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Based on desk research done by June 2017

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1 Introduction

The following document represents Deliverable 3.1.1 Regional Market Analysis on Crowdfunding. It includes information on identification, description and evaluation on relevance of all crowdfunding activities and relevant stakeholders in each partner region. The given information is completed by success stories and lessons learnt therefrom regarding the status quo of crowdfunding market deployment at local level.

2 Crowdfunding activities and relevant stakeholders

This chapter includes information based on a desk research conducted by June 2017. All partners received a common template including relevant stakeholders such as Crowdfunding (CF) platforms, finance and public actors as well as intermediaries.

CF platform: Crowdfunding platforms active in the region were identified. Each partner analysed the CF model the platform implements (donation-, reward-, loan-, equity-based). Further information on geographical coverage of campaigns, target groups, successful campaigns, amount of investment, quality standards as well as reference projects were included.

Finance stakeholders: This table includes relevant financing institutes, business angels & investment companies and public authorities involved in innovation finance.

Public and intermediaries: This table includes funding institutes, incubators & accelerators, business support agencies and chambers / associations and other intermediary organisations within the regional innovation system.

CF platforms

| Basic information | | Crowdfunding models | | | | Additional information | | | | | | | |
|---|---|---------------------|---------------|----------------|--------------|------------------------|--------------|---------------------------------------|--|--|---|---|----------------------------------|
| Name of the platform | Homepage | Head office | Founding year | Donation-based | Reward-based | Loan-based | Equity-based | Geographical coverage of CF campaigns | Topics / Target groups | Total number of successful CF campaigns on the platform up to 4/2017 | Total CF investments on the platform up to 4/2017 | Average investment per CF campaign | Information on quality standards |
| CROENERGY | croenergy.eu | Zagreb | 2016 | x | | | | North West Croatia | Energy efficiency, renewable energy sources, environmental protection | 2 | 15.000.000 EUR | 20 EUR (average pledge), 5000 EUR (average campaign size) | n/a |
| Croinvest.eu | http://croinvest.eu/ | Zagreb | 2014 | x | x | x | | Republic of Croatia | Entrepreneurial, infrastructural and socially useful campaigns, with particular emphasis on campaigns that apply for EU funds. | 1 | 18.532.000 EUR | 6.200 EUR | n/a |
| ČINI PRAVU STVAR Registry of humanitarian aid of the Republic of Croatia | www.cinipravustvar.hr | n/a | 2016 | x | | | | Republic of Croatia | Humanitarian work | 53 | 12.000.000 EUR | n/a | n/a |
| FUNDERBEAM SEE | https://www.funderbeam.com/s/startups/funderbeam | Zagreb | 2016 | x | x | | | Republic of Croatia | Humanitarian campaigns | n/a | n/a | n/a | n/a |
| | | Zagreb | 2016 | | | | x | Croatia, Slovenia, Serbia | SMEs | n/a | n/a | n/a | n/a |

Finance stakeholders

| Name | Homepage | Head office | Short description |
|--|---|-------------|--|
| Croatian Bank for Reconstruction and Development (HBOR) | https://www.hbor.hr/en/ | Zagreb | Within the Croatian banking system, HBOR plays the role of a development and export bank established with the objective of financing the reconstruction and development of the Croatian economy. Main activities: financing the reconstruction and development of Croatian economy; financing infrastructure; promoting exports; supporting the development of small and medium-sized enterprises; promoting environmental protection; insuring the exports of Croatian goods and services from non-marketable risks |
| Croatian Postal Bank | https://www.hpb.hr/en/ | Zagreb | HPB is the largest Croatia-owned bank and thanks to its operational results and assets of 17,7 billion HRK it is in the group of the leading banks in the Republic of Croatia. Market positioned and competitively profiled, Hrvatska poštanska banka is the banking institution providing integral services to its clients on the whole territory of the country, comprehensive financial service to the government and is a reliable support and partner to the Croatian businessman, especially in the segment of small and medium entrepreneurship. Innovation in business operation is the integral part of HPB's business approach and the services and products of the Bank are adapted to the needs of the clients and competitive on the domestic banking market. |
| e bank | https://www.ebanka.eu/en/ | Zagreb | eBank is an ethical development bank owned entirely by its own members. Instead of high profits, its primary goals are contributing to a better society and the well-being of its co-owners eBank is a member of the European Federation of Ethical and Alternative Banks (FEBEA). The bank will be registered and organised as a joint-stock company, with the only shareholder and full owner being the Cooperative for Ethical Financing (CEF). |
| Croatian Agency for SMEs, Innovation and Investments (HAMAG BICRO) | http://www.investcroatia.hr/ | Zagreb | Croatian Agency for SMEs, Innovation and Investments The Agency's activities include the promotion of establishment and development of small business entities, financing operation and development of small business entities by loans and guarantees issuing for approved loans by creditors as well as promotion of investments in small business. The Agency's also provides financial support to innovative and technology-oriented enterprises in Croatia by increasing commercialization of knowledge and awareness about the value of innovations, supporting the transfer of knowledge and technological solutions from the scientific sector to economy, promoting the establishment and development of technology infrastructure and participation in the creation and development of venture capital industry. |
| Croatian Business Angels Network | www.crane.hr | Vukovara | CRANE is a non-profit association which brings together private investors interested in investing in innovative companies in their early stages of development. The association was founded in 2008 as a joint initiative of partner institutions Agency for Export and Investment Promotion, Poteza Ventures, Croatian Private Equity and Venture Capital Association, Association for promoting software and online entrepreneurship "initium" and of successful entrepreneurs Damir Sabol and Hrvoje Pripic. Up until 2015, members of Crane have invested over 20 million Kuna in Croatian companies. |
| South Central Ventures | http://sc-ventures.com/ | Zagreb | The € 40 million fund through Enterprise Innovation Fund (ENIF) is dedicated primarily to early stage and growth investments. Within the fund's 'seed pocket', € 1.5 million is allocated for investments of up to € 100 000 per company. The majority of the fund is allocated for early stage and growth investments of up to € 3 million per company. These investments are intended to fuel the international business expansion and growth of the most promising tech startups that can show traction and prove their potential to "make it big". |
| Business angels & Investment companies | | | |
| Others | | | |

Public and intermediaries

| | Name | Homepage | Head office | Short description |
|---|--|--|-------------|--|
| Funding institutions | Croatian Agency for SMEs, Innovation and Investments (HAMAG BICRO) | www.hamagbicro.hr | Zagreb | Croatian Agency for SMEs, Innovation and Investments The Agency's activities include the promotion of establishment and development of small business entities, financing operation and development of small business entities by loans and guarantees issuing for approved loans by creditors as well as promotion of investments in small business. The Agency's also provides financial support to innovative and technology-oriented enterprises in Croatia by increasing commercialization of knowledge and awareness about the value of innovations, supporting the transfer of knowledge and technological solutions from the scientific sector to economy, promoting the establishment and development of technology infrastructure and participation in the creation and development of venture capital industry. |
| Incubators & accelerators | Development Agency Zagreb - TPZ d.o.o. | www.raza.hr | Zagreb | With more than 20 years of experience, DAZ concentrates wide range of innovative companies and collaborates with research organizations, universities, public authorities, business clusters; chambers of commerce, Cluster of CC industries and other relevant actors of the innovation ecosystem with, a goal to support innovations and SMEs development. DAZ TPZ is providing business incubator services to innovative hi-tech & IT SMEs, specialized trainings and technical assistance and advisory services to SMEs in each stage of their development and is implementing regional financing schemes to support SMEs and innovation growth. |
| | HUB385 | https://hub385.com/ | Zagreb | Private business incubator with the capacity of 2.573m ² , 35 offices and 19 meeting rooms represents a hub for developers, inovators, entrepreneurs and creative individuals. Together with experts and mentors HUB385 is organizing conferences, trainings, workshops, meet-ups, hackathones, panels and promotional events with a goal to promote and support talented people & teams and their products, services and companies. Beside offices, meetign and conference room coworking space is offered. |
| Innovation / Business support | IMPACT HUB | http://zagreb.impacthub.net/en/ | Zagreb | IMPACT HUB represents a unique ecosystem of resources, inspiration, and collaboration opportunities to grow impact. It offers coworking space and provides incubation&acceleration programmes, mentorship and networking services. |
| | Bicro BIOCentar d.o.o. | www.biocentre.hr | Zagreb | Incubation centre for biosciences provides following services to biotech SMEs: Incubation, contract research, laboratory and office rent, networking, education |
| Chambers / Associations / Interest groups | Croatian chamber of economy | http://www.hgk.hr/english/about-us | Zagreb | The Croatian Chamber of Economy (CCE) is an independent professional and business organisation for all legal entities engaging in business within the Republic of Croatia |
| Others | Brodoto; Crowdfunding Academy | www.brodoto.com www.crowdfundingacademy.eu | | Social enterprise specialized in campaigning, design and media. |

3 Status quo of crowdfunding activities and networks

CF actors (platforms, initiatives, intermediaries etc.)

In Croatia, the first reward based crowdfunding campaign launched in 2011. The number of campaigns has increased in the following years, while the total collected yearly amount has doubled to €0,66 million in 2015. Equity based; €370.000 has been raised so far.

Croatian Platforms

There are only a few Croatian crowdfunding platforms:

- **Croinvest**: this platform combines five models of financing (donations, awards, loans, ownership participation and profit participation) customized to domestic law <http://croinvest.eu/>
- **Croenergy**, donation based crowdfunding platform exclusively for sustainable energy and environmental protection projects. www.croenergy.eu
- **ČINI PRAVU STVAR**, donations for Humanitarian work, www.cinipravustvar.hr
- **Registry of humanitarian aid of the Republic of Croatia** <http://croinvest.eu/rhp/>

Currently there is only one equity based crowdfunding platform available in Croatia:

- **Funderbeam SEE**, blockchain equity based platform, <https://www.funderbeam.com>

Foreign Platforms

The most important foreign platform is **Indiegogo**. On the US based platform 47 projects were launched in 2015.

The second foreign crowdfunding platform operating in Croatia is **Kickstarter**. Eight projects started a reward based crowdfunding campaign on the platform in 2015.

Crowdfunding Academy is the first educational program on campaign production in Croatia co-developed and organised by **UNDP Croatia and social enterprise Brodoto**. Starting from 2015, Crowdfunding Academy has organised educational events and helped preparation and production of various crowdfunding projects. The Crowdfunding Academy team has mentored successful crowdfunding campaigns in Croatia and helped funding more than \$100,000 for different social causes. The initiative is also the organiser of the first Zagreb Crowdfunding Convention. In the end of 2015, the Academy has reached a wider scope by creating a global educational program on crowdfunding and alternative financing for UNPD offices around the world.

4 Success stories

Each CrowdStream partner region has tried to identify some typical examples of successful crowdfunding campaigns that reflect the status of development of alternative finance mechanisms at local level, as indicated below:

Forum.tm

- **Company:** Forum.tm NGO Dom kulture Zagreb
- **CF platform used:** indiegogo.com
- **Topic:** independent, non-profit portal
- **Amount of money raised:** \$9,045 USD



Short description

Forum.tm is an independent, non-profit portal. Behind the project, there are only journalists. Journalists want to continue to develop it as the responsible and independent public media. In return they promise even more good journalism and they will continue to be the source of reliable information.

Forum.tm has independent editorial policy because it isn't linked to any law firm or church foundation. Forum.tm, as an online media, started in 2013, when some of the journalists of the closed weekly Forum.tm took matters into their own hands.

After more than three years, it's evident that Forum.tm does not advocate the interests of the politically and economically powerful and that its journalists write about things that others are silent about. Forum.tm is not afraid and it still resists.

Forum.tm draws attention on systemic injustice in a society where capital is omnipotent, and the rights of citizens are marginalized. It advocates restoring of the dignity of work and workers, equality, denounces social deviations such as denial of anti-fascism, glorification of war criminals, pressure of church structures on political decision making and the imposition of religious doctrine upon all spheres of society which is supposed to be secular.

We are who we are, we write as we think, respecting journalistic ethics and the public's right to know. We don't turn to corporations or politicians for their "sponsorship". Our only "target audience" is - you.

Forum.tm is the first Croatian media outlet that decided to step into the uncertain and ask for support of its readers, after it was left without the support of the Ministry of Culture.

The goal that we set for this campaign is not enough for long-term journalistic work, but it will help us bridge the critical period of the next two months. If you outbid, no one happier than us. Be our source - "unnamed", "top source" or even "deep throat" - and we will continue to be your media of reliable information.

Forum.tm is made of professionals with over 20 years of experience in journalism, and two of our authors received awards for the articles published on Forum.tm.

We want to continue to develop Forum.tm as a responsible public media. We promise more good journalism.

CF link: <https://www.indiegogo.com/projects/neka-vide-da-nas-ima-media#/>

Baggizmo

- **Company:** Baggizmo Motus Vis Inc.
founder: Ladislav Juric
- **Platform used:** kickstarter.com
- **Topic:** tech wearing
- **Amount of money raised:** \$44,120 USD



Short description

It's a unique bag for all the gizmos and things you need to have at your fingertips at all times. Easy to wear (and to look at), made ergonomically with high-quality innovative materials which will make you look good, feel good and carry on with your day.

It's not just a bag for your gizmos, but it offers a unique way in how the bag is worn from the beginning. It uses brilliant design to provide a simple and stylish solution for the man who cannot go anywhere without his gadgets. Baggizmo puts all your technology at your fingertips – by placing it under your arm.

You can wear Baggizmo while driving, riding a bike, attending a meeting or dining out. You can wear it above or below a suit jacket. This means you won't spoil the lines of your tailored clothing by stuffing the pockets with bulky gadgets. Because Baggizmo is the first bag of its kind, tailored for men and their gizmos, both functional and fashionable.

Easy to wear, highly functional with numerous compartments specially designed to look slim even when it's full, made ergonomically with high-quality innovative materials which will make you look good, feel good and carry on with your day.

Thinking in this way, Baggizmo has found a new solution for wearing “the bag for all the gizmos” under the arm no matter what you wear - over a shirt, under or over a jacket or a business suit. This way you won't ever have to (or want to) take it off!

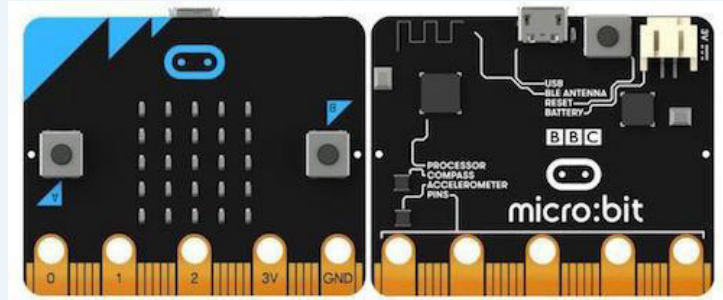
Baggizmo's shape has been conditioned around a polygonal pattern that has enabled the good grip of the bag to the torso, while the possibility of regulating the length of the straps provides customization depending on a man's proportions.

Comfort and carrying convenience have also been determined by the choice of the material that clings to the body, but still allows the circulation of air between the bag and the body.

CF link: <https://www.kickstarter.com/projects/ladislavjuric/baggizmo-the-only-everyday-carry-bag-you-will-ever>

BBC micro: bit - STEM revolution in schools

- **Company:** IRIM - Institute for Youth Development and Innovativity
- **CF platform used:** [indiegogo.com](https://www.indiegogo.com)
- **Topic:** STEM Revolution in schools
Amount of money raised: \$ 290,324USD



Short description

With this campaign we would like to use the enormous leverage we have with 360 schools and other institutions involved, 1800 donated robots and 8000 children participating in the Croatian Makers league and introduce on a massive scale the latest educational technologies: every child should be given an opportunity, for his/her own sake and because we are too small to waste our human resources.

As the first phase of our project we would like to donate at least 3600 micro:bits to at least 360 schools and institutions involved in the Croatian Makers league.

We believe that with a successful implementation of this phase we can induce the next one, which is that each and every child in 6th or 7th grade of elementary schools in the whole Croatia gets a micro:bit, together with the complementary education. With this we can radically close the technological and mental gap between what the Croatian education offers and the contemporary young people need. This means we are talking about 40,000 micro:bits. Such a mass of cutting edge technology can change not only education, but also the whole society

All proceeds from this campaign will be used exclusively to buy and ship the equipment and all general expenses of our NGO we will provide for by ourselves.

Everybody who takes part in our campaign becomes part of change – a key change not only in lives of many young people, but also change in the mindset of the whole society: instead of being oriented towards the past and negativity – let's orient ourselves towards the future, positivity, accomplishments and vision. By participating now in changing the education of children who will leave schools tomorrow, you are making this country better today!

Off course, we also offer privileges i.e. perks. But not in order to 'bribe you', but to enable you to experience first-hand the change: we are providing micro:bits for one or more children, exclusive courses with our Master educators, as well as symbols that you can proudly display: badges and T-shirts

CF link: <https://www.indiegogo.com/projects/bbc-micro-bit-stem-revolucija-u-skolama-education#/>

5 Lessons learnt

The stakeholder mapping results (see sections 2 and 3) together with the analysis of local good practice examples of successful crowdfunding campaigns give a first picture of the achievements and challenges and market readiness for alternative finance mechanisms in the project partner region:

- The greatest weaknesses are a small overall awareness of the possibility of crowdfunding, low use of Internet in online purchasing of goods, poor development and mistrust of e-business.
- But still, in Croatia there is a clear interest for crowdfunding. Every year there is a slow progress in the amount of campaigns backed, started or successfully produced and funded by Croatians.