

Act4Greece: a crowdfunding tool to support the social economy

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Crowdfunding is a fast-growing alternative form of financing that can efficiently channel funding into various social and innovative business initiatives which benefit the economy and society.

During turbulent economic times, when funding from public sources dramatically shrinks, crowdfunding can provide an alternative way to support both the social economy and humanitarian activities.

The Greek crisis has caused enormous economic and social damage, but it has spurred considerable initiatives that aim to support social inclusion and to restore social cohesion. Even though Greece is lagging behind in accessing crowdfunding-based funding, the financial crisis and the liquidity squeeze have created incentives for the development of a number of innovative financial instruments, including crowdfunding platforms.

The **act4Greece** program (www.act4greece.gr) is a pioneering initiative, developed by the National Bank of Greece, for the promotion of social and developmental banking. It aims at mobilizing financial resources from within and outside Greece and channeling them effectively – with full transparency and accountability – to projects which meet pressing needs of Greek society and support innovative ideas and entrepreneurship.

Thematic areas for project implementation include welfare, health and social solidarity, social economy and entrepreneurship, culture and cultural entrepreneurship, environment and sustainability, research, education and training, young and innovative entrepreneurship and sports.

The various **act4Greece** projects are being implemented by independent entities (e.g. NGOs, Charities, Foundations, Institutes etc.) with a solid track record on the ground. The program's specially designed platform is expected to leverage the full potential of the crowdfunding financing model. The **act4Greece** program is currently supporting grant-based projects.

However, once the appropriate legislative framework is put in place, it will cover all types of crowdfunding participation, including microfinance and loans as well as equity participation. **Act4Greece** will thus enable start-ups and other young, innovative and export-oriented firms, including SMEs, to access finance, stimulating innovation and job creation in the Greek economy.