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Hungary

“Crowdfunding Visions” (D 3.2.2)

Introduction

Within the CrowdStream project, each partner region has undergone a process of analysis of local conditions and stakeholder involvement resulting in the definition of “Crowdfunding Visions” on the basis of the following inputs

(available on <http://www.interreg-danube.eu/approved-projects/crowdstream>):

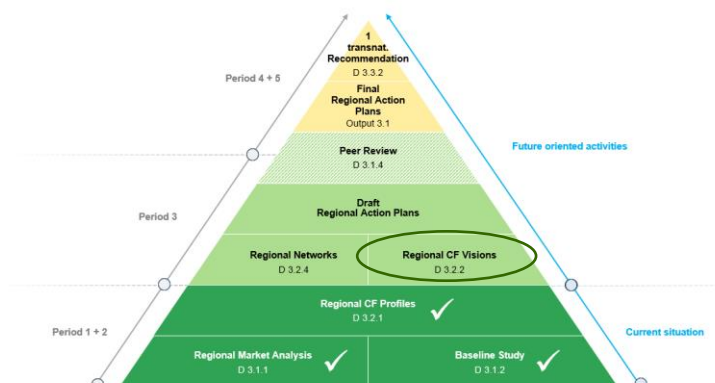
- Regional Market Analysis on Crowdfunding (D 3.1.1)
- Baseline study (D 3.1.2)
- Regional Profiles (D 3.2.1)
- Regional Stakeholder meetings (D 3.2.3)

The “Crowdfunding Vision” addresses the strategic development goals of a project partner region to improve local “crowdfunding environment” in a long-term perspective.

In the context of the CrowdStream project, the “Crowdfunding Visions” are based on existing research results and targeted at the needs of the project target groups.

Building upon these strategic goals each partner region will draft innovation support measures and policy recommendations for the respective region in the field of Crowdfunding, which will aim at improving the access to alternative finance for innovative businesses incl. social and creative entrepreneurs.

Thus, the “Crowdfunding Vision” as presented below will serve as a starting point for drafting and piloting the Regional Action Plan for the relevant partner region and will help to align these plans in a strategic way.



A Vision, in view of its long-term strategic relevance, serves as an overarching guidance towards a better future. This means that it cannot be fulfilled immediately at the moment of being defined.

A Vision should be understandable and credible as well as demanding and challenging at the same time.

Vision 1:

By the end of 2020, Crowdfunding becomes more popular among innovative start-ups, researchers, SMEs and social enterprises providing financing for their new products or services.

Explanation:

The regional profile of Hungary showed, that for innovative new products basically two types of funding are available.

Public funding is provided by the National Research, Development and Innovation Office and the Ministry for National Economy. Public funding is mainly available for Universities, R&D institutions or big companies. The formerly existing support (regional innovation funds, innovation voucher) for small-scale development projects are no longer exists. Therefore, small-scale innovative product development can be financed only from either commercial or alternative financing sources.

According to the regional profile the Hungarian banking system has strengthened substantially over the past two years and significant easing in company lending conditions occurred. However innovative, risky clients hardly get financing. The minimum criteria for risky clients is to provide solid business plan with signed orders or at least letters of intents. Lack of fulfilling these criteria alternative financing is the only option for innovative start-ups, therefore crowdfunding is an ideal funding option.

Vision 2:

By the end of 2020, business support organizations will be identified and trained to acquire the necessary knowledge and skills to support campaigners and to offer their services to crowdfunding campaigns.

Explanation:

During the regional stakeholder meetings, it turned out, that one of the main barriers of crowdfunding in Hungary is the lack of knowledge and lack of facilitators, who help the fund raisers. After identifying and training possible facilitators, potential campaigners can get professional help that will contribute to the successfulness of crowdfunding campaigns.