CIVIC CROWDFUNDING: 
The experience of the Municipality of Milano

Smart City Unit
Department for Economic Innovation and sustain to enterprises
Directorate of Urban Economy
Labour Policies, Economic Development, Commerce and Human Resources,
Comune di Milano, Italy
Who we are

The Directorate for Urban Economy and Employment coordinates the city economic development functions: training and employment policies, trade and production activities, innovation and business support.

Starting from 2011, the Municipality of Milan has implemented a series of activities to combine the development of innovation and social inclusion of the most fragile segments of the city.
The context in numbers – the city of Milan

Summary statistics
• Population: about 1.400.000 inhabitants;
• Metropolitan area + 3.200.000 inhabitants (one of the most densely populated areas in Europe);
• Under 14: 13.8%; between 15 and 64: 63.8%, over 65: 22.5%;
• Foreigners: 8%, more numerous among young people (about 25%).

Economy and labour
• Milan produces about 10% of the national GDP
• GDP per capita: 46.000 euros (average Italy 25.000);
• 300.000 companies, 50% services, 25% trade;
• Vocations: Agri-food, finance, manufacturing, life sciences, cultural and creative industries;
• Employed 68.4% (+ 10% compared to the Italian average);
• Unemployed 7.5% (Italian average 11%); 18.6% youth unemployment (28.4% Italian average).
A city with different paces

THE CITY CENTRE AND “NEW CITY CENTRES”
- Local added value
- Number of companies (double the national average)
- Export + 4% (back at pre-crisis levels)
- University students + 13%
- Tourists 3 million (+ 13.1%)

RUNNING AHEAD:
the city recovered from the crisis thanks to innovation, growing tourism and investments

DEGRADED PERIPHERIES
- 20,000 families receive income support
- one minor every 20 at risk of school dropouts
- 70 thousand NEET

STAYING BEHIND:
…but the polarization between different parts of the city and society is likely to increase
The challenge

- Milan has a strong tradition of civic mutualism and a rich local ecosystem of social economy
- There are many hybrid enterprise and bottom-up social innovation experiences, especially in the peripheries
- Growing interest in social innovation by national and European institutions, the third sector, impact finance and operators of the mainstream economy (real estate funds)
- Cutting of public funding for the third sector
- Bottom-up realities struggle to consolidate economically
- Difficult relationship between third sector, bottom-up experiences and ethical finance
- Difficulty to innovate within the third sector

POLICY CHALLENGE

- How to consolidate the experiences of social innovation and new hybrid economy?
- Which policies to bring together bottom-up practices, social impact finance and traditional economy operators?
The Municipality is maturing experience in supporting hybrid forms of entrepreneurship for urban regeneration. The new financed actions will be supporting new companies with a social impact at the peripheries. The civic crowdfunding is one of these actions.

**POLICIES FOR NEW HYBRID ECONOMIES**
Microcredit, reuse of public buildings, social enterprise funding etc.
€ 5.340.000 Municipality & central government

**BASE MILANO**
Ex Ansaldo industry space regenerated to become a Cultural Hub open to events, coworking spaces and creativity initiatives.

**CIVIC CROWDFUNDING**
First in Italy for social impact civic projects. 50% budget crowdfunding + 50% Public administration
€ 656.549 Municipality

**OPEN AGRI PROJECT**
Experimentation of an urban agriculture district in the south area of Milan
€ 6.246.000 total EU budget
FESR 2014-20 UIA program

**INCLUSIVE INNOVATION HUB**
Support for hybrid enterprises with a social impact at the periphery
€ 4.800.000 Pon Metro Milano
€ 1.200.000 POR FESR Lombardy
€ 1.800.000 funding search
The civic crowdfunding in Milan

With this initiative Milan Municipality represents **the first case** in Italy of a **local government** that uses the crowdfunding tool for a **collective funding** in favour of **projects of public interest** with a social impact, in match-funding with the Administration and with the contribution of individual citizens, non-profit organizations and private companies.
Goals of the civic crowdfunding:

- Experiment **innovative ways to finance** projects of public interest
- Encourage the **pooling of public and private resources** to support high-impact social projects
- Contribute to the spread of **new fundraising models**
- Promote a **direct citizens involvement** in the Public Administration choices and decisions
Towards Milan’s Municipality crowdfunding

PREPARATORY ACTIONS

The initiative starts with the collaboration between two Departments:

- Business, Commerce, Human Resources Division (Councillor Cristina Tajani)
- Social Policies, Rights and Health (Councillor Pierfrancesco Majorino)

STRATEGIC FRAMEWORK

- Welfare’s Development plan of the City of Milan 2012- 2014 - September 2012
- Milano Smart City guidelines - Maj 2014
- List of Sharing Economy Operators and Experts - April 2015
- «Milano white paper on Social Innovation – accelerating social ecosystem for social innovation» - March 2016
The three phases of the civic crowdfunding:

**PHASE 1**: identifying the crowdfunding platform
Tool: public procurement tender

**PHASE 2**: identifying projects to be published on the platform.
Tool: public call, with specific selection criteria.

**PHASE 3**: designation of the winning projects that thanks to the donations gathered by the community, are worthy also of the Municipality’s contribution.
Tool: public crowdfunding campaign
<table>
<thead>
<tr>
<th></th>
<th>The creation of <strong>a city without tangible and intangible barriers.</strong></th>
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<tbody>
<tr>
<td>2</td>
<td>The introductions of <strong>technological innovations for urban connectivity.</strong></td>
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<tr>
<td>3</td>
<td>Ways of <strong>reducing the digital divide</strong> (citizens and enterprises) to enhance the possibilities of economic growth and development by using ICT.</td>
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<td>4</td>
<td>Innovative projects to better <strong>promote information about mobility and cultural activities</strong> to improve the <strong>quality of life</strong> of each citizen and improve social inclusion</td>
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<td>Innovation of <strong>care services</strong> and moves to improve the work-family life balance so as to use resources more collectively;</td>
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<td>6</td>
<td>Development of <strong>social and community networks</strong> to realize initiatives of sharing, reciprocity and collaboration.</td>
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Rules / Projects selected

• 54 projects were submitted to the Commission for evaluation
• Up to € 50,000.00 funding per project. The budgets’ amounts varied according to each project

• Total budget at disposal: € 400,000.00
• A group of 22 projects was identified by the Commission. These were included in a list, ranking 1-22, according to the score/merit.

• The 22 projects were admitted to the online campaign of crowdfunding. 2 Of them withdraw, and 20 of them activated the crowdfunding campagh on the platform; they appeared in order, according to the ranking list, in four different rounds.

• Each round lasted 50 days, in order to gather the donations by the community.
  • I CAMPAIGN: April 29th – June 19° 2016
  • II CAMPAIGN: June 13th – August 4° 2016
  • III CAMPAIGN: September 15th – November 4° 2016
  • IV CAMPAIGN: October 31st – December 19° 2016

Those who collected 50% of their budget from donations, would get from the City of Milan a co-funding equal amount to the remaining 50%.
Projects that reached the goal

You can click on the underlined titles, to be redirected to the presentation of every single project, included the video-trailer presented on the crowdfunding platform.

**COSTRUIRE L'IMPROVVISO** («Setting up suddenly»)

Setting up a public space of aggregation in the farmstead Cascina Torrette. The envisaged interventions concern three conceptual areas: 1) green, 2) ICT and 3) community development. Objective of the project is to give back the city a space that is open to the public and encourages events of gathering and connection among citizens.

Project Budget: € 28.638
Donations: € 14.975

**# TIFACILITALAVITA**

The project promotes social aggregation, pooling resources in two spaces that have become "territorial platforms": places where citizens are proactive for their community. Both places are at street level with windows facing the street and therefore keen on listening to each other's needs.

Budget di progetto € 20.000
Donations: € 10.010

**LE ISOLE DI WENDY** («Wendy's Islands»)

Creation of a multifunctional space, subdivided into 5 macro areas which will offer islands/pieces welfare services in the neighbourhood entirely dedicated to women.

Project Budget: € 30.000
Donations: € 15.072
Projects that reached the goal

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**GALLAB**
(«Lab for Gallaratese neighbourhood»)
Creation of a “neighbourhood’s FabLab” through the renovation of a space in the Gallaratese Neighbourhood; the place has become a hub for locals for designing, sharing and exchange.
Budget: € 50.000
Donations: € 25.225

**SICUREZZA D’ARGENTO**
(«Silver Safety»)
Implementing a service that aims to grant more safety to the elderly people living alone in their homes, supporting their families with non-invasive systems and with the support of qualified operators.
Budget: € 44.000
Donations: € 22.765

**LA CASA SULL'ALBERO**
(«the house on the tree»)
Co-designed and participated construction of a “house on a tree” in a public space (“Gorlini space”), making the whole area more attractive and stimulating the participation and socialization around the public space.
Budget € 6.500
Donations € 3.290
Projects that reached the goal

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**POMODORTI URBANI**
Recovery of an abandoned space in Quarto Oggiaro neighbourhood, with the aim of creating a shared vegetable garden managed by citizens, in which socialization and aggregation activities take place
Budget € 20.000
Donations € 10.006

**ORTISSimi: LA FABBRICA DELLE IDEE**
Implementation of an agricultural market that integrates online sales of organic products with activities related to education and to startups related to the green economy
Budget € 15.000
Donations € 7.501

**CN SMART L'HUB**
Implementation of an integrated service that includes multifunctional laboratories, an online portal, and educational activities: all with the aim of intervening in the field of social diseases and promoting young people's resources.
Budget € 60.000
Donations € 30.945
Projects that reached the goal

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**MEDICINEMA, UN NUOVO SERVIZIO ALLA PERSONA**
The project brings a cinema into Niguarda Hospital in Milan and is to be spread among other nursing homes. As a side project, the activation of training courses on psychological relief therapy
Budget € 70,000
Donations € 35,230

**SO LUNCH**
Creation of a platform that hosts a community of hosts that offer a service of lunches to workers at their home during the lunch break.
Budget € 40,000
Donations € 20,032

**CINEWALL**
Creation of an “unconventional” space in which to promote the culture of cinema, adapting the offer to particular needs, like the ones of people from different linguistic communities. The projections will always be in the original language.
Budget € 100,000
Donations € 50,147
Projects that reached the goal

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**CHILD EXPLORER**
Implementation of a service for the protection of children within the city, through a device consisting of an App, a smartwatch and a pervasive game to make children protagonists of their welfare.
Budget: € 10.000
Donations: € 5.255

**GLI ALTRI SIAMO NOI**
Setting up an interactive exhibition that focuses on prejudice and discrimination, involving classes of students.
Budget € 20.000
Donations € 10.857

**IL CANTIERE DELL'ORTICA**
Creation of a space destined to welcome artists in a cultural incubator in which professionals will welcome the aspiring artists.
Budget € 44.411
Donations € 22.510
Projects that reached the goal, and the Overview

You can click on the underlined titles, to be redirected to the presentation of every single project, included the video-trailer presented on the crowdfunding platform

**FACCIAMO LA FESTA ALLA MAFIA**
(«Let’s celebrate, against the mafia»)
Project based on the reuse of Casa Chiaravalle, a space formerly used by criminals for their practices and therefore confiscated by the State. The aim is to bring the space to its dimension of “usual urbanity” («urbanità consueta»), enabling the local community to regain its possession.
Budget: € 98,000
Donations: € 49,316

**Overview:**

- **16 PROJECTS OVER 18 REACHED THE GOAL**
- **PERCENTAGE OF SUCCESS OF THE INITIATIVE 88 %**
- **COMPAARED TO USUAL PERCENTAGE ON EPPELA 60 %**

- 60% projects presented by profit companies
- 40% projects presented by non-profit realities (Associations, NGOs…)
Economics - synthesis of the achieved results

- Total amount raised by the four crowdfunding campaigns € 333,136.00
- Contribution from Milan’s Administration € 323,413.00
- Potential investment in the territory € 656,549.00

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<thead>
<tr>
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<tbody>
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| contribution given to profit enterprises | € 194,977,00 |
| contribution given to no profit enterprises | € 128,436,00 |

- € 656,549 financing collected in total
- € 323,413 Milan Municipality co-financing

The total number of donors have been over 1,600 people
Thanks for you attention!
Grazie per l’attenzione!

milano_smartcity@comune.milano.it

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