

## **Introduction Problem Statement, Objective(s) of the work**

### **➤ Introduction**

- Crowdfunding has emerged as a powerful method for raising capital from a large number of individuals, typically via online platforms. Traditional crowdfunding platforms, however, are often centralized, requiring users to place their trust in a single intermediary that manages funds, enforces rules, and governs interactions between project creators and backers.
- These centralized systems are susceptible to issues such as high fees, lack of transparency, censorship, fraud, and single points of failure.
- A Decentralized Application (DApp) for crowdfunding leverages blockchain technology and smart contracts to eliminate the need for a trusted third party. By operating on a decentralized blockchain, such as Ethereum, the DApp allows for direct, peer-to-peer interactions, greater transparency, and automatic enforcement of campaign rules via smart contracts. This ensures secure and trustless transactions, democratizing access to capital while protecting both fundraisers and contributors.

### **➤ Background and Motivation**

- Traditional crowdfunding platforms like Kickstarter or GoFundMe have shown the viability of collective funding models. However, they come with limitations:
- **Centralized Control** : These platforms act as gatekeepers, with the authority to approve, suspend, or alter campaigns.
- **High Fees**: A significant percentage of raised funds can be lost to platform fees and payment processing charges.

- **Limited Transparency** : Contributors have limited visibility into how funds are being managed or spent after a campaign is funded.
- **Geographical Restrictions** : Not all users worldwide have equal access to use or launch campaigns on centralized platforms.
- Blockchain technology offers a compelling alternative. With smart contracts, crowdfunding rules can be coded and enforced automatically.
- For example, funds can be released only when specific milestones are met, or refunded automatically if a campaign fails to reach its goal.
- The motivation behind building a DApp for crowdfunding lies in creating a more transparent, secure, and inclusive funding environment.
- It empowers users to raise or contribute funds with confidence, knowing the rules are enforced programmatically
- and the system is not controlled by any single party.