Francesca Passeri, European Crowdfunding Network, 2018

⁵⁵ Enabling synergies between European Structural application: and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes, Guidance for policy-makers and implementing bodies, European Commission, 2014 available at: https://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

	<p>Northern Greece (although in this case the public funds were not from ESI but national funding).</p> <ul style="list-style-type: none"> - The parallel use of ESI funding and civic crowdfunding for the support of separate but complementary or mutually supported projects. This is the case of the CWDF campaign for the school meals for schoolchildren delivered to schools at Trikala and Kavala 2016 - 2017 presented above. - The sequential use of crowdfunding and ESI funds, whereas the action implemented with crowdfunding enables the participation in an ESI funded project. And apparently this is the case of DIAZOMA Association and in particular the CWDF Campaign for the studies for the restoration of the ancient theatre of Cassope. <p>Of course there is also the possibility to see a reverse sequence starting with a project implemented with ESI funds that seeks to ensure the sustainability and the operation of its structures and/ or its continuation with the use of crowdfunding after the finalization of the project. This the case of the "Social Plate" also presented above.</p>
Expected economic and financial impact	<ul style="list-style-type: none"> - Faster access to the necessary funding for specific projects or actions comparing to the time needed for the approval of an EU or national project funding. - Unlocking of greater amounts of ESI funds while the preparatory actions related to a big project are being supported financially with crowdfunding. - Increase of local/regional attractiveness and enhancement of the local/ regional economy. - Creation or maintenance of job positions.
Expected social impact	<ul style="list-style-type: none"> - Engagement and activation of people beyond the local community (e.g., people living abroad) to contribute financially for the execution of a local project. - Promotion/ recognition of citizens or businesses that have contributed in civic crowdfunding campaigns. - Sentiment of ownership by the people that contributed to the action. - Further promotion of the participatory democracy, the participatory budget and the participation of the citizens in the decision-making procedures at local/ regional level. - Support of socially vulnerable persons (homeless, unemployed, refugees) living below the poverty line through specific crowd-funding actions and increase of the feeling of the social solidarity. - Citizens become more socially sensitive and environmentally responsible. - Businesses also become more socially and environmentally responsible though their participation in the action.
Additional information	<p>Conclusions of the quadruple helix workshop held in the Region of Central Macedonia concerning the crowdfunding and the synergies with other financial instruments and in particular ESI funds:</p> <ul style="list-style-type: none"> - Crowdfunding is a complementary financial instrument that cannot substitute the standard ones. Therefore, each organization should create and use an efficient mixture of financial tools to use. - In the case of ESI funds, crowdfunding can be used for the financial support of preparatory actions (e.g. technical studies) in a faster and most flexible way for an organization to be able to utilize efficiently ESI funds for important infrastructure projects. - The use of ERDF for the leverage of additional public and private funding for eligible investments, including private capitals and/ or public funds from regional and national sources should be encouraged.

Campania Region (Italy)

Experiences from the target region (when present): examples of Civic Crowdfunding campaigns that have adopted match-funding models

Title of the CWDF campaign	Ricostruiamo Città della Scienza.
Geographical area	Campania Region, Bagnoli district (City of Naples).
Objective of the CWDF campaign	Reconstruction of the Science Centre "Città della Scienza" (12,000 sqm of exhibition space) following an arson attack. Science City centre "Città della Scienza" is Italy's first interactive science museum. A place for experimentation, learning, fun, meeting and constructive dialogue with science and technology.
Involved Subjects and roles	<ul style="list-style-type: none"> - IDIS Foundation - City of Science: Antonio Lettieri (Head of the Secretariat of the Rebuilding the City of Science Project), Franca Gentile (Assistant), Antonio Iannitto (Chief Project Manager of the Rebuilding the City of Science Project). - A Working Group for the Reconstruction of the Science Centre of Città della Scienza was set up, involving both internal resources and leading experts from the international scientific community, which worked on the road map and project details - in architectural, content, procedural and financial terms - of the complex reconstruction process. - Thanks to the coordinating action of the Ministry for Territorial Cohesion, a steering committee was set up to regulate the political, administrative and financial commitments of the various institutions involved in the reconstruction work. - In particular, the Campania Region and the ministries involved (Territorial Cohesion, Environment, Infrastructure, and Education and Research) immediately undertook to finance the reconstruction, agreeing to identify the legal and procedural methods.
Funds used for match-funding	The solidarity fund of civic crowdfunding; FSC 2007/2013 Fund;
Beneficiary/ies of the funds	IDIS Foundation - City of Science.
Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign	Through the financial aid of the Ministries involved national resources have been allocated to co-finance the project. In particular, the Ministry of University and Research contributed with 1.5 million Euros. The decision to financially support the IDIS foundation was formalised with a State-Region negotiation: a Framework Programme Agreement. The agreement provided for the co-financing of the City of Science reconstruction project for a total of € 34 million of public investment. On 14 September 2014, the agreement was signed by the Department for Development and Economic Cohesion, the Ministry of the Environment and Protection of Land and Sea, the Ministry of Infrastructure and Transport, the Interregional Superintendency for Campania and Molise, the Ministry of Education, Universities and Research, the Province of Naples, the Province of Naples, the Municipality of Naples, Fondazione IDIS - Città della Scienza and Campania Region. In the agreement, the procedures and financial instruments envisaged to finance the project took the form of the granting by the Campania Region of funding over time to the IDIS Foundation through the legislative instrument of a Regional executive decree authorising a set of advance payments to the Foundation from the European FSC 2007/2013 fund.
Achieved results	€1,463,867 raised out of a target of €100,000 thanks to the contribution of 2,584 backers.
Economic and financial impact	<p>The financial resources collected for the Project were spent as agreed in the Framework Programme Agreement. In particular, according to the first financial report, the expenses incurred up to 30/06/2014 amounted to € 142,304.85, allowing renovation works and the organization of events.</p> <ul style="list-style-type: none"> - Exhibitions and Exhibition Set-Ups €10,270.86 - Equipment and Maintenance €33,464.38 - Promotion and Communication €17,407.35 - Fund Raising €7,451.00 - Building and other similar Works €72,643.60 - Services €1,067.66

Social impact	<p>The reopening of the venue and its large exhibition sites and the start-up of the scientific exhibitions allowed families and schools to resume educational, social and cultural activities within these places (smart education and technology days, the exhibition on dinosaur eggs and babies).</p> <p>The generated impact concerned also the creation of an induced activity that led to the reopening of commercial activities, maintenance and services related to the structure and therefore the resumption of work for the employees of the Science Centre.</p> <p>The social impact generated also concerned the strengthening of the sense of belonging to a entire scientific and civil community via the contribution to rebuilding a major cultural shared asset. Thanks to the restart of activities aimed at young students, but also at adults in all moments of interactive educational, social and recreational life.</p>
Other information	https://derev.com/ricostruiamo-la-citta-della-scienza/post/comunicato-stampa-campagna-di-crowdfunding-per-la-citta-della-scienza

Summary of the results from previous initiatives:

Which public funds can be used to co-finance civic Crowdfunding campaigns?	Municipal and regional funds by identifying and including a specific item in the authority's budget to meet the needs of the community.
What types of crowdfunding are best suited to match-funding models?	The types of civic crowdfunding that fit into matchfunding are Donation and Reward-based.
Which models are more functional and replicable?	Through public co-financing, both types of crowdfunding would be easily functional and replicable.
Are there any intervention areas where the match funding strategies are more effective?	The most effective areas for intervention are the metropolitan areas where the pool of active citizenship is larger. In the specific case of crowdfunding projects within the blue economy, they would be most effective not only in large cities, but also in all medium-sized coastal municipalities and those with commercial and/or touristic ports, as in the case of the entire Campania coast and its islands.

Summary of the results from Quadruple Helix Workshop:


What ESI funds could be used to co-finance civic Crowdfunding campaigns? (as emerged from the QUADRUPLE HELIX WORKSHOP)	During the Quadruple Helix Workshop, among others, a suggestion emerged from the first "helix", i.e. the institutional-governmental sphere: to use the European Maritime and Fisheries Fund (EMFF) and Rural Development Programme (RDP) as a co-funding leverage
Define the procedures through which the ESI funds identified above be integrated with a Civic Crowdfunding campaign. (as emerged from the QUADRUPLE HELIX WORKSHOP)	<p>In more practical terms, it came out that it would be interesting to add as co-financing resources of the Structural Funds and of the Agricultural funds, those coming from the crowdfunding campaigns. These under the actions and measures planned in both EMFF and RDP (Rural Development Programme, being the latter the main instrument put in place by the Campania Region to foster the development of agriculture and rural territories).</p> <p>The RDP Campania 2014-2020, approved by European Decision no. C(2015) 8315 of 20 November 2015, was the result of intense work with the economic and social partnership and the services of the European Commission and among the 6 priorities that emerged from the latter, the last three could be the subject of actions co-financed not only by the EMFF but also by crowdfunding initiatives, as they share the themes and objectives of the Blue Economy:</p> <ul style="list-style-type: none"> - Preserving, restoring and enhancing ecosystems related to agriculture and forestry. - Promoting resource efficiency and the shift to a low-carbon and climate resilient economy in the agri-food and forestry sector. - Work towards social inclusion, poverty reduction and economic development in rural areas.
Expected economic and financial impact	<p>The impact would be to preserve the water resources (rivers, lakes and in some areas also the sea) of the hilly and urban agricultural territories of the Campania Region and more in detail to extend the effects of the agricultural policies:</p> <ul style="list-style-type: none"> - More sustainable agriculture; - Protection and enhancement of agricultural and forestry areas;

	<p>- Improving environmental performance.</p> <p>In particular, the conservation of biodiversity is expected to generate better management of water resources and prevention of soil erosion, and in economic terms would result in cost savings related to soil maintenance and cultivation.</p>
Expected social impact	<p>Improving the quality of life and usability of services in the rural area by making it welcoming to businesses and families. In particular, job creation through local development and diversification of farm activities.</p> <p>Education to respect biodiversity and nurturing the sense of belonging of citizens and farmers to their rural territories, based on the cultivation of organic products that respect the environment.</p>
Additional information	

Marche Region (Italy)

Experiences from the target region (when present): examples of Civic Crowdfunding campaigns that have adopted match-funding models

Title of the CWDF campaign	"Famiglia FORTE"
Geographical area	Municipality of Senigallia
Objective of the CWDF campaign	Project for the contrast of youth discomfort in the territory of the Municipality of Senigallia and Vallesina
Involved Subjects and roles	Municipality of Senigallia and Vallesina Cariverona Foundation Crowd Kitchen platform
Funds used for match-funding	Call for <i>Welfare Criverona Foundation</i> : the Municipality of Senigallia has joined and won one of the places with the FAMIGLIA FORTE project. The tender provided for a grant of 580.000 euros from the Cariverona Foundation to which was added a co-financing for 300,000 euros, represented by "work performance" of the staff involved (training and co-design) for a total of 880.000 euros.
Beneficiary/ies of the funds	The projects mainly concern the prevention of teen angst. The project ideas must leverage the support and enhancement of the parenting skills of families and the involvement of the entire community of the reference area, through the creation of innovative growth paths for children and their families

<p>Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign</p>	<p>The intervention model is based on five interlinked actions, and in this process the Civic Crowdfunding campaign has represented the final step:</p> <ol style="list-style-type: none"> 1. Training of Operators and community awareness 2. Creation of a pilot-first contact point, a psychological help desk for families, teachers and children 3. Implementation of a home service for families in hardship 4. Strengthening youth aggregation centers 5. Launch of a Civic Crowdfunding Campaign with the aim of connecting the actors of the network and citizenship. <p>The evolution of the entire project was monitored throughout its duration by the Polytechnic University of Marche Region.</p>  <p>The tender provided a loan of 580,000 euros from the CRIVERONA FOUNDATION to which was added a co-financing of 300,000 euros, represented by "work performance" of the staff involved (Training and co-design) for a total of 880.000 Euros.</p> <p>Most of the funds were used for the previous phases of the FAMIGLIA FORTE project.</p> <p>The BUDGET allocated to the Co-funding strategy for the Civic Crowdfunding Campaign was of 25.000 Euros</p> <p>Each project doubles the amount up to a maximum of 5.000 euros.</p> <p>Platform: Crowd Kitchen</p>
<p>Achieved results</p>	<p>6 projects with about 2.000 euros raised</p>
<p>Economic and financial impact</p>	<p>Leverage effect: 1.2</p>
<p>Social impact</p>	<p>The project ideas have enhanced the parenting skills of families and the involvement of the entire community of the reference area</p>
<p>Other information</p>	<p>Most of the funds were used for the phases prior to the launch of the Civic Crowdfunding Campaign. More training and better communication could have increased the funds raised.</p>

Experiences from the target country (when present) or from other countries: examples of Civic Crowdfunding campaigns that have adopted match-funding models

<p>Title of the CWDF campaign</p>	<p>"SI PUO FARE" - Civic Crowdfunding Municipality of Milan</p>
<p>Geographical area</p>	<p>Municipality of Milan</p>
<p>Objective of the CWDF campaign</p>	<p>Funding social innovation projects promoted by non-profit organizations and addressed to the suburbs of the city.</p>

Involved Subjects and roles	<p>The Municipality of Milan (Urban Economy and Labor Department - Economic Innovation and Business Support Project Management)</p> <p>Folkfunding srl Benefit that made available the platform <i>Produzioni dal Basso</i></p> <p>Ginger Crowdfunding: for the part related to the management of fundraising</p>
Funds used for match-funding	<p>The available public resources are 550.000 euros which have been covered by the "PON METRO Milan 2014-2020" - Axis 3</p> <p>"Services for social inclusion" (Thematic Objective 9 "Social inclusion and the fight against poverty" - European Social Fund) - Action MI 3.3.1.c.</p> <p>The specialized partner was financed through the use of municipal resources: Allocation of 30.000 euros in total for a period of 18 months (See Executive Determination of the Economic Innovation Project and Business Support no. 2666 of 07/08/2019 s.m.i. and Collaboration Agreement for the implementation of the Civic Crowdfunding project signed on 20/12/2019)</p>
Beneficiary/ies of the funds	<p>Funding social innovation projects with an implementation cost of up to 100.000 euros promoted by non-profit organizations and aimed at the suburbs of the city.</p>
Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign	<p>In order to encourage the success of the initiative, the Municipality of Milan has made available to interested parties a specific online information / training course on crowdfunding and the use of the online platform. In addition, during the implementation of the collection campaigns, the Administration carried out accompanying and assistance activities, as well as appropriate communication interventions to increase the visibility of the proposals displayed on the platform.</p> <p>In a nutshell, here are the phases:</p> <ol style="list-style-type: none"> 1. Selection of social innovation projects with an implementation cost of up to 100.000 euros promoted by non-profit organizations and aimed at the suburbs of the city. 2. The proposals identified through a ranking evaluation procedure had access to the online crowdfunding platform made available by the Municipality of Milan 3. The proposals that have reached the "collection target" - equal to 40% of the total value of the project and up to a maximum of 40.000 euros - have received from the Municipality of Milan a grant equal to the remaining 60% , up to a maximum of 60.000.000 euros.
Achieved results	<p>60 applications were received by the Administration in response to the Civic Crowdfunding call launched in May 2020 and 19 projects selected to start fundraising.</p> <p>All the projects chosen and placed on the platform managed to achieve the goal, collect at least 40% of the resources necessary to then access the non-repayable contribution of the Municipality of Milan equal to the remaining 60%, up to a maximum of 60 thousand euros for every single proposal.</p>
Economic and financial impact	<p>Over 320.000 euros funds were raised thanks to the 19 projects aimed at improving the sense of community in the outermost neighborhoods of the city, redesigning spaces and services available to the inhabitants.</p> <p>The result comes from over 4 thousand donations. The final amount was over 700.000 euros thanks to the contribution of the Municipality.</p>
Social impact	<p>The projects deal with very different themes and needs: from the environment to social inclusion, from agriculture to urban regeneration through training and solidarity up to the promotion of the culture of recycling.</p>
Additional information	<p>For the Municipality of Milan it was a further case of success: during the three-year period 2015-2017, in fact, it carried out the first experimentation in Italy of the use of Civic Crowdfunding by a Local Authority.</p> <p>The initiative allowed 16 projects to raise a total sum of 333.136 euros to which was added the Municipal contribution of the same amount.</p>

Experiences from the target country (when present) or from other countries: examples of Civic Crowdfunding campaigns that have adopted match-funding models

Title of the CWDF campaign	"LA CITTA' SICURA DI SE" - Civic Crowdfunding Municipality of Venice (Campaign in progress)
Geographical area	Municipality of Venice
Objective of the CWDF campaign	<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 neighborhoods and areas with high socio-economic criticality and must have characteristics of sustainability over time.</p>
Involved Subjects and roles	<p>The Municipality of Venice (Social Cohesion Department)</p> <p>Folkfunding srl Benefit that made available the platform <i>Produzioni dal Basso</i></p> <p>La Fenice Foundation: for the part linked to the management of fundraising, consultancy and training campaigns</p>
Funds used for match-funding	<p>The public resources available to support the selected projects are in total 70.000 euros coming from the allocations in the ordinary budget of the Municipality of Venice.</p> <p>The available public resources to finance the training and support activities of the designers are in total 28.850 euros on the "PON METRO Venice (2014-2020)".</p>
Beneficiary/ies of the funds	The local action strategy regarding "Axis 3 of the PON METRO" is aimed at combating different forms of marginalization, hardship and social exclusion, also through the support of projects that express the participation of the third sector and the community in areas and neighborhoods characterized by situations of environmental degradation and socio-economic marginality.
Describe the procedures through which the funds have been integrated with the Civic Crowdfunding campaign	<p>In order to encourage the success of the initiative, the Municipality of Venice has made available to interested parties a series of free training sessions to explain the potential of Crowdfunding to everyone. The training will instead be compulsory for the selected subjects.</p> <p>In a nutshell, here are the phases:</p> <ol style="list-style-type: none"> 1. Selection of social innovation projects with an implementation cost between € 5.000 and 10.000 euros promoted by non-profit organizations and aimed at the target areas of the City. 2. The proposals identified through a ranking evaluation procedure will have access to the online crowdfunding platform made available by the Municipality of Venice. 3. The proposals published on the online civic crowdfunding platform that will reach the "collection goal" - equal to 50% of the total value of the project and up to a maximum of 10.000 euros - will receive a non-repayable grant from the Municipality of Venice equal to remaining 50%, up to a maximum of 5.000 euros
Achieved results	Call closed on 12/03/2021. Now in the selection phase (Up to 14 projects will be selected with a maximum duration of 9 months and a maximum amount of 10.000 euros.
Economic and financial impact	Leverage 1: 2

Social impact	<p><i>"Support for the activation of new services in degraded areas"</i> which aims at the activation of new proximity services and the inclusion and social cohesion of the population of areas and neighborhoods characterized by significant situations of physical degradation and socio-economic marginalization (target areas), of which it shares the following transversal objectives:</p> <ul style="list-style-type: none"> - activation of citizens residing in the target areas to become protagonists of the "rebirth" of their own territory; - creation of relationships with the other areas of the city and therefore the promotion of activities and services that primarily address citizens of degraded areas but which can also be a draw for neighboring areas; - creation of networks between formal (eg associations and cooperatives) and informal realities of the territory (eg active citizens).
Additional information	<p>The excellent organization in the phase preceding the call made it possible to obtain a high number of questions.</p> <p>Diffusion of awareness of Crowdfunding: the quality of the projects is due to the fact that the Municipality of Venice has made available to interested parties a series of free training sessions to explain the potential of Crowdfunding to everyone. The training will instead be compulsory for the selected subjects.</p>

Summary of the results from previous initiatives:

Which public funds can be used to co-finance civic Crowdfunding campaigns?	<p>In the analyzed experiences, the most consistent public funds were those deriving from the "PON METRO 2014-2020" - Axis 3 "Services for social inclusion". Then, in each campaign there was an integration represented by funds from the allocations in the ordinary budget of the respective municipalities.</p> <p>Finally, there was the possibility to make match funding with funds from private foundations.</p> <p>Milan and Venice are similar projects, where the items to be reported were reversed</p> <p>In detail:</p> <p>MILAN: Project contribution: "PON METRO 2014-2020" Platform / training cost: Municipal resources</p> <p>VENICE: Contribution to projects: Municipal resources Platform / training cost: "PON METRO 2014-2020"</p> <p>SENIGALLIA: Project contribution / Platform cost: Cariverona Foundation Training and co-design: "work performance" of the staff involved.</p>
What types of crowdfunding are best suited to match-funding models?	<ul style="list-style-type: none"> • Crowdfunding Model: <i>Reward Crowdfunding</i> • Role of PA: <i>Curator: the local authority selects a list of projects that reflect their agenda from an existing crowdfunding platform.</i> • Strategy: <i>TOP-UP: ESI Funds constitute extra-funding once the project has fully reached the targeted amount. This solution could enable the promoter to lower the initial target and the managing authority to allocate resources only to already-validated projects.</i>
Which models are more functional and replicable?	<p><i>Reward Crowdfunding Model</i>: it is the simplest model to understand and most effective in terms of returns, both for citizens and for public administrations.</p>
Are there any intervention areas where the match funding strategies are more	<p>Environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries and health research.</p>

effective?	
------------	--

Summary of the results from Quadruple Helix Workshop:

<p>What ESI funds could be used to co-finance civic Crowdfunding campaigns? (as emerged from the QUADRUPLE HELIX WORKSHOP)</p>	<p>Prospects for integration between public funds and crowdfunding</p> <p>The subjects involved were asked to think about the possibility of integrating the local public funds used and European funds already active and future planning with the aim of identifying possible combinations of crowdfunding with these funds, with a view to programming 2021-2027.</p> <p>For the subjects involved, most of the measures adopted can be integrated with the European Structural and Investment Funds, specifically the European Regional Development Fund and the European Social Fund.</p> <p>In the analyzed experiences, the most consistent public funds were those deriving from the PON, a measure that can be integrated with funds from POR-ERDF/ESF (European Regional Development Fund/European Social Fund) but also vouchers for training and technical assistance to accompany the construction and management of the campaign.</p> <p>With regard to the European Regional Development Fund, it would already be possible to envisage the adoption of match-funding models through the use of crowdfunding within interventions to support the creation of new businesses (through direct incentives, the offer of services and micro finance interventions).</p> <p>According to the new Regulation (EU) 2020/1503 on crowdfunding, It would be interesting to explore the possibility of integrating forms of guarantee in social lending following a successful equity crowdfunding campaign, for a possible second round of financing.</p> <p>The voucher method, already used in some Italian experiences (Chamber of Commerce of Milan, Monza Brianza and Lodi) has opened a further way to finance not only strategic consultancy and support services for the construction and management of the campaign, but also training specialized aimed at designers, through the European Social Fund.</p> <p>Among the hypotheses made, the possibility of activating synergies between crowdfunding and direct funds (i.e. Horizon Europe) was also taken into consideration. In this case, the use (with positive results) of crowdfunding by the SME or startup could be included as a reward criterion for accessing additional forms of financing.</p> <p>Microfinance, another typical sector traditionally supported by ESF, shares some distinctive features with crowdfunding:</p> <ul style="list-style-type: none"> • it can be important for companies that have difficulty accessing traditional credit (due to limited turnover, limited or non-existent credit history of entrepreneurs). • can respond to the needs of people disadvantaged by traditional credit: people belonging to vulnerable groups and people at risk of social exclusion. • can respond to the inclusive mission of the ESF thanks to the key role of micro-investors in crowdfunding platforms, the importance of local networks to finance projects and the fact that access to crowdfunding is not limited to specialized professional investors or financial institutions and it can, therefore, provide an opportunity for anyone to donate or invest in a specific project.
<p>Define the procedures through which the ESI funds identified above be integrated with a Civic Crowdfunding campaign. (as emerged from the QUADRUPLE HELIX WORKSHOP)</p>	<p>In the workshop we have analyzed the and the development of the civic crowdfunding inside the PA and the match funding, underlining the different role and engagement of a PA in the using and implementation of the crowdfunding: sponsor, manager, curator and facilitator.</p> <p>In particular, different kinds of match-funding have emerged (First-in, Bridging, Top-Up, 1:1) and presented some success cases of match funding and using of the crowdfunding by some public authority.</p> <p>Considering the experiences analyzed and the results obtained by the subjects involved (the obstacles, the solutions identified and the perspectives that emerged) the fundamental elements for the development and implementation of replicable match-funding models (that can integrate public funds and crowdfunding) can be summarized. in these 2 macro PHASES:</p> <p>PRELIMINARY PHASE</p> <p>1. Identification of one or more priority sectors on which to develop the match-funding initiative or support for the conscious use of crowdfunding.</p>

	<p>2. identify precise areas of intervention (thematic focus or specific reference sectors) and foresee timelines consistent with the development of policies and costs in line with the activities (considering management costs and budget dedicated to the co-financing of the measure).</p> <p>3. Verification of the existence of POR-ERDF/ESF funds and other public funds from public administration budget.</p> <p>4. Verification of feasibility according to current legislation, based on the level of government of the public body that adopts the measure, the match-funding model used (co-financing or support service) and the crowdfunding model that is adopted (reward, equity or other).</p> <p>5. insert the match-funding project within a broader and long-term strategy, in which the instrument in question plays a complementary role to other activities;</p> <p>6. Verification of a reference ecosystem capable of proposing projects consistent with the public body's program.</p> <p>OPERATIONAL PHASE</p> <p>01. COUNCIL RESOLUTION TO EXPERIMENT CROWDFUNDING ACTIONS dedicated to the promotion of innovative projects with a social impact.</p> <p>02. TENDER NOTICE FOR PARTNER SELECTION and TRAINING The designers of the selected ideas are accompanied by a training partner in a training course aimed at strengthening their skills and building the communication campaign aimed at fundraising. <i>[The specialized Partner is identified as part of a public procedure for the selection of partners aimed at the implementation of a Civic Crowdfunding initiative].</i></p> <p>03. CALL FOR IDEAS Launch of the public call for civic crowdfunding aimed at Third Sector Entities and non-profit associations in the area for projects with a high social impact. <i>[Council Resolution: "Public notice for the granting of contributions in integration with civic crowdfunding actions"]</i>.</p> <p>04. SPREAD OF CULTURE ON CROWDFUNDING The Public Body offers the opportunity to all involved entities (profit and non-profit) and involved citizens to participate in moments of free information and training on fundraising and crowdfunding issues. Free training for possible beneficiaries and implementation of an effective communication and promotion of the initiative in all its phases, especially if there is no solid community (and therefore must first be made aware, then activated)</p> <p>05. FUND RAISING Once the uploading of the selected projects on the chosen platform has been completed, the crowdfunding campaign starts to collect the contribution of citizens through donations.</p> <p>06. PROMOTION ON THE TERRITORY Implementation of public events in the area to promote civic crowdfunding and stimulate the creation of communities around the projects on the platform.</p> <p>07. CO-FINANCING OF THE PUBLIC BODY If the projects come to collect a predefined percentage of the necessary funds through the contribution of citizens, the Public Body covers the remaining portion with a non-repayable grant. The top-up mode of reaching the predefined percentage by the designer guarantees the presence of a reference market for the project. In a nutshell at the moment of the match-funding by the public, the initiative obtains a "further guarantee of feasibility and strengthens the engagement of the reference community.</p> <p>08. REPORTING AND COMMUNICATION OF THE WORK PROGRESS.</p>
Expected economic and financial impact	<p>When a public authority partners with a crowdfunding platform and commits to supporting a match-funding or crowdfunding scheme, the overall success rate of projects funded under that programme increases from an average of 60% up to an average of 80-90% (<i>ECN_CF4ESIF_Report_Triggering-Participation_2018</i>). The leverage effect is statistically significant in all effectively planned initiatives.</p> <p>This aspect is linked to both the economic incentive and the communication and social proof work guaranteed by a public institution. This leverage effect can be increased by</p>

	exploiting the new frontiers of match funding offered by the harmonization of disciplines related to equity and lending crowdfunding (new Regulation (EU) 2020/1503)
Expected social impact	<p>Citizen contributions and participation can be activated in many different sectors through the implementation of match funding models: environment, social inclusion, entrepreneurship, agriculture, cultural and creative industries and health research have all been topics in which crowdfunding has helped citizens and public authorities to join forces.</p> <p>These objectives are of central importance for crowdfunding strategies and are also reflected in the new funding programs of the multiannual financial framework 2021-2027 (Smarter Europe, Greener, carbon free Europe, Connected Europe, Social Europe, Europe closer to citizens).</p> <p>Very important also is the impact deriving from the increase in knowledge of crowdfunding within the local community, from the increase in knowledge of the potential of crowdfunding at an institutional and political level, with a view to activating match-funding initiatives for future campaigns. Within medium and long term strategies.</p>
Additional information	<p>Having harmonized the disciplines related to equity and lending crowdfunding (new Regulation (EU) 2020/1503 on crowdfunding) represents a further opportunity for public administrations. So far – for both organizational complexity within the public body and for complexity linked to the different legislation and supervision connected to these two types of crowdfunding – the Civic Crowdfunding initiatives were mainly aimed at simpler models such as rewards and donations.</p> <p>Now this regulatory evolution opens solutions to scenarios that are as complex as they are more interesting both in terms of match funding with ESI funds, and in terms of dissemination and visibility of the initiatives of public bodies.</p>