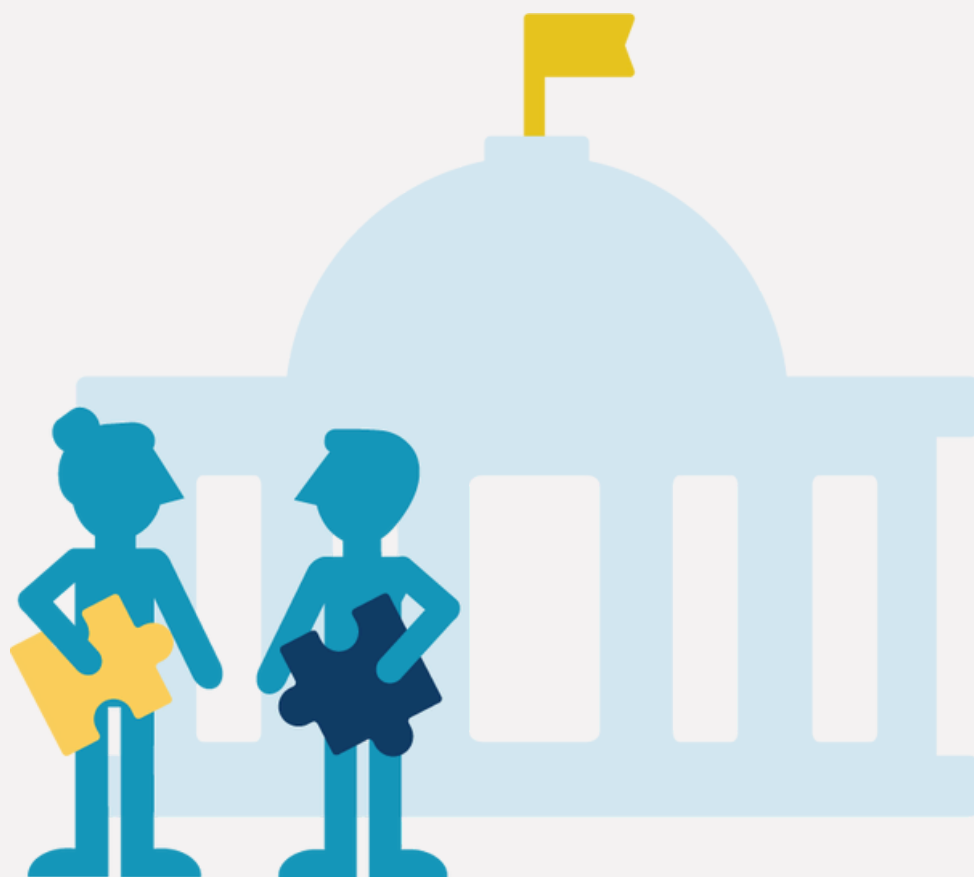


Crowdfunding: Boosting Interreg's impact through citizen power

Reflection paper



Purpose of the document



In a context of constrained public resources and an increasing need for citizen engagement, alternative financing mechanisms such as crowdfunding offer a strategic opportunity for Interreg programmes to strengthen their impact and connection with local communities.

As these mechanisms gain momentum, crowdfunding has emerged not only as a tool for raising capital but also as a means to mobilise communities and amplify the effects of public funding.

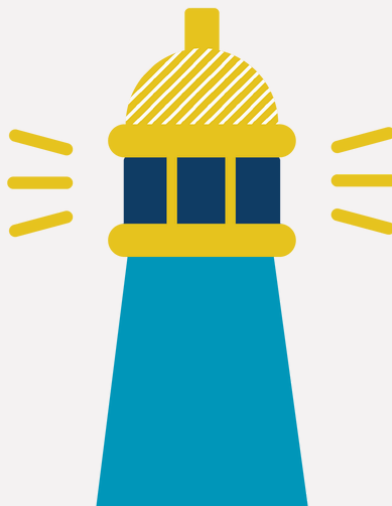
This paper provides an overview of crowdfunding, outlines its basic operational principles, and presents examples of how its potential can be strategically leveraged by Interreg programmes to support cooperation, validate project results and outcomes, and foster deeper and more meaningful citizen engagement, in line with Cohesion Policy objectives.

What is crowdfunding?

Crowdfunding is a form of online financing for innovative companies, projects and people.

Crowdfunding comes in many different formats and purposes - but the general similarity is the process of collaborative funding often on crowdfunding platforms that bring the supporters together with the recipients of funds.

Unlocking the crowdfunding potential for the European Structural and Investment Funds (ESIF),
European Commission DG REGIO – 2021



Crowdfunding as a strategic instrument for public engagement

Context

Crowdfunding is an alternative financing mechanism that has become an increasingly reliable source of funding for SMEs, micro-enterprises, and social impact projects. Its strategic relevance for public authorities goes well beyond capital generation. Crowdfunding can be used to test and validate new ideas, build communities around shared objectives, and increase the transparency of public-private initiatives.

Due to its open, inclusive, and participatory nature, crowdfunding provides a form of bottom-up validation for local actions, helping to ensure that public funds support initiatives that are genuinely valued by citizens. This approach aligns closely with the Cohesion Policy objective of building a “Europe closer to citizens”, by giving people a direct stake in regional development.

Why it matters?

Game changer for regional development

Beyond serving as an alternative funding source, crowdfunding offers significant strategic added value that aligns closely with the core objectives of Interreg and the wider EU Cohesion Policy. When integrated effectively, it has the potential to transform how regional development initiatives are financed, perceived, and implemented.

Deepens citizen and community engagement

Crowdfunding encourages a shift from implementing policy for a region to implementing it with the region. When citizens contribute their own money, even in small amounts, they acquire a tangible stake in a project's success. This financial involvement fosters a strong sense of ownership, deepens commitment to project outcomes, and helps transform passive beneficiaries into active partners.

Increases transparency and visibility

Publicly supported campaigns hosted on transparent online platforms make the use of EU funds more visible and directly linked to initiatives validated by the community. This can strengthen public understanding and improve perceptions of how EU Cohesion Policy funding supports concrete projects within local communities.

Crowdfunding as a strategic instrument for public engagement

Core principles and key actors

Crowdfunding is defined as an “open call for the collection of resources, whether funds, tangible goods, or time, from the general public through an online platform.” This process is organised around the concept of the Crowdfunding Triangle, which comprises three key actors:

1. The project owner: The entrepreneur, organisation, consortium or individual seeking to raise funds for a specific project.
2. The supporters/investors (the crowd): The large group of individuals or institutions who contribute resources to the project.
3. The crowdfunding platform: The online intermediary that provides the technical infrastructure to connect project owners with the crowd.

The platform acts as an independent gatekeeper, making the project visible online and ensuring that funds are raised and transferred securely via an authorised payment provider.

Crowdfunding models

Crowdfunding operates through several distinct models, each shaped by different supporter motivations and suited to specific strategic purposes.

Model	How it works	Supporter/ Investor motive	Strategic application
Donation-based	Supporters contribute to a project with no expectation of financial or material return.	Primarily altruistic, driven by a desire to support a cause or community initiative.	Non-profit initiatives, charitable causes, and community service projects.
Reward-based	Supporters receive a non-financial, tangible or intangible reward in exchange for their contribution (e.g., a product, voucher, or acknowledgement).	Desire to obtain the specific reward and be part of an innovative project's creation.	Creative projects (art, music, film), new product launches, and social enterprises.
Lending-based	Individuals or institutions lend money to a project or business with the expectation that it will be repaid with interest over a defined period.	Financial return on investment through interest payments.	SME financing for working capital or investment, particularly for businesses with positive cash flow.
Equity-based	Investors receive a share of ownership (equity) in the company in exchange for their investment.	High-risk, high-reward financial return through potential business growth and exit strategies.	Financing for innovative start-ups and high-growth potential SMEs.

Regulatory context

Crowdfunding is governed by a regulatory framework that varies according to the type of activity.

Before the adoption of the Regulation on European Crowdfunding Service Providers (ECSP) (EU) 2020/1503, crowdfunding regulation was primarily national in scope. The ECSP Regulation represents a milestone for the development of crowdfunding across the EU, seeking common ground among national regulators and striking a balance between establishing a robust regulatory framework and allowing space for innovation. It enables platforms to operate and be recognised across the EU under a single set of rules, contributing to the harmonisation of the currently fragmented national regimes. In doing so, the ECSP is expected to facilitate cross-border investment in crowdfunding projects[1].

The Regulation establishes uniform minimum requirements for the provision of crowdfunding services throughout the Union and introduces a European passport. This passport allows authorised platforms to operate in all Member States and enables investors to finance projects through portals in countries other than their own, creating a single European market for the alternative financing of startups and SMEs[2].

[1] Crowdfunding potential ESIF – DG Regio, 2021

[2] Capacity Building of BLUE Economy Stakeholders to Effectively use CROWDFUNDING - Transnational position paper on complementarity of civic crowdfunding with ESI funds

Match-funding: what it is and how does it work

“Match-funding,” also known as co-financing, is a collaborative model in which a public body, using its own resources or ESI Funds, contributes to a crowdfunding campaign. This approach amplifies the impact of both public and private funding.

There are four main structures for such collaboration:

- **As a first in:** ESI Funds are contributed at the start of the campaign, either as a fixed amount or a percentage of the target. This helps build early momentum but may reduce the “wisdom of the crowd” validation effect.
- **In a bridging phase:** Public funds are released once the campaign reaches a predefined intermediate milestone, helping to prevent fundraising stalls.
- **As a top-up:** ESI Funds are added after a project has successfully reached its initial target. This allows support to focus only on projects already validated by the crowd.
- **As a direct match:** ESI Funds match contributions from investors at a predefined rate (for example, 1:1), directly incentivising private investment.

In addition to the four structures mentioned, the flexibility of the instrument allows for the development of new solutions tailored to the specific needs of each project, while always maintaining its core features of transparency, traceability (and thus accountability), and collective engagement.



Defining the role of public authorities

Public authorities can engage with the crowdfunding ecosystem in several distinct roles, each involving different levels of commitment and strategic impact:

- **Sponsor:** The public authority acts as the project owner, running its own campaign for a specific public project on an existing crowdfunding platform.
- **Curator:** The public authority selects projects that have successfully completed crowdfunding campaigns and provides additional support, such as grants or loans.
- **Facilitator:** The public authority commits to co-financing projects on partner platforms before their campaigns launch, establishing a framework agreement that sets out the criteria for support.
- **Manager:** The public authority creates, funds, and operates a dedicated crowdfunding platform to direct investment toward specific policy objectives or geographic areas.



Possible models of synergy with ESI funds

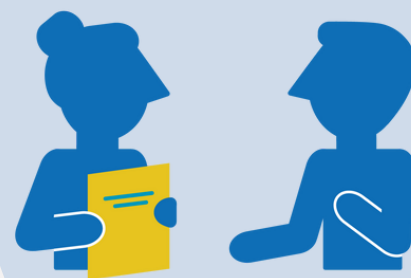
Crowdfunding can be strategically integrated with European Structural and Investment (ESI) Funds, including those allocated to Interreg, through three primary models of synergy. These models provide a flexible framework for combining public and private resources effectively:

- Simultaneous or cumulative use: ESI Funds and crowdfunding are deployed together to finance different components of the same project. Both funding streams operate concurrently in a direct co-financing approach.
- Corresponding or parallel use: The two funding sources support separate but complementary projects. For example, an ESI-funded programme may be supplemented by a crowdfunding campaign that finances a related yet distinct community initiative.
- Sequential use: One funding source enables or ensures the sustainability of the other. This can occur in two ways: a crowdfunding campaign may fund preparatory work, such as feasibility studies, to unlock ESI funding, or it may be used to sustain a project after the initial ESI funding period has ended.



Crowdfunding in Interreg: Insights from projects

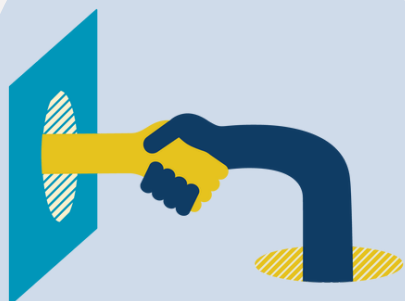
Crowdfunding is still a relatively new instrument within Interreg. Nevertheless, a small number of Interreg projects have already begun to experiment with crowdfunding to test innovative approaches to regional challenges. These initiatives highlight how crowdfunding can be used not only to mobilise additional resources but also to pilot new ideas, attract local interest, and generate visibility for cooperation efforts. The projects serve as practical illustrations of how Interreg programmes can explore flexible, citizen-oriented funding mechanisms in diverse thematic and geographical contexts.



Capacity building

Projects such as **CROWD-FUND-PORT** and **Capacity Building of BLUE Economy Stakeholders** focus on placing crowdfunding at the core of their objectives.

They aim to enhance skills, strengthen capacities, and develop institutional frameworks, enabling SMEs, start-ups, and regional actors to design and implement successful crowdfunding campaigns as an alternative or complementary financing mechanism.



Test campaigns

In **Bauhaus4MED**, crowdfunding is integrated directly into pilot activities.

Participatory processes combine crowdsourced idea generation with civic crowdfunding campaigns to co-finance local green solutions, putting both community engagement and funding mechanisms to the test.

This example demonstrates how crowdfunding can serve as a practical tool for mobilising local citizens and supporting project implementation, extending its role beyond training and capacity-building activities.



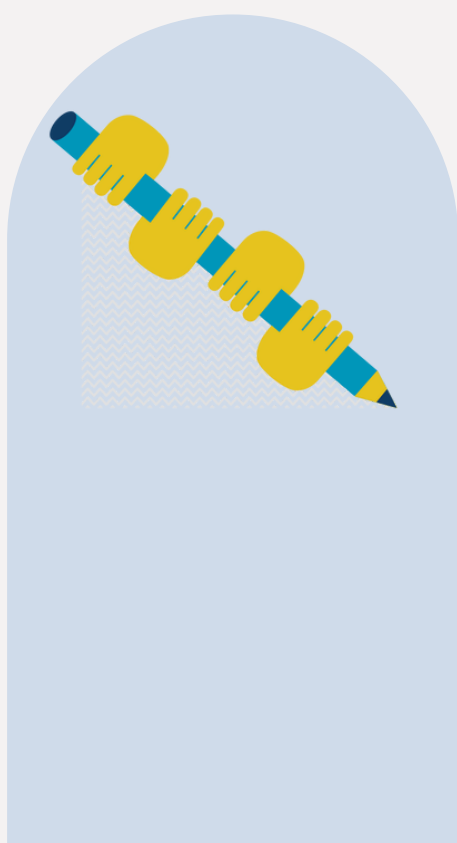
Support for local development and tourism

In the **DANUBE WOOD(s)ROUTE** project, crowdfunding is not the primary source of funding but is integrated through linked outputs, such as training and digital resources from related initiatives, to support local sustainable tourism offerings and ecosystem-based service pilots.

This case illustrates how crowdfunding can be applied as leveraged financing, complementing broader regional development strategies.

Preparatory activities

Some projects incorporate **crowdfunding campaign preparation** or reference related support hubs as part of broader entrepreneurship and innovation enhancement efforts. For example, the **CROWN** of **entrepreneurial ideas** project highlights crowdfunding campaign preparation, while **REPair PERspective** draws on support hubs from earlier collaborations, demonstrating the continuity and transfer of crowdfunding knowledge across initiatives.



The expert insights



Anja Prislan

With hands-on experience across several Interreg-funded projects, Anja has been actively involved in exploring the potential of crowdfunding as an innovative financing tool for transnational cooperation. Her insights reflect both lessons learned to date and perspectives for future development.

Drawing on your experience with crowdfunding across different projects, what added value and key opportunities do you see for crowdfunding within Interreg programmes?

Using crowdfunding as a funding and economic support tool in projects gives communities an opportunity to connect key stakeholders from the public sector, private sector, and civil society. It helps align local development goals with shared community values and priorities. Crowdfunding also makes it easier to support environmental and social projects that are directly relevant to citizens and deliver clear added value.

In addition, crowdfunding can strengthen regional innovation and improve digital financial literacy among all participating stakeholders. By enabling private investors and citizens to support projects and companies directly, it can increase public participation, enhance transparency, and improve the visibility and understanding of government policies.

Based on the lessons learned so far, what changes or enabling conditions would be needed at programme or project level to make crowdfunding more attractive, accessible, and scalable in an Interreg context?

At programme level, it is important to create conditions that allow pilot testing and experimentation. One of the most important lessons learned from the projects we have implemented is the need for sufficient time to establish a framework for long-term impact, especially in communities that had no prior experience with crowdfunding before the project began. Across all our projects, we would have benefited from more time to sensitise stakeholders and raise awareness about crowdfunding and how it can be used as a leverage for economic development. This additional time would help ensure stronger and more sustainable impacts that continue beyond the project's duration.

Looking ahead, what are your plans or ambitions regarding the use of crowdfunding, and where do you see the greatest potential for its further development within Interreg?

Implementing all the projects so far, we have learned that there are very little number of the regions and cities, which are fully using the potential of crowdfunding and fund-matching, therefore through the implementation of the Interreg projects, we can still do a lot of steps forward in raising the capacities and knowledge. In the field of addressing environmental and social challenges, we see the greatest potential for regional and local governments to consider using fund-matching, so they would learn to leverage the communities' knowledge, experiences and funds- we can use Interreg projects also for that purpose.



The expert insights



Filippo Cossetti PhD, is a crowdfunding expert with extensive experience in both traditional crowdfunding (corporate, non-profit, and public sector) and match-funding initiatives, specifically related to Interreg. He focuses on the practical application of crowdfunding in transnational cooperation, including design, uptake, and strategic use of these tools. His work provides valuable insights into how crowdfunding can be effectively integrated into cooperation programmes.

From your experience, what key opportunities do you see for the use of crowdfunding within Interreg programmes?

Crowdfunding represents a strategic opportunity within Interreg programmes as a complementary instrument to public funding, capable of enhancing both project impact and sustainability. Its primary value lies in its ability to actively engage citizens, businesses, and local organisations from the outset, thereby strengthening a sense of ownership and the cross-border participatory dimension that is central to Interreg cooperation.

Financially, this instrument achieves a dual objective: it contributes to project co-financing and acts as a lever to attract additional public or private resources. In my experience, the right combination of financial planning and strategic marketing enables projects, in most cases, not only to reach their stated funding targets but also to exceed them, achieving overfunding. This outcome can serve as a significant signal of an initiative's robustness, credibility, and replicability.

Another advantage of crowdfunding is its function as an early validation mechanism. A campaign allows projects to test genuine interest in the services, products, or solutions they develop, providing concrete evidence of demand and enabling adaptations before full implementation. In my experience, and this represents a fundamental aspect for Interreg projects, many initiatives come to regard the funds raised as almost “secondary” compared to crowdfunding’s capacity to increase project visibility beyond institutional borders, foster robust stakeholder networks, and build a shared narrative among the involved territories.

Finally, in terms of replicability and independence, crowdfunding can contribute to medium- to long-term sustainability by helping to create a community of supporters and maintaining project activity even after European funding concludes. In this sense, it fosters the development of hybrid models that integrate public resources, civic participation, and market mechanisms, united in pursuit of objectives aligned with European priorities on social innovation, green transition, and participatory local development.

Based on your work so far, what changes or conditions would be needed to make crowdfunding more attractive, accessible, and effective in an Interreg context?

The Interreg context is now significantly more mature than in the past for experimenting with structured match-funding strategies that combine public resources with bottom-up fundraising. Based on my experience, several key conditions can enhance the attractiveness, accessibility, and effectiveness of this instrument.

First, the normative progress already achieved should be fully leveraged. With the introduction of Regulation (EU) 2020/1503, known as the ECSP Regulation, which has been fully in force since November 2023, the European Union has established a unified and harmonised regulatory framework for crowdfunding. This development substantially reduces legal uncertainty, strengthens protection for both investors and project promoters, and facilitates cross-border operations. These three elements are fully aligned with the nature and objectives of Interreg cooperation. The next step is to translate this European framework into clear operational guidance at the programme level, in particular about the recognition of crowdfunding as eligible co-financing.

Second, improved alignment of timelines is crucial. Crowdfunding is most effective when it is integrated from the project design phase, rather than introduced as an ancillary tool after project implementation has already begun. The inclusion of dedicated phases or windows for crowdfunding within Interreg project timelines would enhance the credibility and overall success of campaigns.

Third, match-funding mechanisms should be designed explicitly and transparently. Simple and clearly communicated rules explaining how funds raised through crowdfunding can be matched by public contributions, including cases of overfunding, are essential to build public trust and to maximise the leveraging effect of public resources.

Finally, sustained investment in capacity-building and support is essential. Crowdfunding should not be understood solely as a fundraising instrument. It also encompasses participation, communication and community-building. When recognised in this broader sense, crowdfunding can become a structural lever for strengthening the impact and long-term sustainability of Interreg projects.

Where do you see crowdfunding working particularly well in practice, and could you share an example that you consider especially relevant for Interreg?

Drawing on more than two decades of experience in crowdfunding, I can affirm that this instrument is particularly effective when applied in domains where impact is easily understood, tangible, and shared by a broad community. In practice, crowdfunding delivers the strongest results in projects related to social innovation, territorial regeneration, environmental protection, culture, sustainable tourism, and, more generally, in initiatives that generate visible local benefits with a clear collective dimension.

Crowdfunding is most effective when it does not merely finance an activity but activates a relationship between citizens and territories, beneficiaries and institutions, and local realities and broader policy objectives. In such contexts, fundraising becomes a tool for social as well as financial validation, representing a crucial added value within a match-funding approach involving Interreg resources.

A concrete example from my experience is the “Blue Crowdfunding” campaign, an initiative supporting projects focused on the protection of marine and coastal ecosystems. In this case, match-funding proved successful because the theme was immediately recognisable, cross-cutting, and capable of transcending geographical and administrative boundaries. Contributors were not supporting a single project in isolation but rather a shared cause with strong environmental relevance and symbolic value. The campaign demonstrated how crowdfunding can mobilise not only financial resources but also public attention, participation, and a sense of shared responsibility, thereby creating a community of supporters that extends beyond the funding cycle.

This dimension is particularly relevant for Interreg, which by its nature addresses challenges shared across territories, such as climate change, the protection of natural resources, and the sustainable development of coastal and river areas. Based on my experience, within a match-funding strategy, crowdfunding is most effective when it engages communities around tangible European themes and makes the connection between EU policies and citizens’ everyday lives visible. In this sense, crowdfunding should be understood not merely as a financial instrument but as a powerful lever for territorial cooperation and the creation of cross-border public value.



Resources and references



- [Regulation \(EU\) 2020/1503 Regulation - 2020/1503 - EN - EUR-Lex](#)
 - [Unlocking the crowdfunding potential for the European Structural and Investment Funds \(ESIF\), DG REGIO 2021](#)
 - [Marche Region. \(2021\). Capacity building of BLUE economy stakeholders to effectively use crowdfunding: Transnational position paper on complementarity of civic crowdfunding with ESI funds. Interreg MED Programme](#)
 - [Document developed in the framework of the CROWD-FUND-MACTH project: COMMON FUND-MATCHING SCHEME METHODOLOGY, PILOT PROJECT PLANS & PEER TO PEER MENTORING PLANS PRESENTATIONS](#)
 - [CROWD-FUND-PORT project](#)
 - [BLUE CROWDFUNDING project](#)
 - [Bauhaus4MED project](#)
 - [DANUBE WOOD\(s\)ROUTE project](#)
 - [CROWN project](#)
 - [REPair PERspective project](#)
 - [CROWDFUNDMATCH project](#)
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