

What sources of funding are there in the Cardano Ecosystem

Navigating the world of funding can be complex, whether you are creating a DApp, looking for research funding or improving Cardano, so here is a quick guide of options to consider.

Project Catalyst

<https://projectcatalyst.io/>

The world's largest decentralisation engine for solving real world problems, they have funding rounds every few months and ADA ready to allocate to good ideas. You get 3 weeks to submit proposals that answer funding round challenges then the community vote for what they want to see funded. Many of the projects are focused on improving the Cardano ecosystem and the Catalyst program solves 'top down' decision making on what is best for Cardano by using a community driven approach. You can find details of funded ideas and proposals [here](#). Project Catalyst has allocated 150m ADA to community projects in 2024.

Crowd Funding

Crowd funding offers a powerful way of attracting investment and allowing you to test market ideas and validate ideas. Because you are backed by an investment community they can provide a powerful source of feedback and support and there are a range of funding models. You can also use crowd funding to demonstrate market demand that will drive engagement for other funding models.

Top ones to consider are [Kickstarter](#), [Indiegogo](#), [GoFundMe](#), [Patreon](#) and [Seedrs](#)

Venture capital

There are a huge range of Venture Capital companies that can support companies that have grown beyond incubation and early stage. They would take a share of equity in return for investment and operational expertise.

See <https://openvc.app/blog/vc-list> for a list of VC lists. Alchemy also provide a list of [Web3 VC firms](#). You can also find out more from the [Intersect Funding Special Interest Group](#) which touches on VC basics, additional sources and offers a business plan template.

There is also decentralised venture capital on the Cardano blockchain. See for example [Token Allies](#). Also check out <https://www.wafflecapital.xyz/> who focus on promising native assets and protocols in the Cardano ecosystem.

Accelerators and Incubators

Suitable for very early stage projects. For a wider list of Incubators that you would need to explore further from, [IncubatorList.com](#), [XYZ lab](#), [Crunchbase](#) or [Golden.com](#). [F6s](#) and <https://sovo.com/> is also a useful resource. You will then need to see what might map to your chosen location, vertical and the expertise of the accelerator or incubator.

You might also want to do further research to see which accelerators and incubators in your region specialise in Web3 or crypto based solutions. If they do not specialise in the area they may only be able to provide limited guidance in the technology domain, though may still be valuable for other areas.

Angel investment

Angel investors pool resources and expertise to invest in early stage, high growth businesses. They are often young companies that are higher risk, and the angel investors typically provide mentorship, network connections and access to capital. See <https://www.angelinvestmentnetwork.co.uk/network> or [Angel List](#) to find angel investors in your area and list your project.

Distributing own token

You can create a new token representing your project and sell it to investors in exchange for ADA. You can then use the funding to finance your project's development. For a successful Initial Coin Offering you will need clear token utility within your project's ecosystem. For example it could grant access to features, services, governance or votes. You may also need to look at ICO regulation locally as it varies significantly.

Cardano uses smart contract for secure and automated token distribution which define terms including token price, sale duration and investor limitations. See [Minting Native Assets](#) for further details. See [Launchpad section](#) of Cardano Cube for companies that can help you raise funds through your own tokens.

Grants from Intersect

<https://docs.intersectmbo.org/intersect-community-grants/open-grants>

Focused on the continuity and development of the Cardano ecosystem, Intersect offers grants for strategically important initiatives.

Intersect also operates the [Intersect DevTrust](#). This funding enables a collection of members to continue supplying technical services to deliver the core operations.

Government Grants

If you are running research projects or starting up a new business, you may have local Grants that can support your setup. The support available really depends on where you are. For example in the UK see [UK Government guidance](#) and [F6S](#) which provide details of how to apply for a number of grants for those companies that have the majority of their workforce based there.

Bank loans

You could apply for a bank loan to expand, which can give you the advantage of retaining 100% equity in return for paying the interest rate and potentially having other collateral at risk depending on the size of the loan.

Friends and family

Particularly challenging as you expose your friends and family to the risk and reward, this can be an option for early stage startups.

Project finance for equity (SPVs)

These are project specific vehicles for funding that is sometimes used in the games industry. Companies create 'Special Purpose Vehicles' (SPVs) to ensure a clear legal separation of the project that a developer is creating from the developer that is creating it. The SPV houses the intellectual property rights and the SPV subcontracts development to the developer who is usually funded on the basis of hitting key milestones. The proceeds from sales are then returned to stakeholders at a pre-agreed rate, often until a profit level is reached and then is further shared with the developer. It's usually aimed at smaller projects and in locales like the UK is often coupled with local tax reliefs to mitigate the risk.

Web3 game developers can also look at publisher mediated funding models.