



FI Campus 2023

Expert exchange on crowdfunding

Moderator: **Bruno Robino**, Head of fi-compass, European Investment Bank

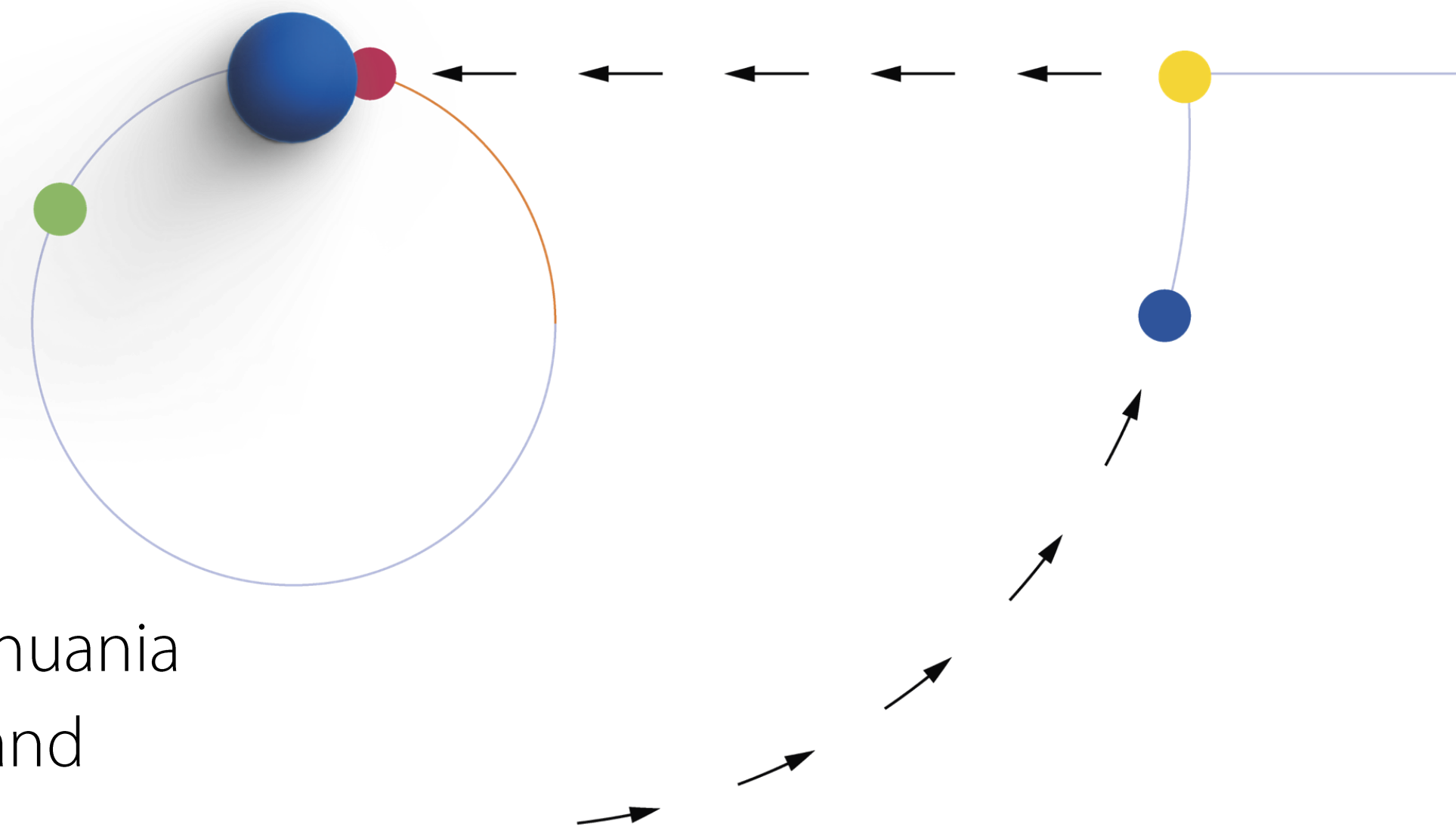
Francesca Passeri, Deputy Director, European Crowdfunding Network

Inga Beiliūnienė, Deputy CEO, Business Development Director, INVEGA, Lithuania

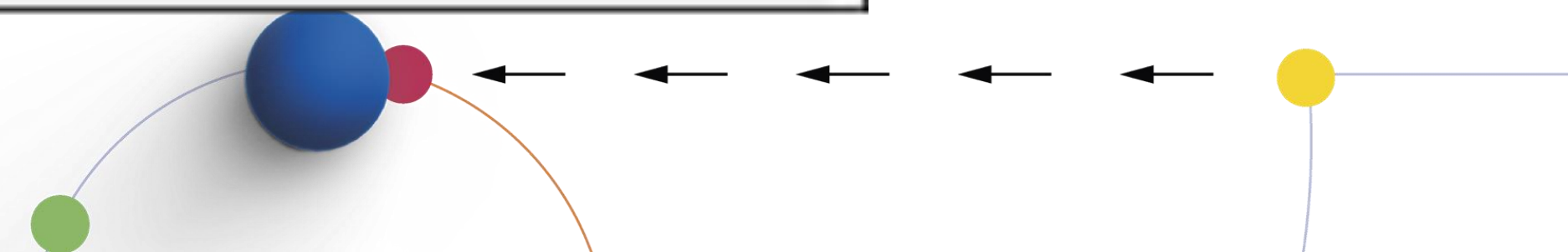
Coenraad de Vries, Co-founder and Managing Partner, StartGreen Capital and Oneplanetcrowd

Jader Canè, Senior Expert, DG EMPL, European Commission

Adam Abdulwahab, Policy Officer, DG REGIO, European Commission



Studies on crowdfunding

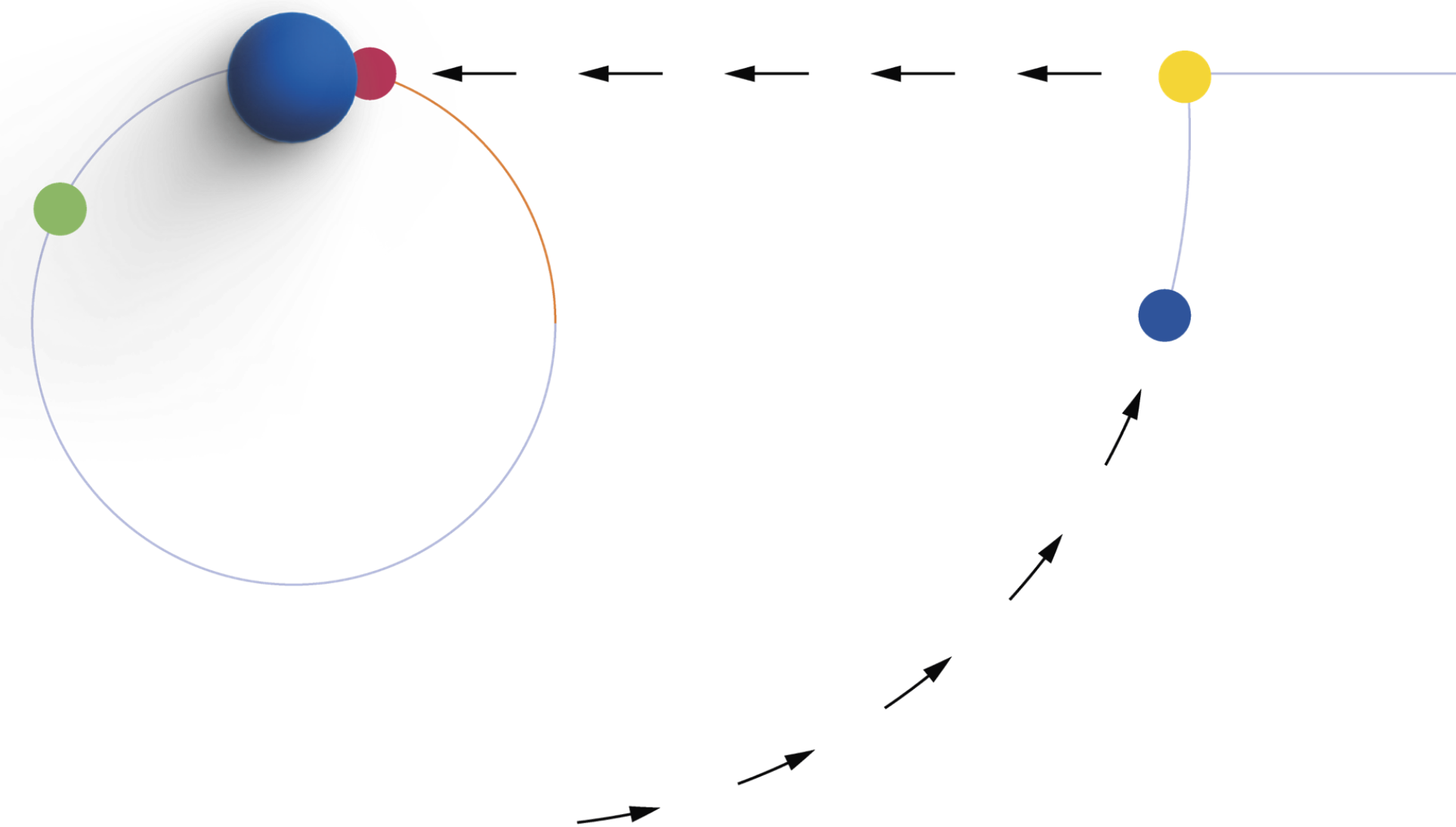




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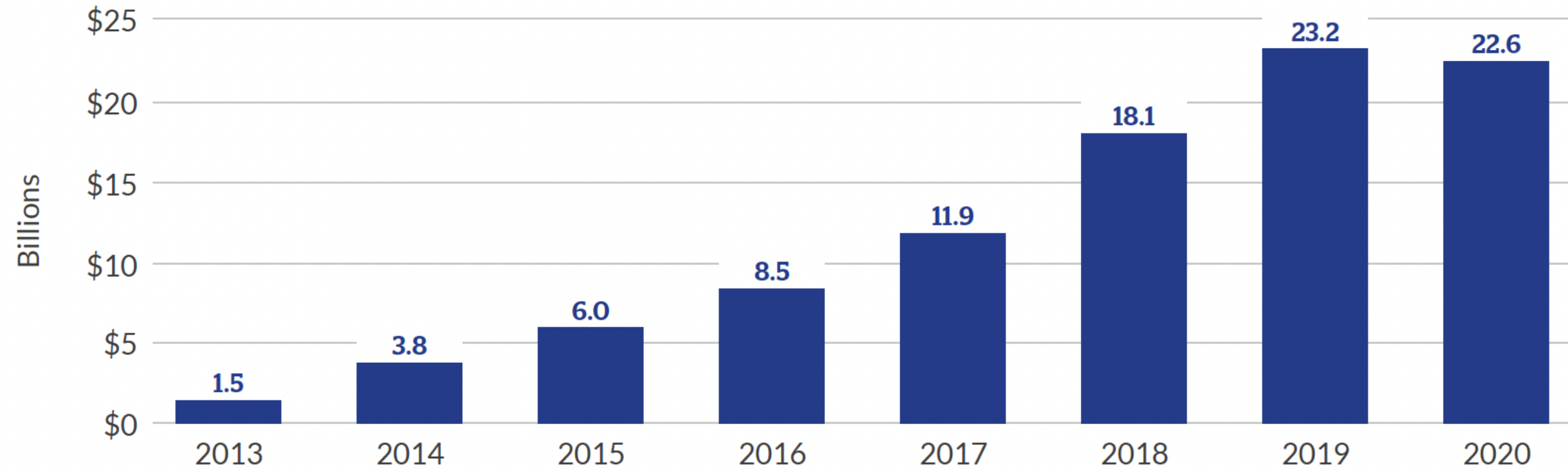
Changing times for crowdfunding

Francesca Passeri, Deputy Director, European Crowdfunding Network



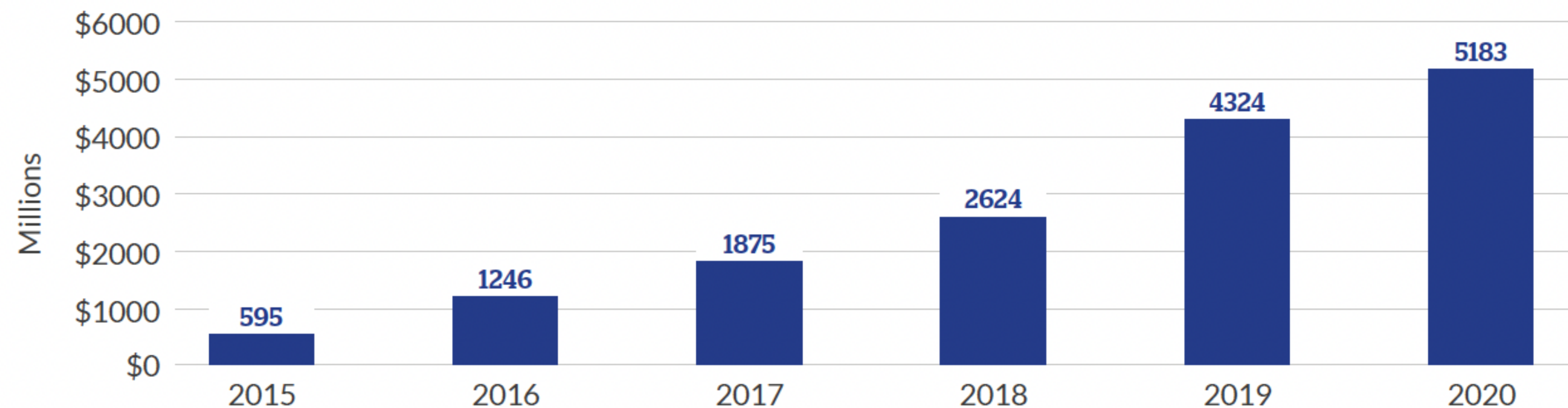
The EU crowdfunding market

Figure 2.1: European Online Alternative Finance Market Volumes 2013-2020, USD (Including UK)

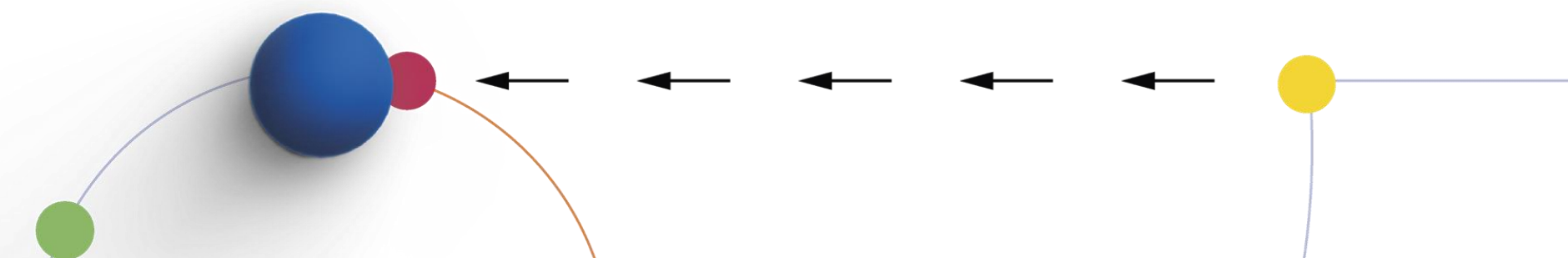


- Stable growth and consolidation of the market
- Trend respected with/out UK
- Good performance, increased trust and demand from companies/organisations
- Increased institutionalisation (more partnerships with institutional investors)

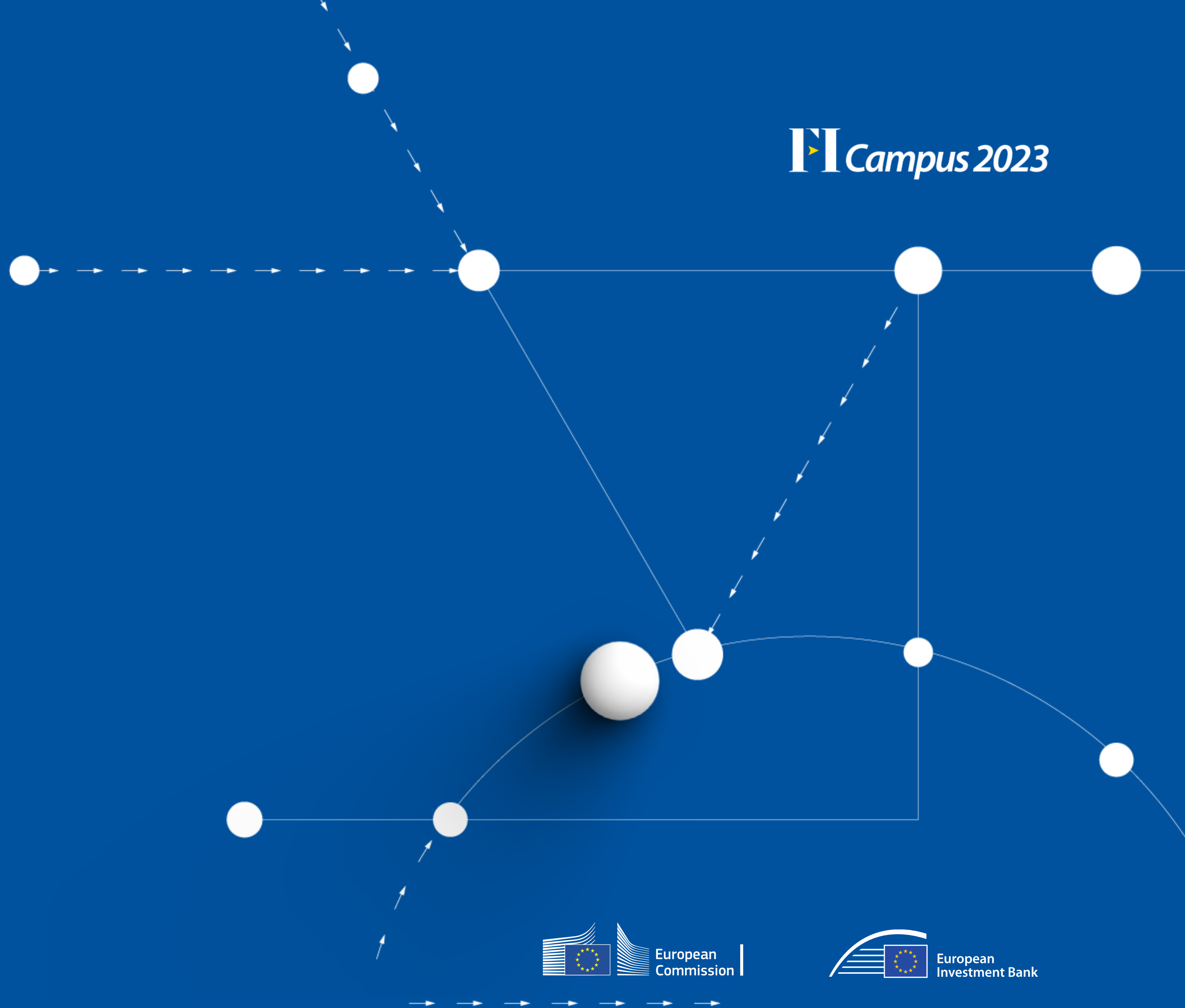
Figure 2.9: Total Alternative Finance Funding for Businesses USD (Excluding UK)



Source: 2nd Global Alternative Finance Market Benchmarking Report Alternative, Cambridge Center for Alternative Finance, 2021.



A challenge for an opportunity

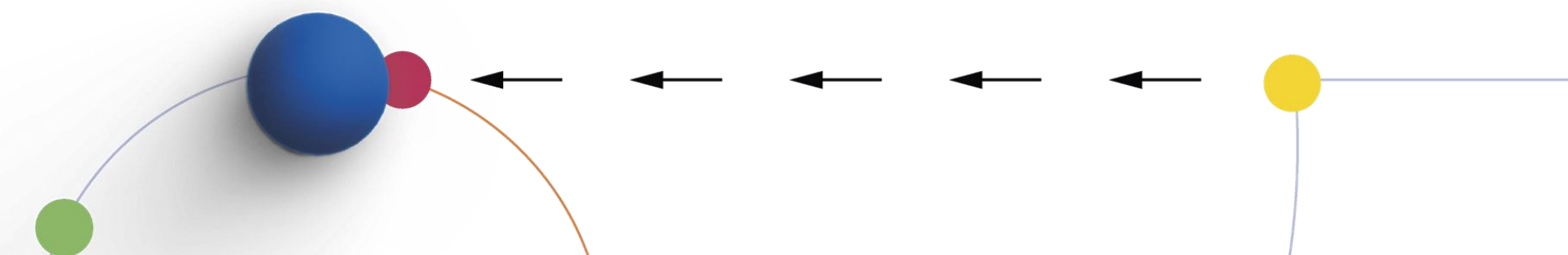


Frequent criticism:

«Each Member State can regulate crowdfunding differently. Crowdfunding regulations, combined with ERDF/ESF regulations and applicable law in MS make the integration of the two funding sources almost impossible.»

Facts:

- MAs or implementing bodies have been designing financial and/or funding schemes that include crowdfunding since 2016.
- The European Crowdfunding Service Providers Regulation (ECSPR) is set to be fully implemented in all MS by November 2023.
- The legal framework has been harmonised and the framework in place will bring clarity, increase transparency and boost replication potential of existing good practices.

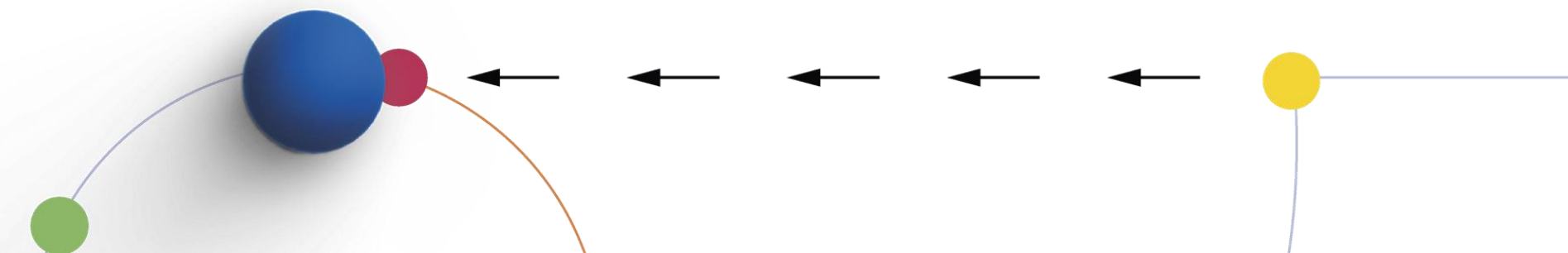


Frequent criticism:

«Administrative and reporting procedures are complex and burdensome, as crowdfunding implies the involvement of different types of investors and in large numbers»

Facts:

- MAs that have already experimented with grant-on-grant combinations or equity crowdfunding schemes have faced this complexity and successfully overcome it.
- Solutions can involve agreements with the partner crowdfunding platform, alongside a stronger support and increased clarity towards beneficiaries in preparation to the reporting stages.
- Diversity in the investors' profiles will be maintained, but increased clarity will come from ECSPR.

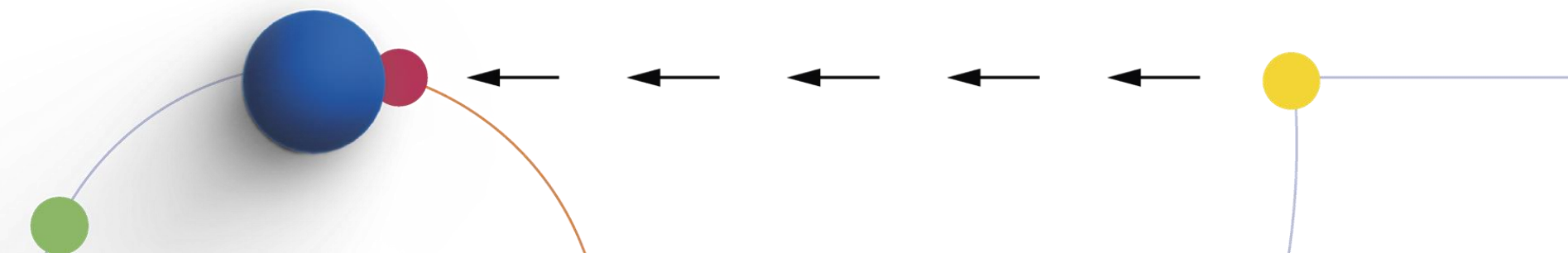


Frequent criticism:

«The risk of unsuccessful crowdfunding campaigns can have negative reputational impacts on MAs promoting the scheme. Also, it is difficult to justify why citizens (taxpayers) should provide additional funding to specific initiatives»

Facts:

- Inviting citizens to contribute financially improves interaction, participation and transparency in the allocation of public funds.
- Citizens have the opportunity to express their preferences on what should be funded, but are not forced to do it.
- The leverage effect can amplify the number of funded initiatives and the impact on social and economic territorial development.
- Education and information of citizens are key.



*Changing the narrative:
From pioneers to
innovators*



Best practices: combining crowdfunding with ESI Funds

Municipality of Venice

Crowdfunding + national OP Metro 2014-2020 to support social economy and inclusion

Crowdfunding model: Reward (non-financial)

Match-funding scheme: 50-50, max 5.000 per project

Outcomes:

- 18/22 projects funded (82% success rate)
- Total raised: 95.213 EUR
- Contributors: 1221

LazioInnova – Innova Venture

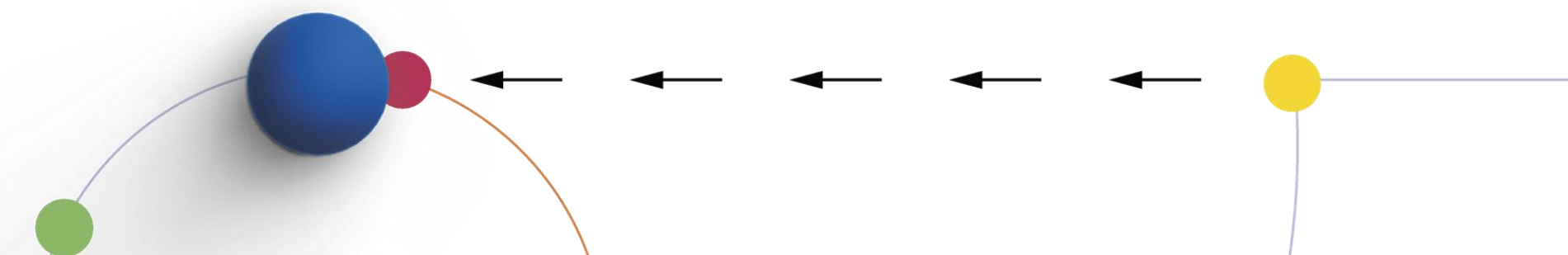
Crowdfunding + ERDF ROP Lazio 2014-2020

Crowdfunding model: equity (co-investment)

Match-funding scheme: 50-50, max 5.000 per project

Outcomes:

- Fully operational as of 2019
- 15 supported companies
- 2.5 mln EUR invested



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Thank you

Francesca.passeri@eurocrowd.org

[SCALING UP PARTNERSHIPS, A blueprint for the implementation of match-funding schemes, EUROCROWD 2021](#)

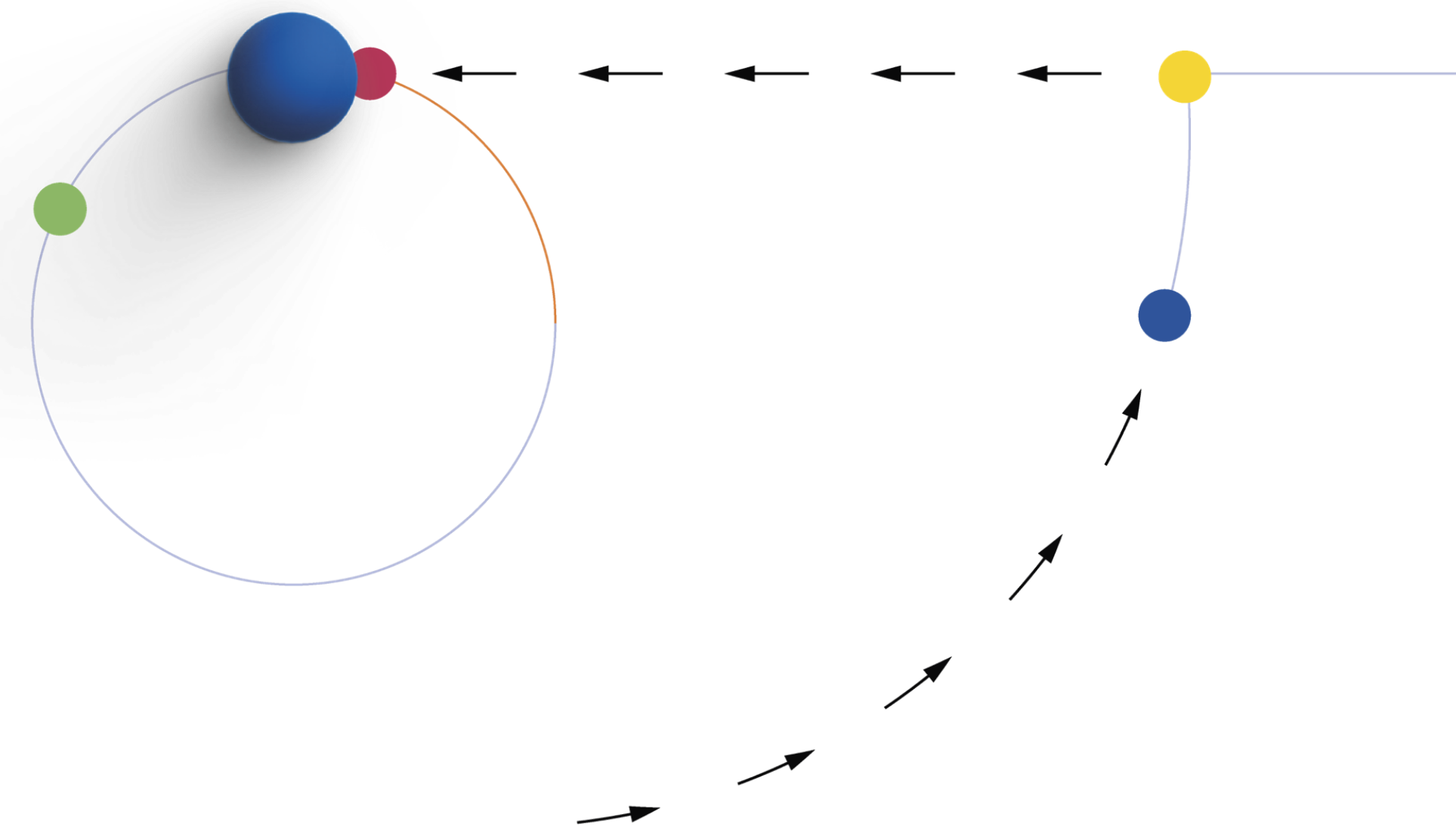
[European Crowdfunding Service Providers Regulation, \(EU\) 2020/1503](#)



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INVEGA

Inga Beiliūnienė, Deputy CEO, Business Development Director,
INVEGA, Lithuania



About INVEGA



National Promotional Institution

100 %
State owned



supervised by the Bank of Lithuania



INVEGA holds 100%

Guarantees for
loans/leasing/factoring/export

Equity instruments

Loan instruments

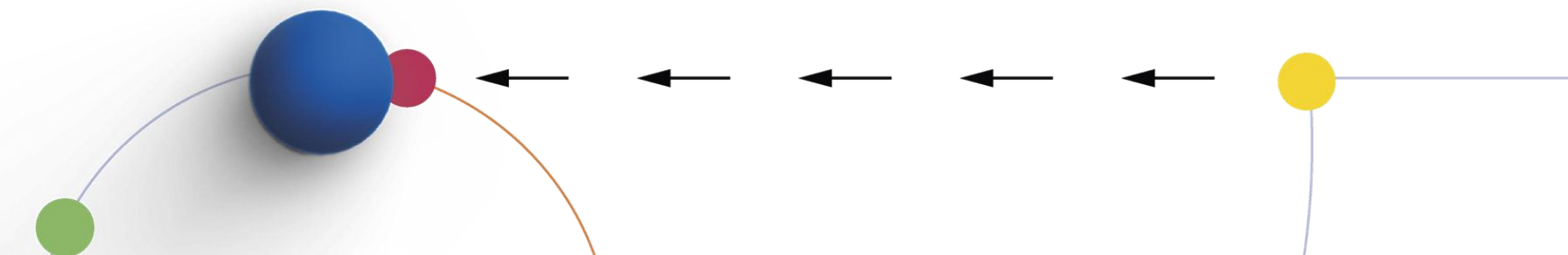
Global grant measures



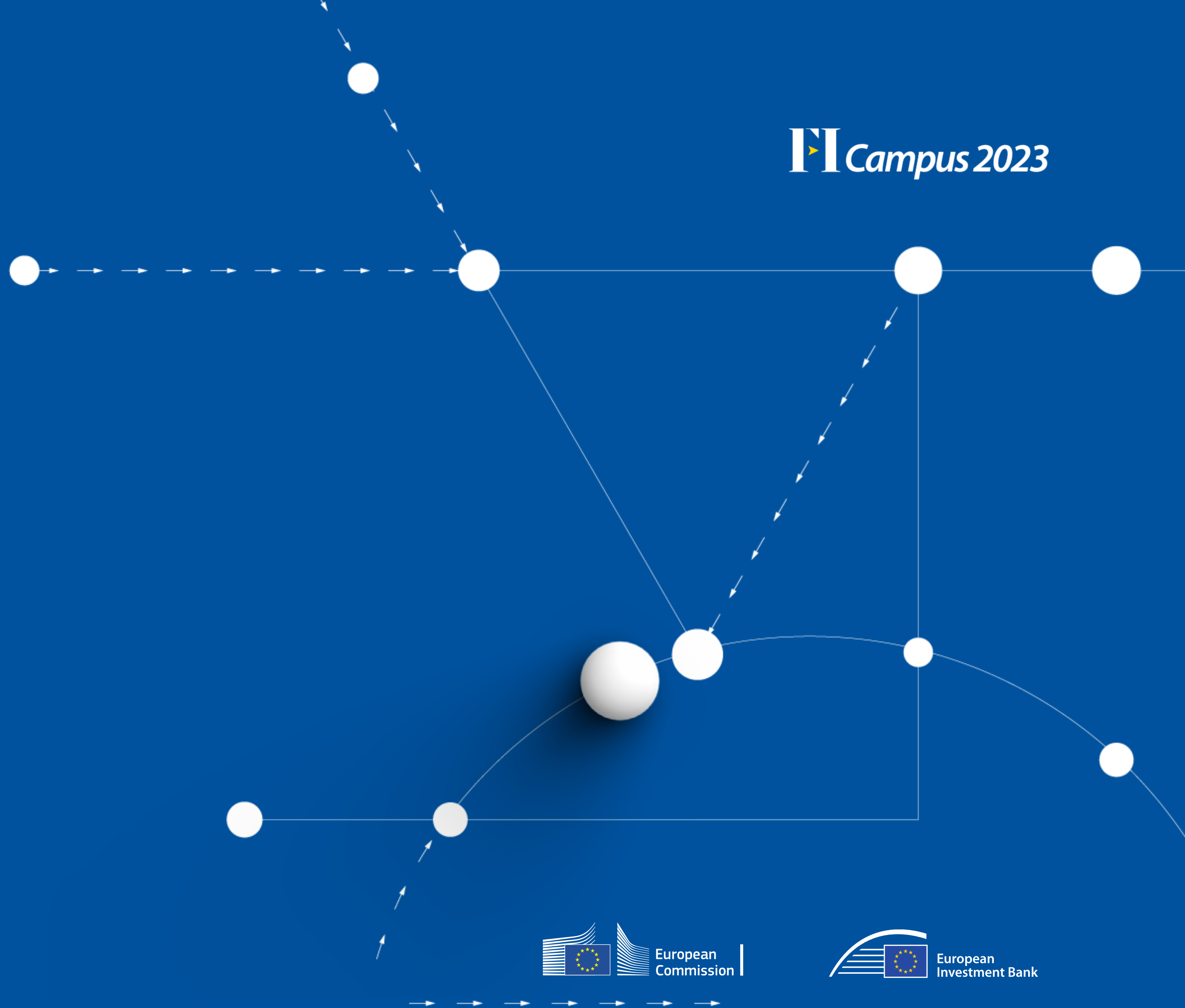
21 years
activity

> 58 000
entities supported

> EUR 2.7b
investments



Rationale

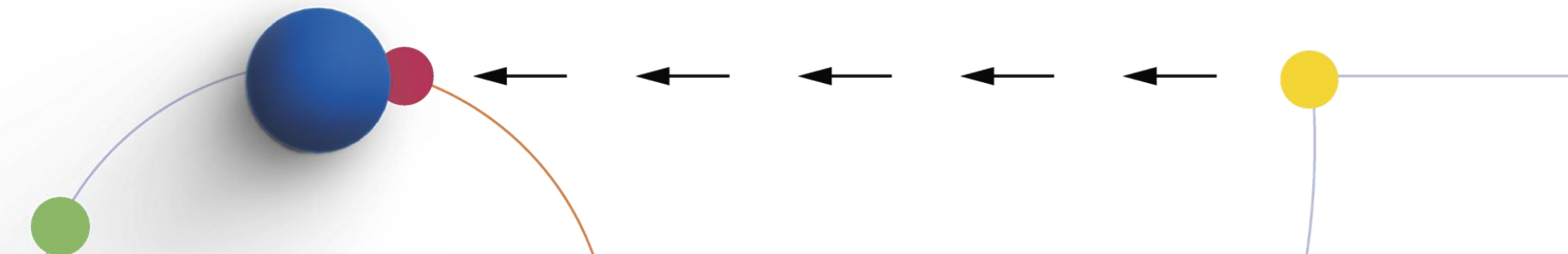
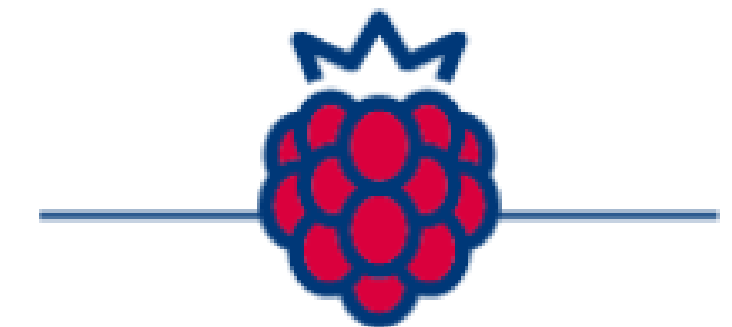


Why?

Access to finance for SMEs through **alternative finance sources** – crowdfunding platforms

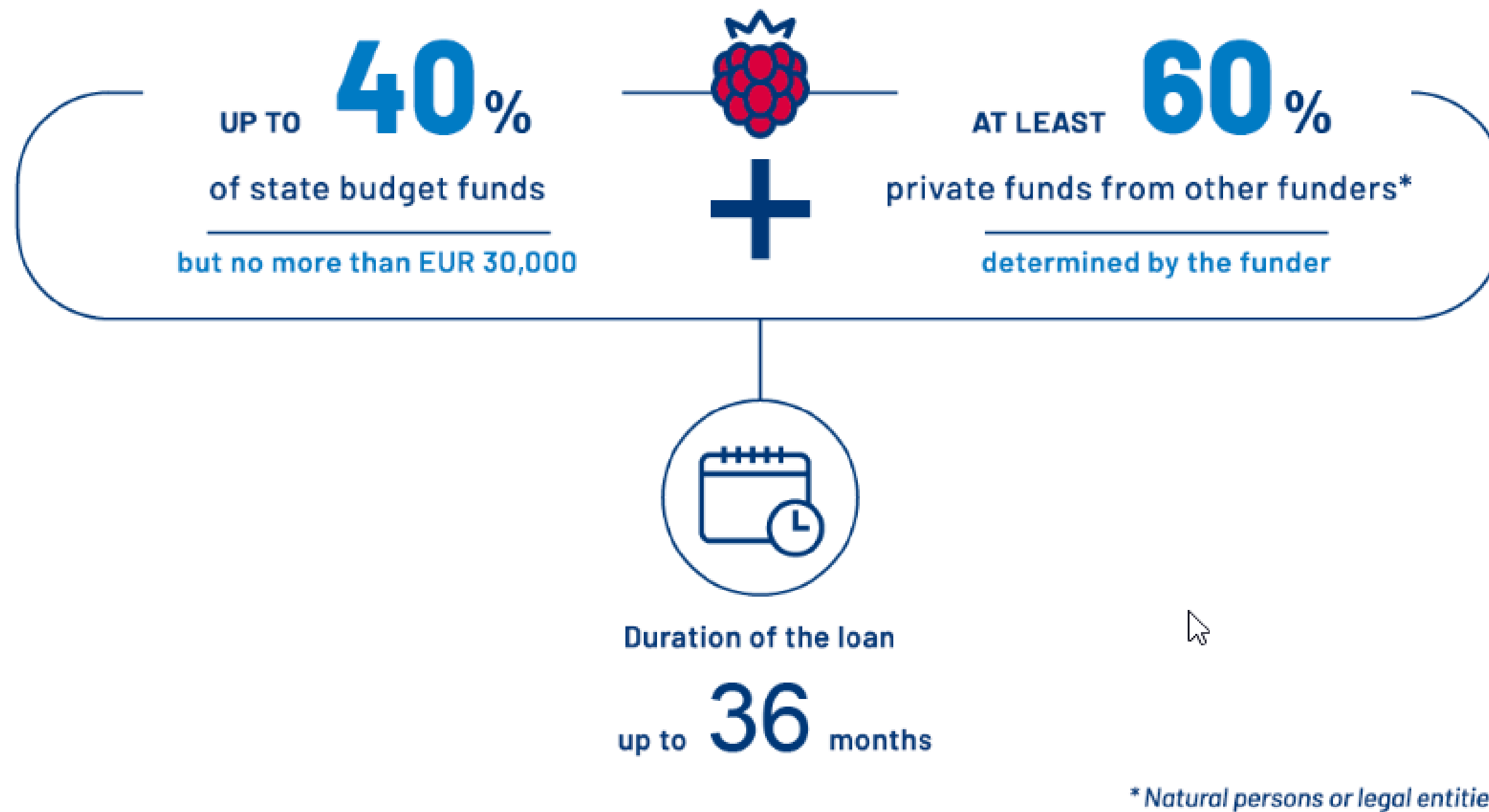
Development of financial technology (Fintech) sector in Lithuania

Attraction of **retail and corporate investors** to finance businesses in Lithuania



How does it work?

CROWDFUNDING AVIETÈ



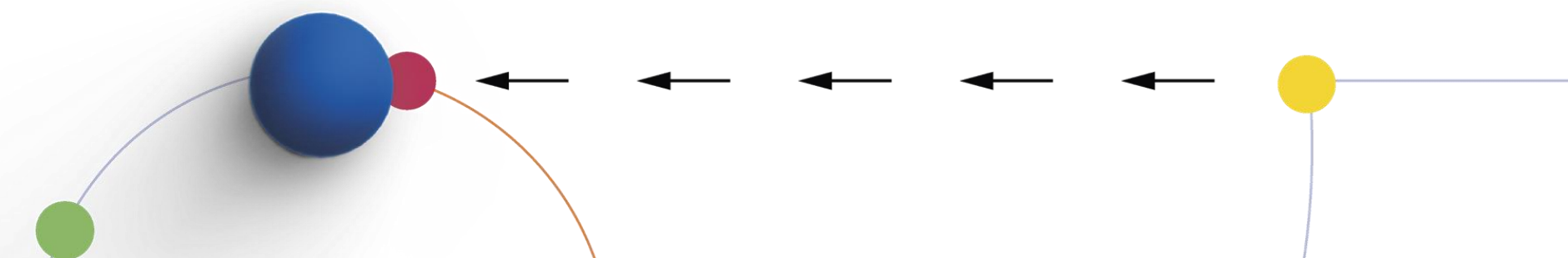
Financial instrument: crowdfunding loans “Avietė” (en. “Raspberry”)

Budget: 20mEUR

Resources returned from 2007–2013 programming period

Market investor: full credit risk, market conditions

F.Ints: crowdfunding platforms operating in Lithuania



Results (as of 31-12-2022)

34.3 mEUR loans provided, out of which:

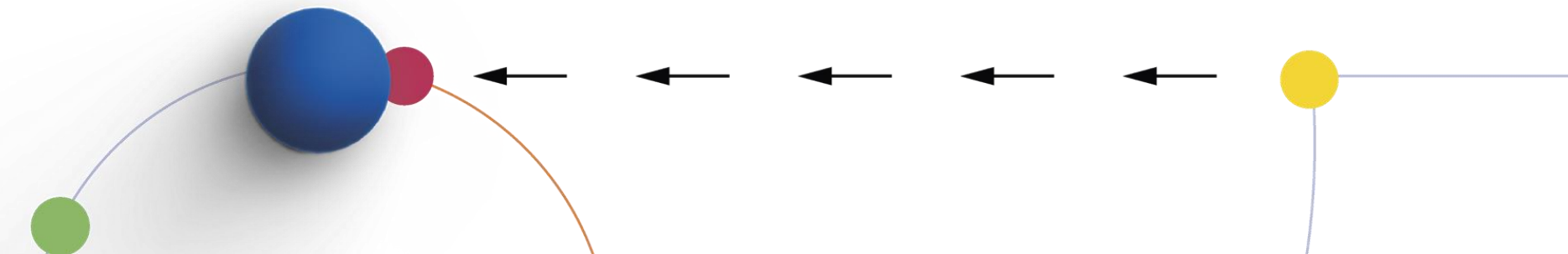
19.7 mEUR private financing

2228 SMEs financed

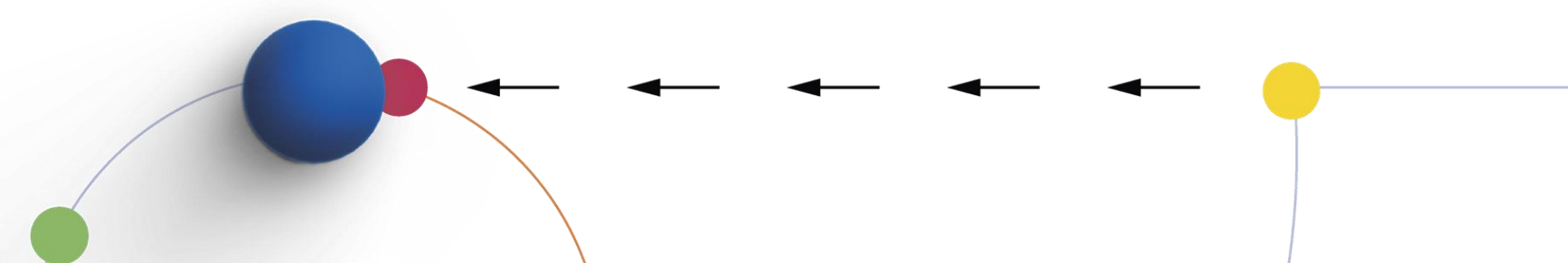
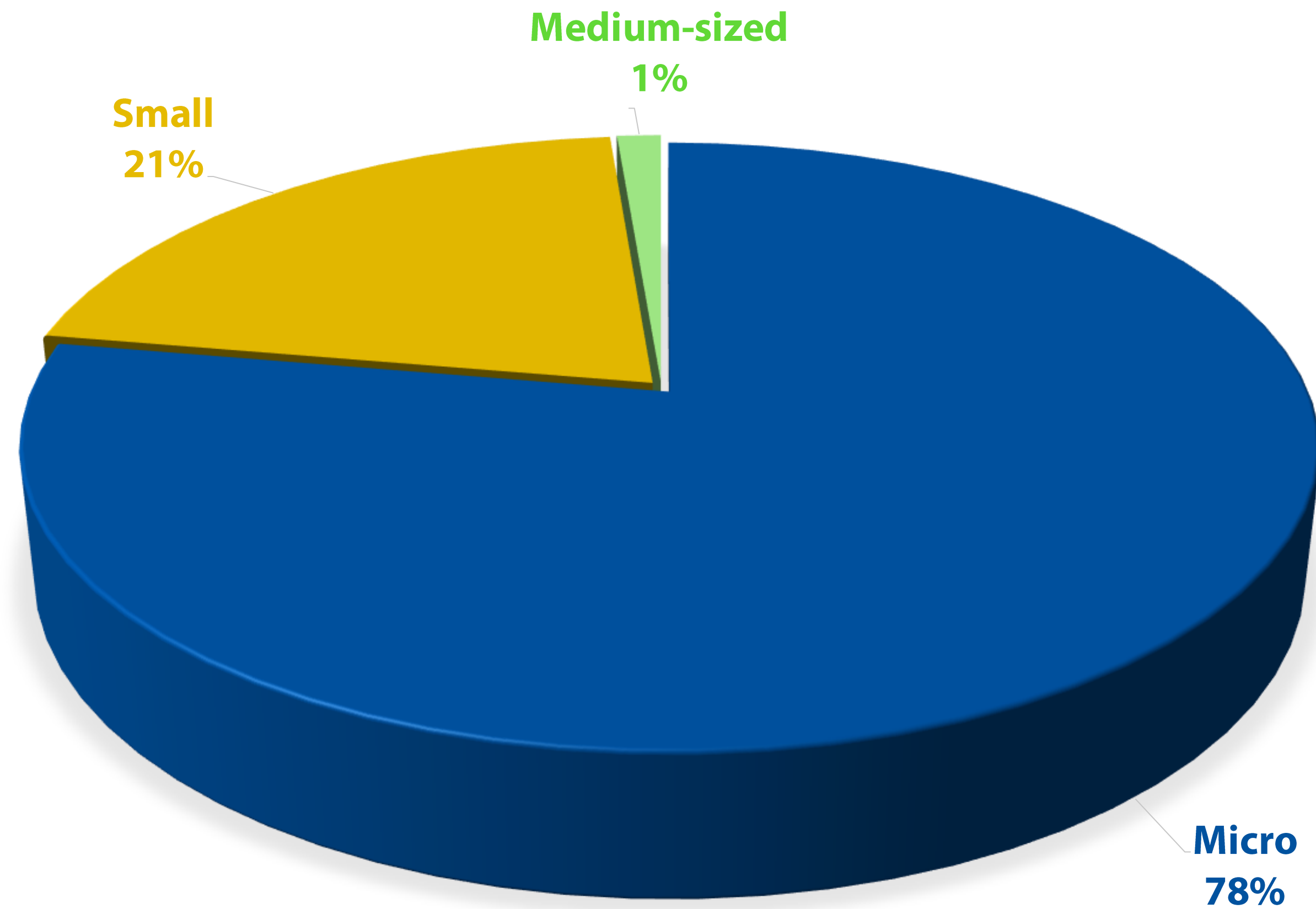
12% average interest rate

6% default rate

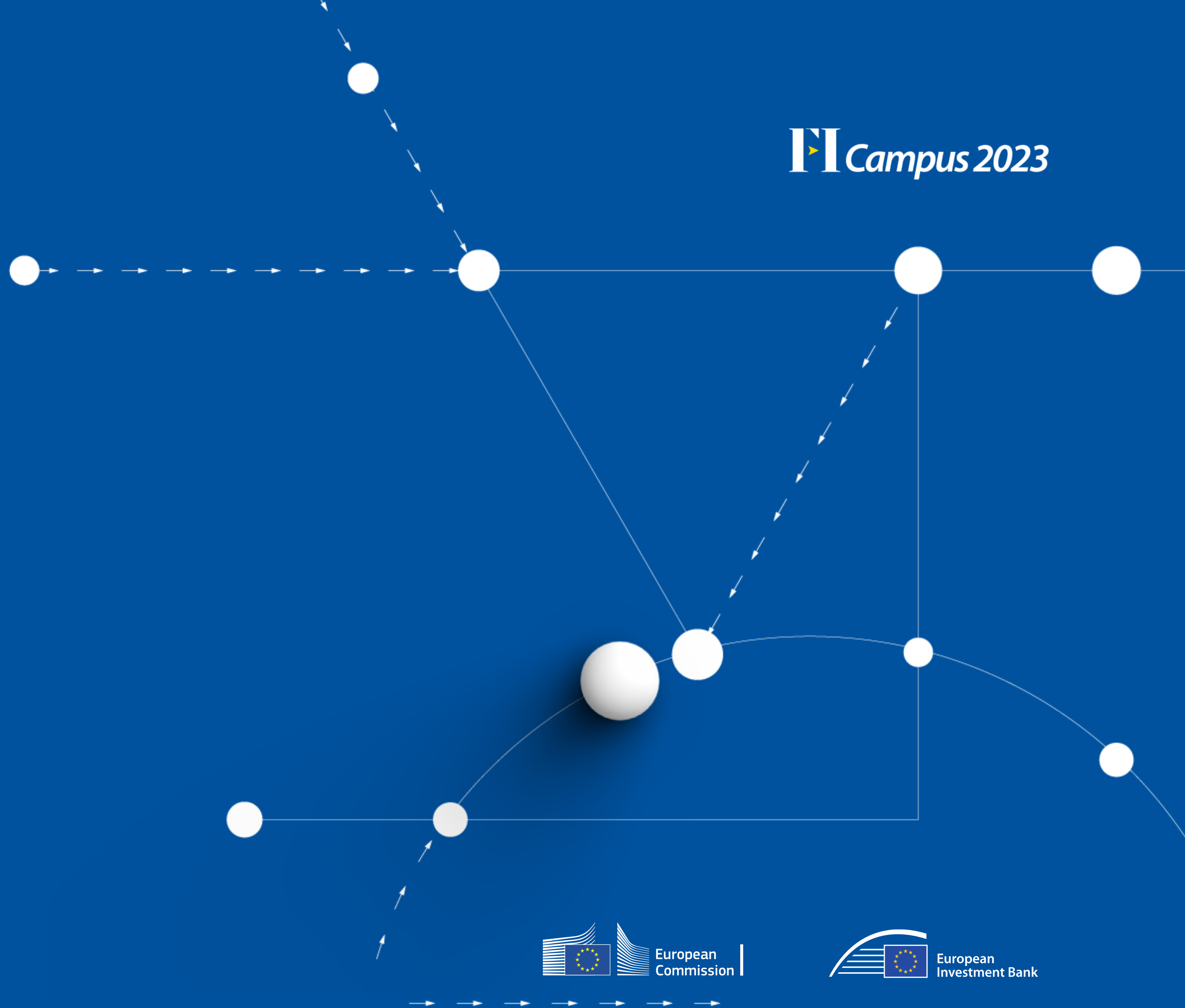
3 financial intermediaries



Results (as of 31-12-2022) (cont.)

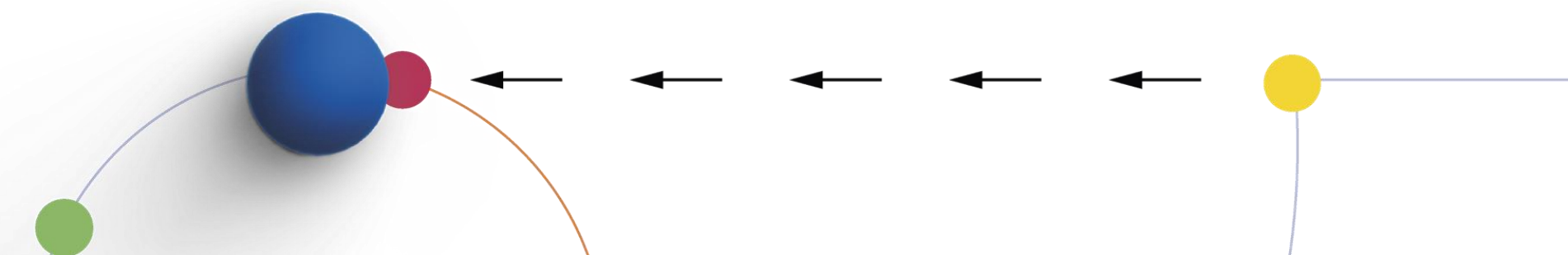


Lessons learned



Lessons learned

- **Trust** in alternative finance providers
- **Operating model** of platforms should be taken into account
- Only **reliable** platform operators should be accepted as financial intermediaries
- Crowdfunding – excellent **source of funding** during **crisis**
- Changes in legal acts can have **significant impact** on implementation of instrument



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Thank you

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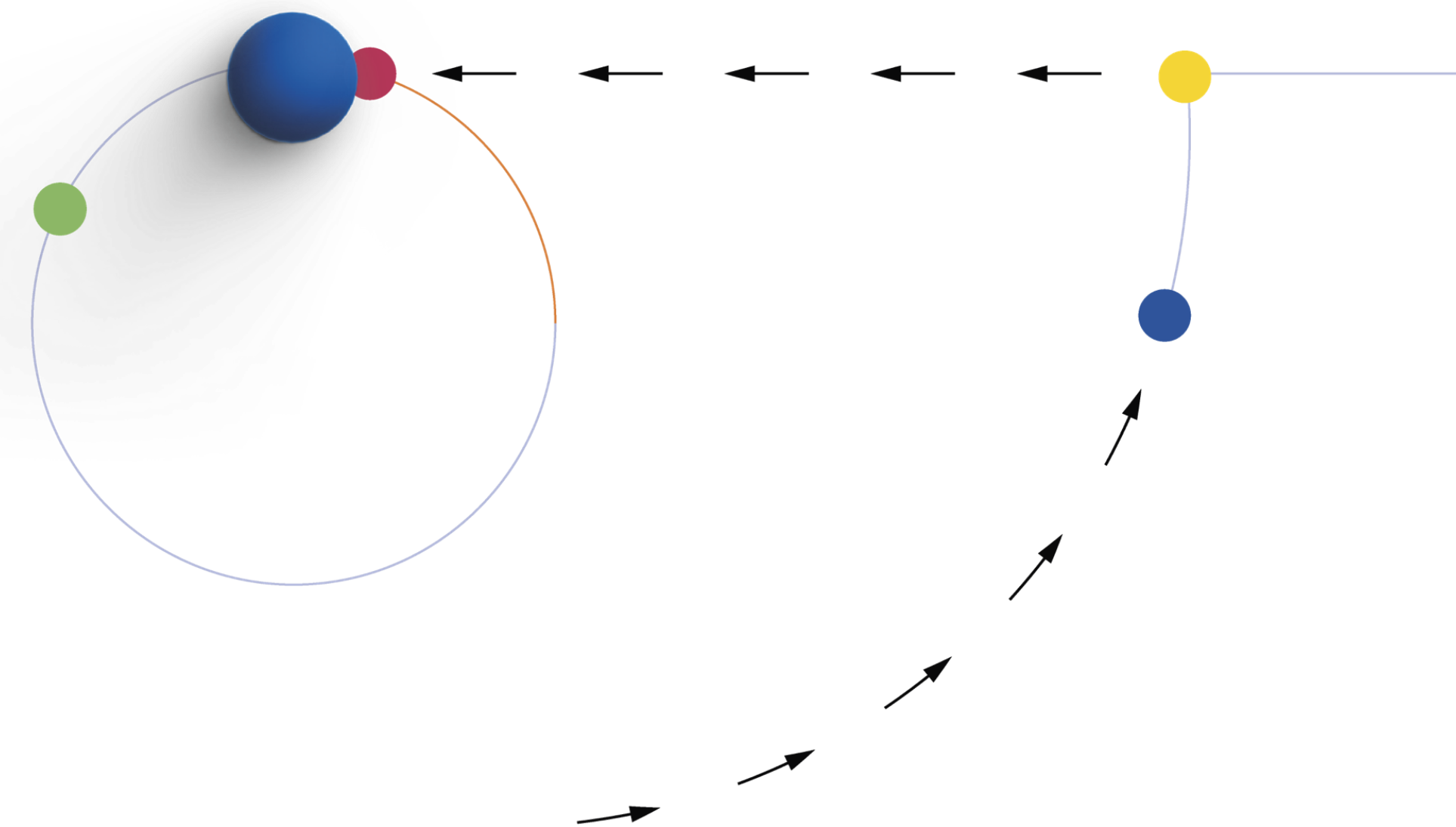


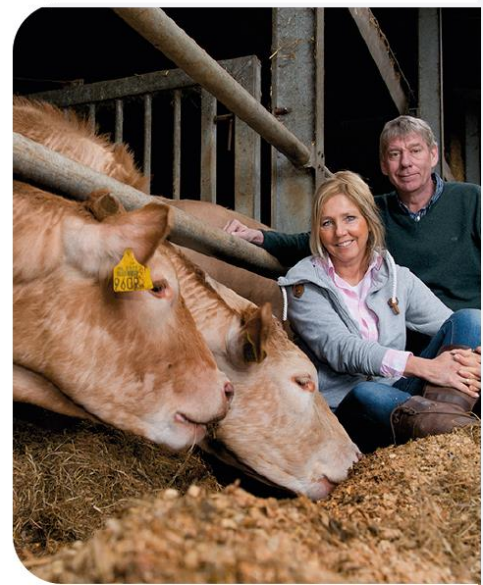
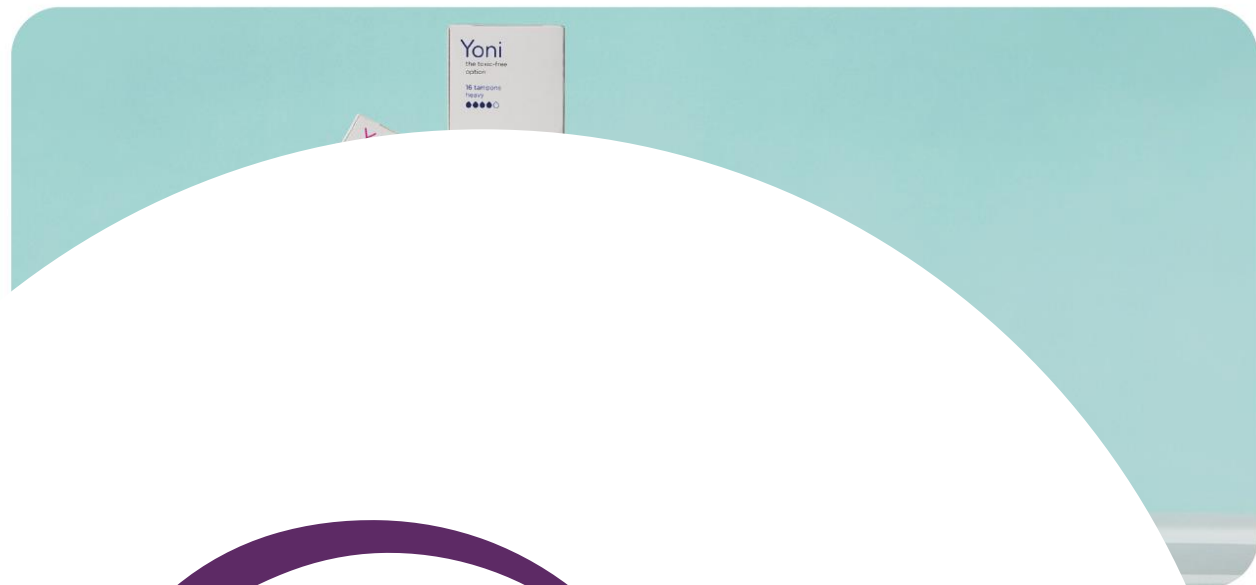


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One planet crowd – Together we fund the future

Coenraad de Vries, Co-founder and Managing Partner, StartGreen Capital and Oneplanetcrowd





oneplanetcrowd
 Together we fund the
 future



Oneplanetcrowd-Invesdor market leader impact crowdfunding

- Largest platform in the Netherlands that focuses on innovative and sustainable entrepreneurs and projects.
- Merged with Invesdor in 2022 -> creating top 3 platform in EU
- Jointly financed more than 400 mio in 800 companies and energy projects.
- A dedicated crowd of (170000 Investors and Business Angels).
- 3e platform to acquire the new EU Crowdfunding licence (ESCP) including MifiD2.
- Partly financed by the EIF, Easi facility
- Active in 5 countries; Germany, Finland, Austria, Netherlands and Belgium
- We offer (convertible) loans, equity and bonds through our platform.
- Strong partnerships with (Dutch) banks and StartGreen Capital.

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Rabobank



AFM



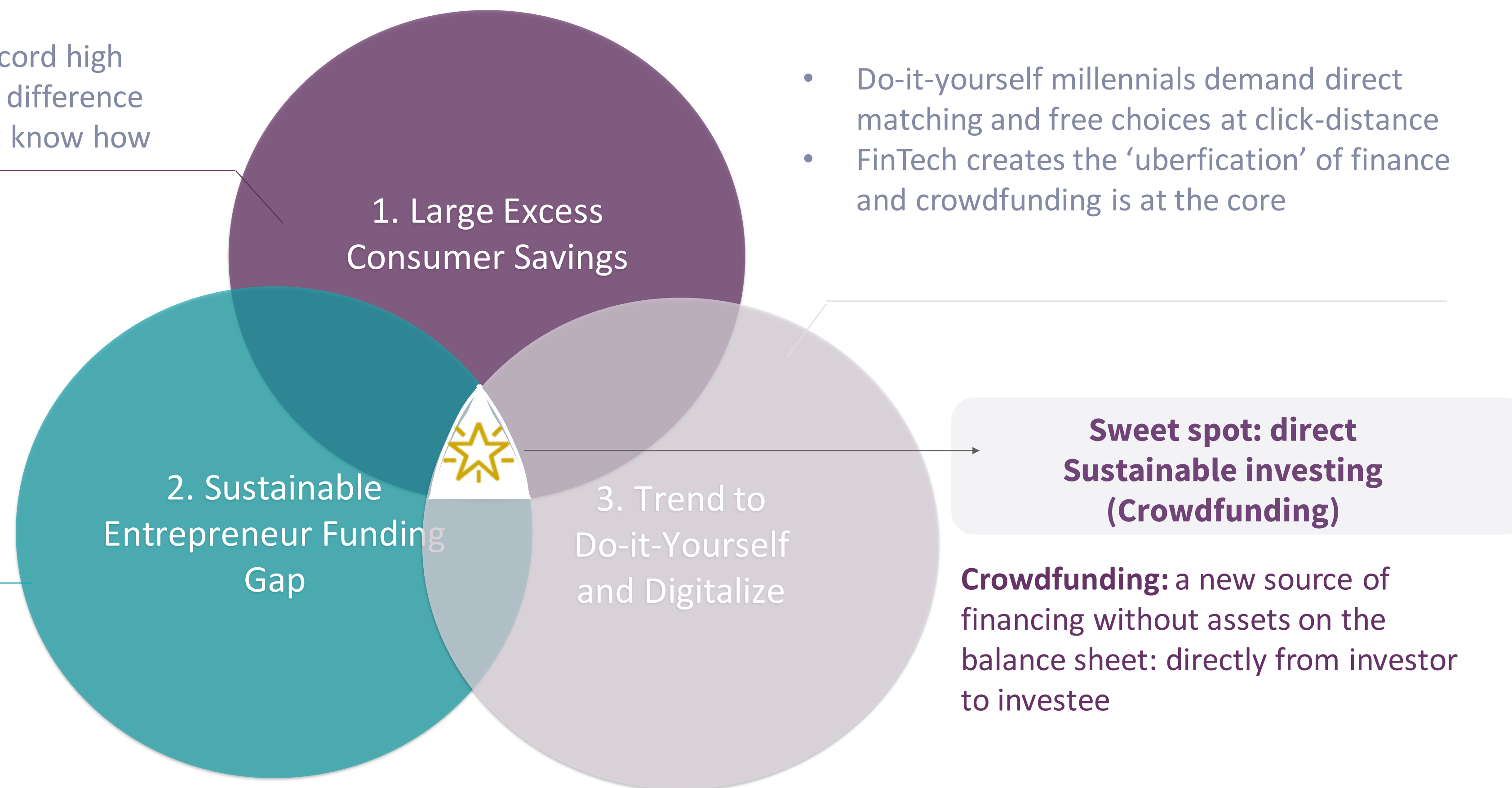
There is a clear funding opportunity for sustainable investments

Sustainable entrepreneurs require large amounts of funding, while consumers have excess savings and few options to invest in investments of their choice

- Personal savings are at a record high
- Consumers want to make a difference with their savings but don't know how

- Do-it-yourself millennials demand direct matching and free choices at click-distance
- FinTech creates the 'uberfication' of finance and crowdfunding is at the core

- Annual sustainable finance gap increased to US\$ 3.7 trillion
- Availability of bank loans to SMEs declined by 29% after Covid-financial crisis
- Increasing requirements for the involvement of local participation



Proof of more than money – new record (Fair Phone)

Fairphone erhält 2,5 Millionen durch Crowdfunding und stellt Pläne für die Zukunft vor

Fairphone konnte in seiner kürzlich abgelaufenen Crowdfunding-Kampagne stolze zweieinhalb Millionen Euro einsammeln. Alle Details zu der Kampagne und was der kleine Smartphone-Hersteller mit der Kapitalspritze zu tun gedenkt, erfahrt ihr hier.

by Tobias Häuser, 20.08.2018 Smartphone Business



Fairphone: lo smartphone equo e solidale è pronto al salto evolutivo

Scienza e tecnologia

Con la raccolta di oltre 2,5 milioni di dollari da parte di investitori privati e 6 da professionali, il cellulare che non mira al profitto è pronto a migliorarsi ancora

05 Set. 2018

fd. Mijn nieuws Laatste nieuws Krant Dossiers Beurs Meer ▾

Stijn van Gils • Beurs

Fairphone verzamelt €2,5 mln bij investeerders

Fairphone boucle sa campagne de crowdfunding avec 2,5 M d'euros

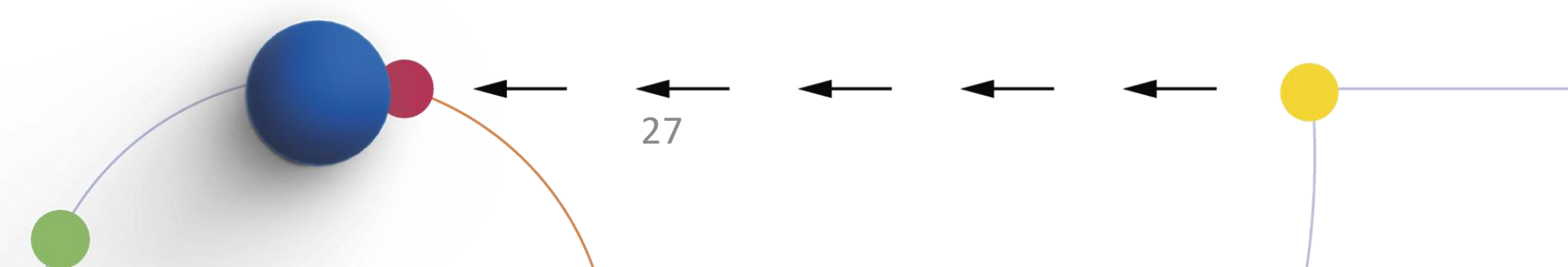
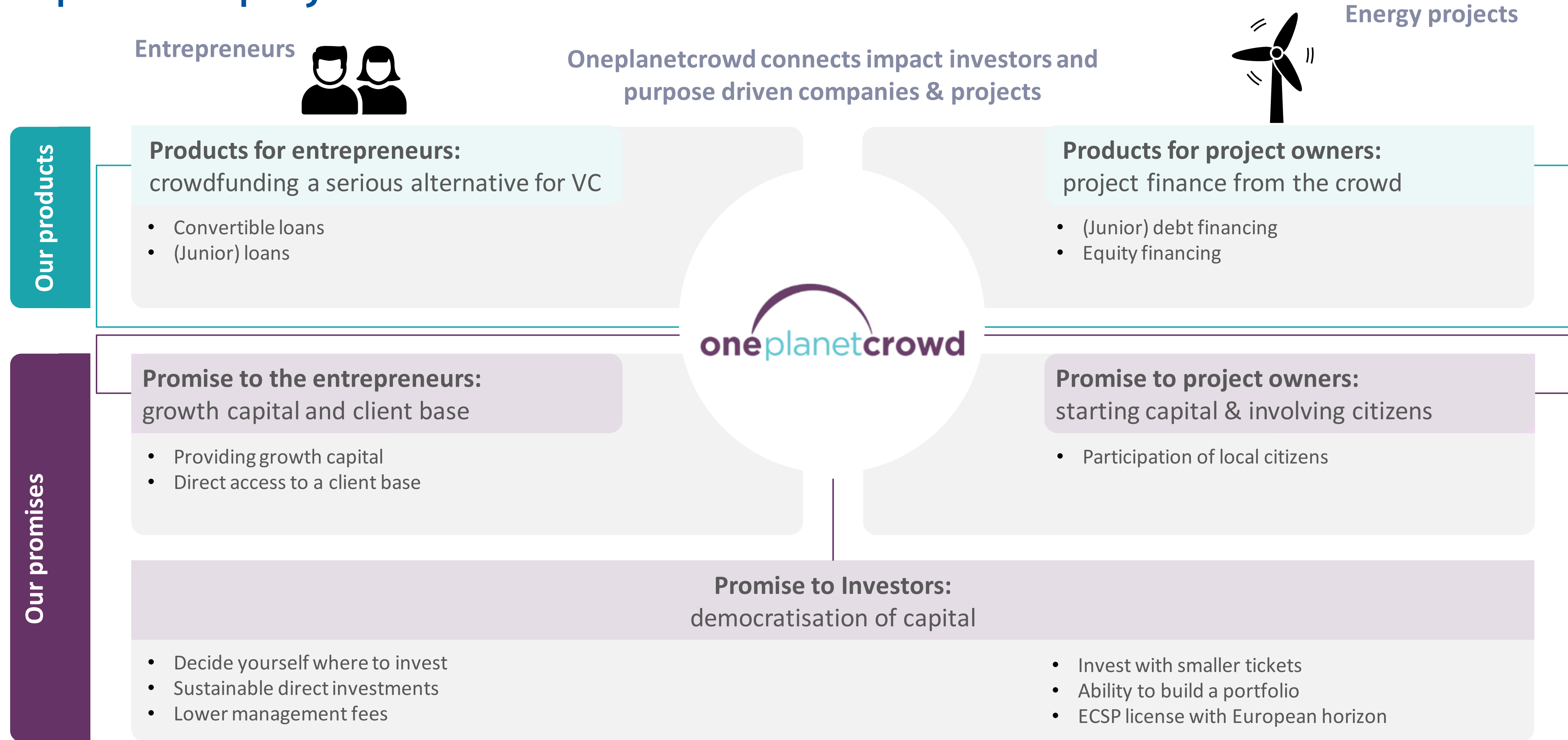
Pour des produits encore plus responsables

Recordaantal investeerders via crowdfunding voor Fairphone



Meer dan 1.800 investeerders hebben via het investeringsplatform Oneplanetcrowd een totaal bedrag van € 2,5 mln geïnvesteerd in Fairphone.

Scalable crowdfunding platform with focus on sustainable companies & projects



Invesdor Group is a leading crowdfunding platform in the EU with “boots on the ground” in DE, FIN, AUT, NL and BE



More consolidation in Crowdfunding is inevitable

Strong finance demand

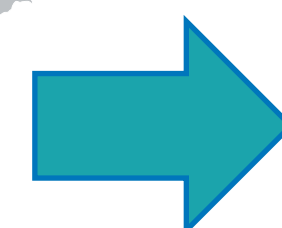
- The sustainable energy sector is growing quickly in the EU, due the energy crisis (in Climate Tech and Energy project finance).
- SME finance needs more alternative financial instruments

High exploitation costs for platforms

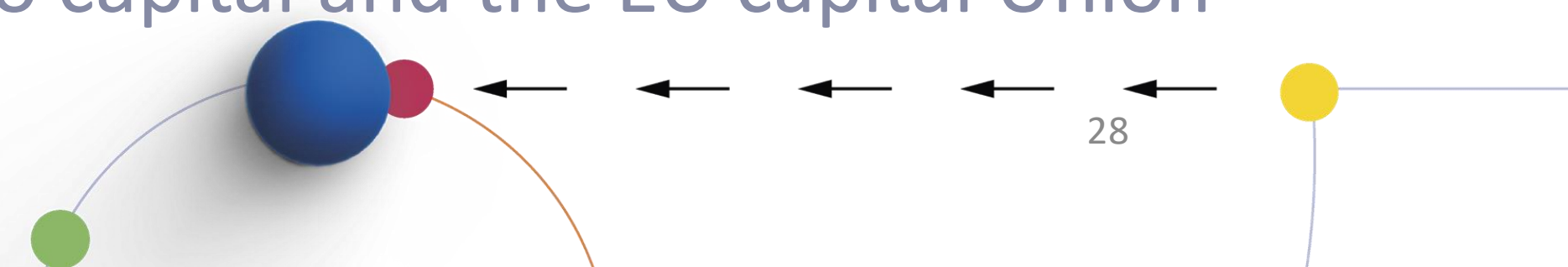
- New EU Permit (ESCP), higher requirements (share Capex and Opex)
- From niche players to multi assets managers in several countries

Further internationalisation

- US platforms are entering the EU market



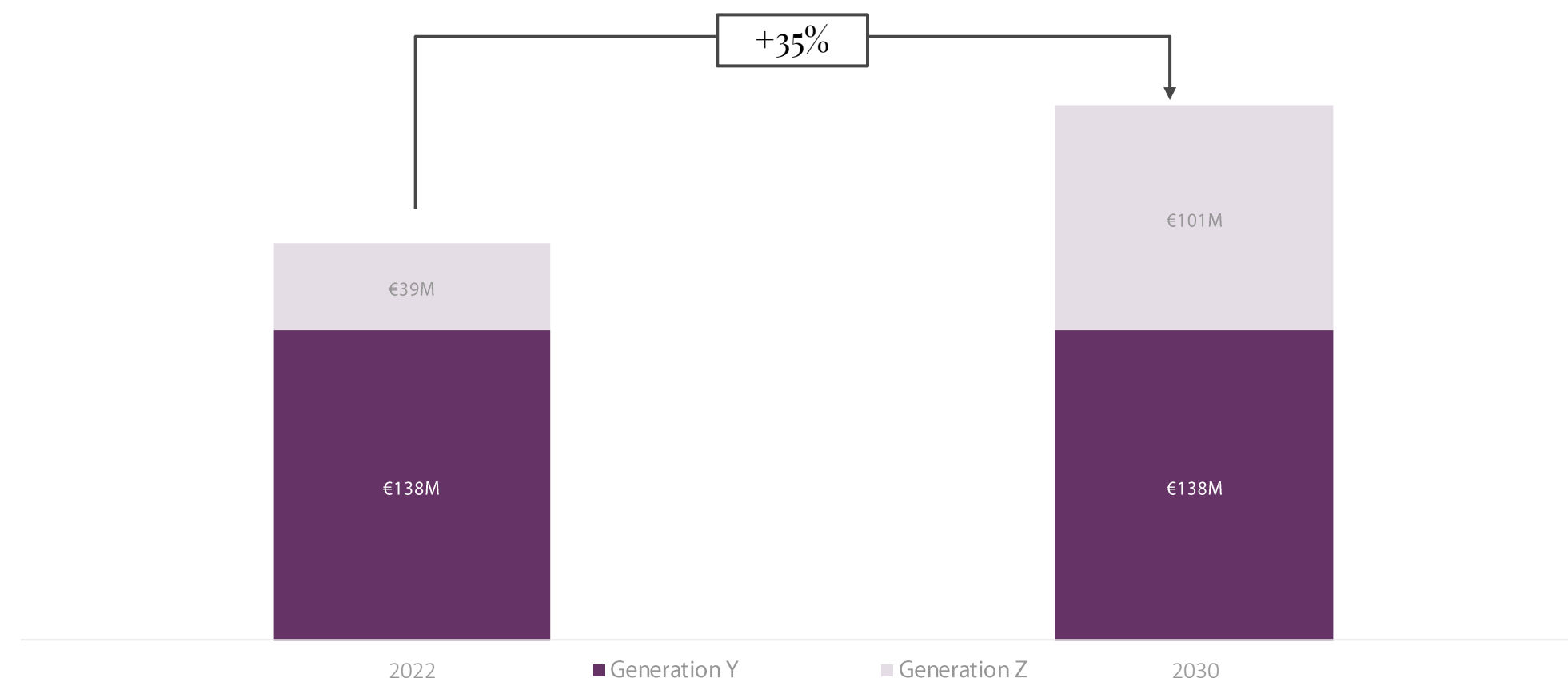
Strong crowdfunding market will increase access to capital and the EU capital Union



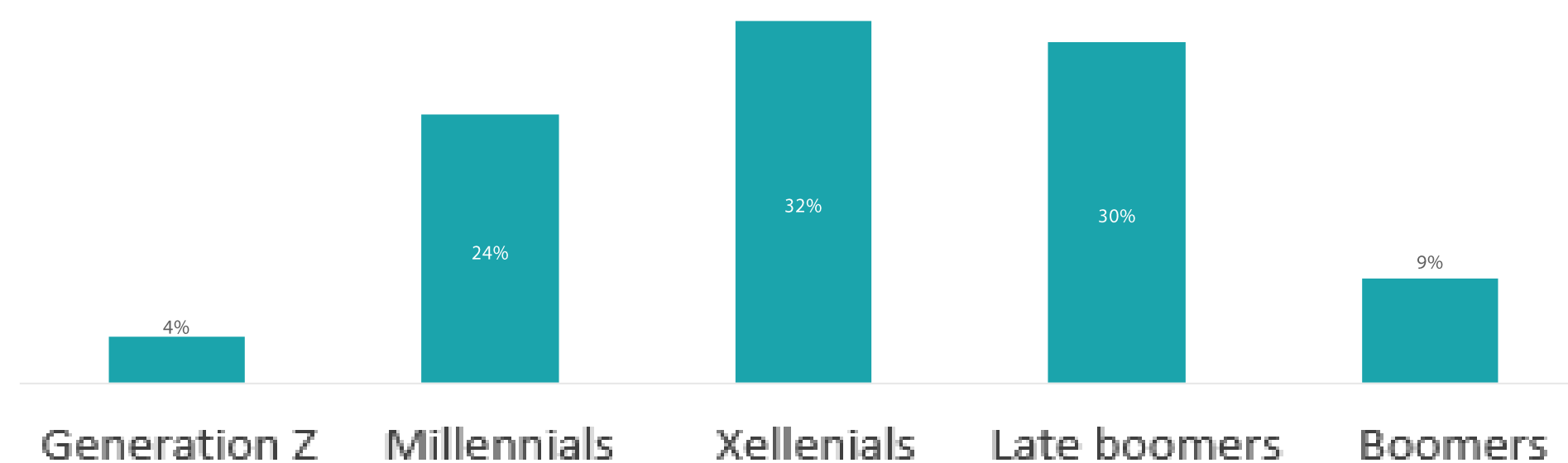
Trends (I) ; demographic developments strongly support of SDG-linked (direct) investments

The EU gen Z population grows strongly in upcoming years

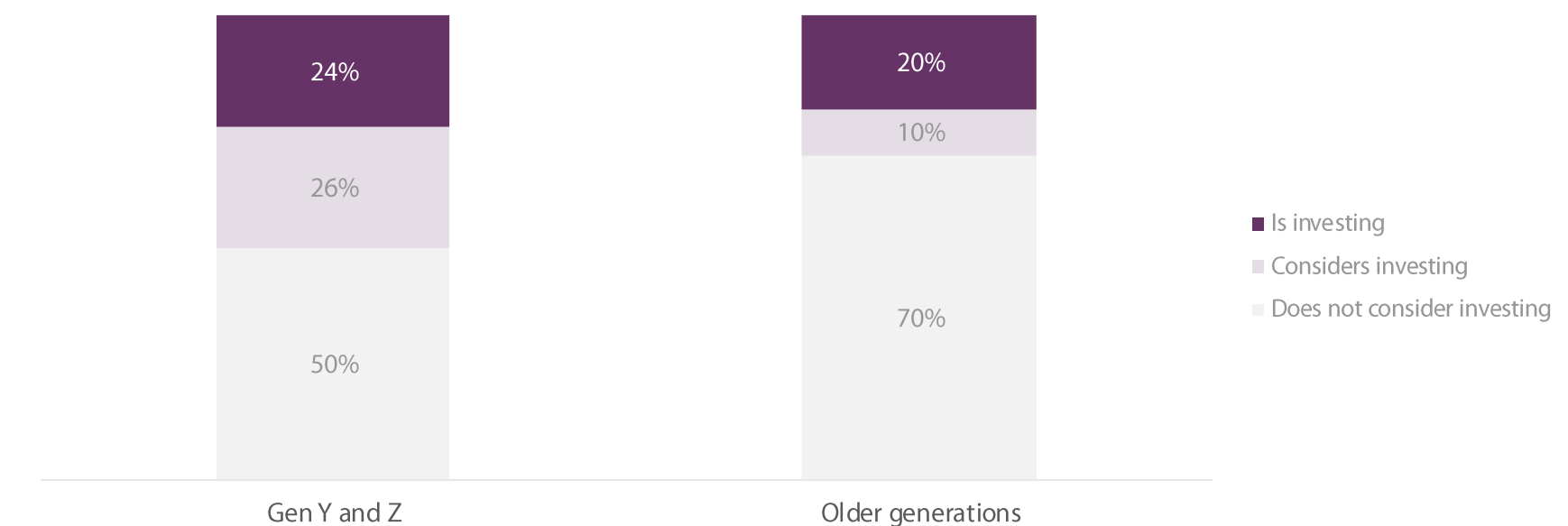
Evolution of the population in generations Y (millennials) and Z





The crowd profile of OPC aggregated in generations (%)




Investment appetite among generations (%)



- 

56% of investors from generation Y and Z invest in sustainable assets, versus 22% in older generations.
- 

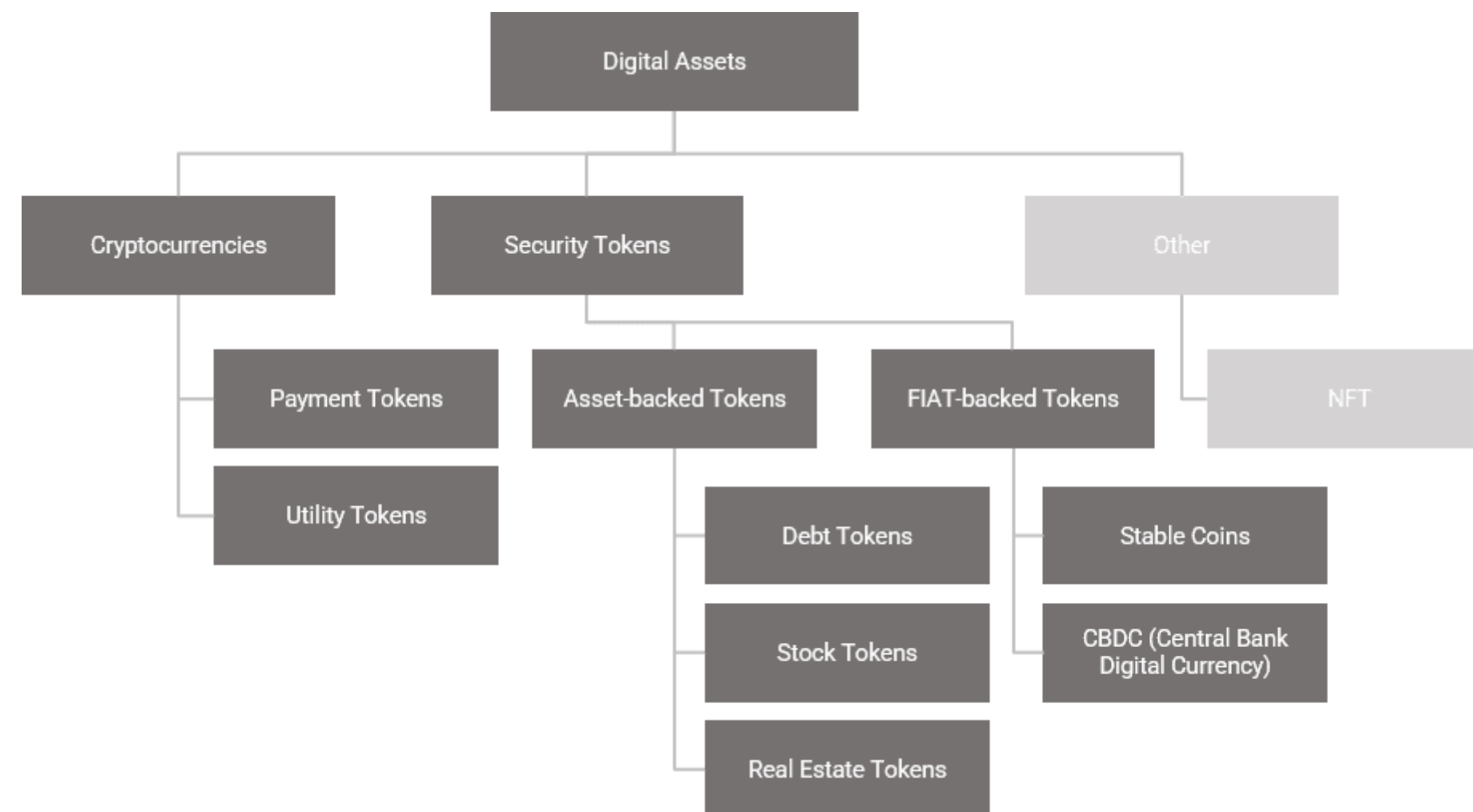
The biggest reason for generation Y and Z to **not** invest is the lack of money (42%).
- 

In contrast to millennials, generation Z tend to display a higher risk appetite and are more active investors.

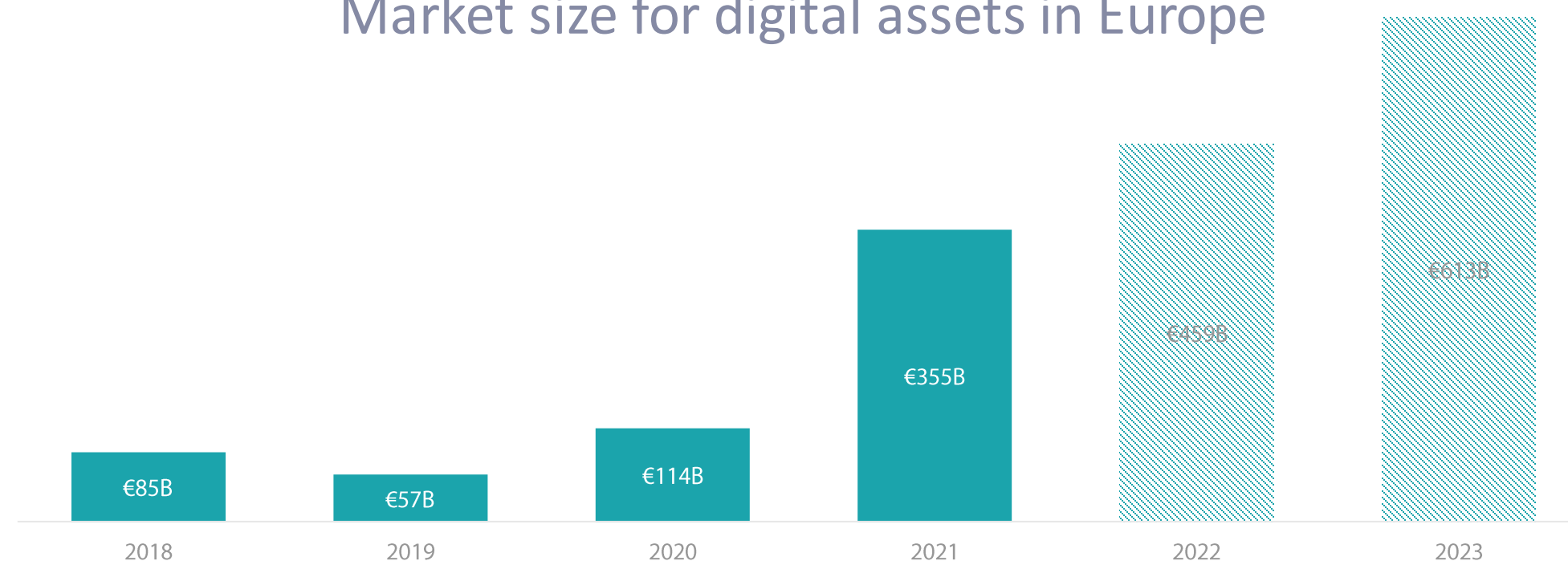
Trends (II) the growing digital assets market is ready to be tapped into by Crowdfunding

Tokenisation is a fast growing market

Overview of the digital asset types available in Europe ¹

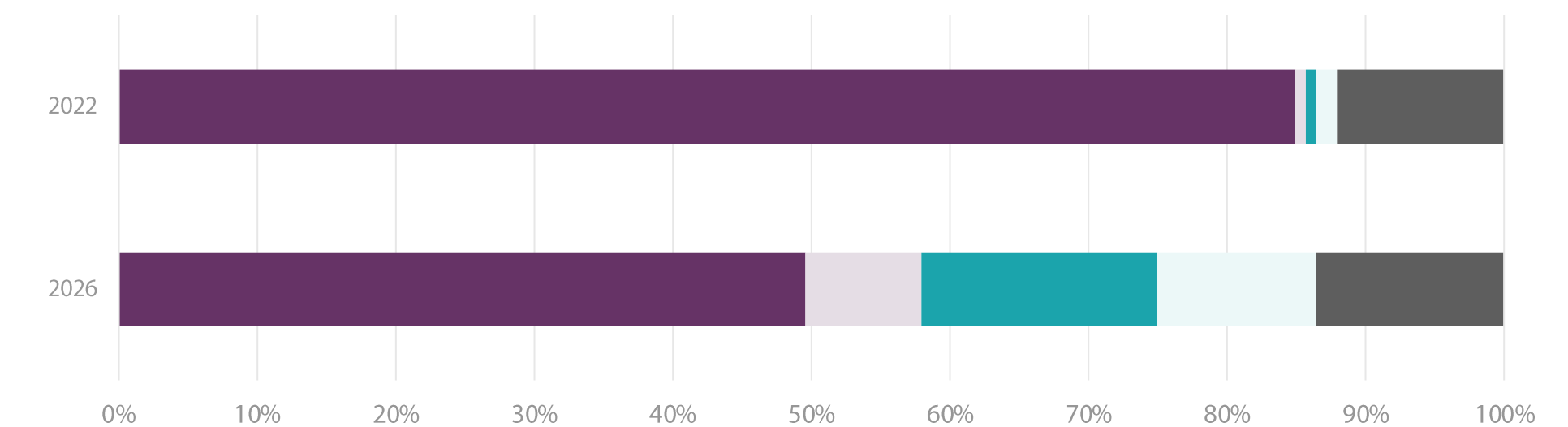


Market size for digital assets in Europe






¹ Source: Tokenization in Europe - Current state and future outlook (Tangany)

Forecasted evolution of digital asset types between 2022 - 2026



Opportunities for OPC

- 
 Legislative opportunity: ECSP & MIFID-II prepared to mediate tokens & coins when approved by AFM.
- 
 Offering new financial facilities: micro asset-backed loans. (e.g. facility secured by 1 solar panel to blockchain technology)
- 
 Expected further efficiency in transaction costs by making redundant third party legal involvement (e.g. notary)

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Thank you

www.fi-compass.eu

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