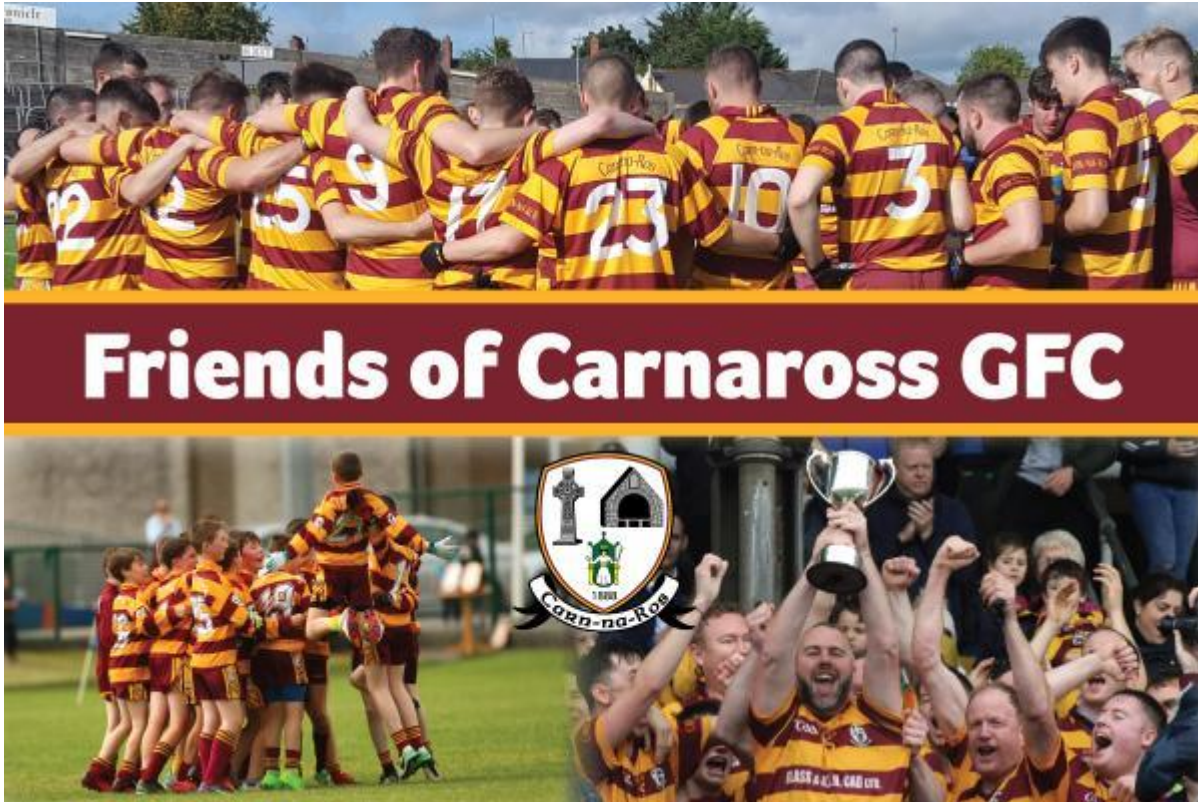


Social Finance Foundation announces two funding initiatives for community organisations and social enterprises in Ireland



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- **€44m in additional low-cost funding from Irish banks**
- **€25m in Loan Guarantees from European Investment Fund**

The announcement today by Social Finance Foundation, of two new Agreements will mean greater access to social finance loans for organisations in the social sector. The announcement has been welcomed by An Taoiseach, Leo Varadkar TD.

Under the first Agreement, the Irish banks (AIB/EBS, Bank of Ireland, permanent tsb and Ulster Bank) will make available an additional €44 million in low cost funding to the Foundation over the period 2021 to 2025.

Under the second Agreement, the European Investment Fund has agreed to provide loan guarantees totalling €25m to support new lending by the Foundation. The €25m Loan Guarantee is being made available under the European Union's Employment and Social Innovation programme, part of the Investment Plan for Europe.

The bank funding is in addition to a €25 million gift originally provided to the Foundation by the Irish banks in 2007, as well as in addition to an

existing €72m low cost loan facility made available by the banks during the period 2009 to 2020. All financial support from the banking sector has been facilitated through the auspices of Banking & Payments Federation Ireland (BPMFI) – the sector’s representative body.

The European Investment Fund guarantee will cover 60% of any loan losses and the Foundation and its partners will take the remaining 40%. The guarantee covers loans up to a maximum of €500k and is valid for the first ten years of the life of the loan. Until now, some social finance loans could not be funded because of the risk involved. Now with the EIF guarantee agreement, the Foundation through its partners can offer social finance to a greater range of social sector organisations. This Guarantee Scheme is one of many examples of the EU’s commitment to the social economy under its Employment and Social Innovation (EaSI) programme.

Welcoming today’s announcement, An Taoiseach, Leo Varadkar TD, stated:

“This announcement is good news for community groups, sports organisations, charities and social enterprises around the country. This finance is specifically targeted at projects that deliver a social benefit to their local communities. It is important in these challenging times that we do our utmost to help social organisations, as they seek to build better communities and help some of our most vulnerable people. I would like to acknowledge the ongoing commitment of Irish banks to this initiative, and the new loan guarantees provided by the European Investment Fund towards a range of social and community projects.”

SFF CEO, Brendan Whelan said:

“These two agreements will not only enable the Foundation to continue to provide social finance to community groups and social enterprises but also to increase such funding to local communities and projects. The Foundation is deeply grateful for the continuing support of the Irish banks, without which it could not operate. We also wish to acknowledge the commitment of the EU (through the EIF) to the social economy, whose importance has never been more evident than in these difficult days”.

Andrew McDowell of European Investment Fund said:

“The European Investment Bank Group is stepping up support for social investment at a time when the sector is facing unprecedented challenges and increased demand. Our first partnership with the Social Finance Foundation, in cooperation with Irish banks, will strengthen the long-term impact of social projects within vulnerable communities across Ireland in the months and years ahead. This innovative initiative demonstrates the real impact of the European Investment Bank and European Investment Fund engagement to improve lives and opportunities in Ireland.”

Brian Hayes of Banking and Payments Federation Ireland stated:

“Through the provision of low-cost finance to Social Finance Foundation, our member banks are very pleased to indirectly finance a myriad of social and

community projects that would otherwise find it difficult to qualify for mainstream funding. Now more than ever it's critical that people are supported in rebuilding the fabric of their communities. Our banks are delighted to help deliver the projects that will greatly facilitate that rebuilding process."

About Social Finance Foundation

Social Finance Foundation was established as a Government initiative in 2007. It is an independent organisation and provides loan funding through its lending partners Clann Credo and Community Finance Ireland to social organisations, which do not meet the credit criteria of mainstream financial institutions. Loans of over €120m have been granted to over 1,000 social projects around the country since inception in 2007. Typical projects include social enterprises, community centres, community sports clubs, community arts and tourism initiatives, social care organisations (children, elderly, disabled), playgrounds, niche housing associations etc. Some of the projects deal with the most vulnerable in Irish society in some of the more disadvantaged areas.

The Banking Industry in Ireland is a critical partner of the Foundation. Their provision of €25m by way of gift to SFF in 2007 as well as a total of €116m in low-cost funding between 2009 and 2025 has been and remains critical to the sustainability and success of social and community projects all over the country. This funding will enable even greater levels of financial support to the social sector in the coming years.

Background information:

The Social Finance Foundation was established in 2007 by the Government to address the needs of community organisations and social enterprises for loan funding which does not meet the credit criteria of mainstream financial institutions. Using low-cost finance provided by banks the Foundation in turn provides funding to its lending partners, Clann Credo and Community Finance Ireland.

Microfinance Ireland (MFI) is a subsidiary company of the Foundation which provides loan funding of €2,000 to €25,000 to help start-ups and established micro businesses to get the finance they need for their business. Since start up in 2012, MFI has approved loans of €34m to over 2,300 micro businesses supporting over 6,000 jobs. The Foundation has also played a critical role in the Personal Microcredit initiative with the Credit Unions to address the excessively high interest rates charged by licensed money lenders.

While a larger number of BPFII-member banks contributed to the initial funding of the Foundation, this latest tranche of funding is supported by AIB, Bank of Ireland, EBS, permanent tsb and Ulster Bank.

Two examples of the type of community-based activities supported.

Headway, Dublin, Cork & Limerick – supported by SFF / Clann Credo

Headway is a Not for Profit Irish Charity that provides rehabilitation

services to adults (18+) who are affected by brain injury. Acquired brain injury is often referred to as the hidden disability because its long-term problems are often in the areas of thinking and behaviour and are not as easy to see and recognise as many physical disabilities.

Headway was founded in 1985 as a support group by families and interested professionals to address the needs of people with brain injuries and their carers and families. The Charity now has centres in Dublin, Cork, Kerry and Limerick along with an Information and Education service in the South East. The Acquisition of the Dublin and Cork premises was supported by Social Finance Foundation and Clann Credo. Headway provided services to 1,342 people in 2019. Services include a Lo-call National Information and Support Helpline, Day rehabilitative services, Group Work, Individual Client Work Involving key workers working with clients, Rehabilitative Training Services, Psychological Services and a Community Integration Service providing one-to-one support.

Carnaross GFC Co. Meath – supported by SFF / Community Finance Ireland

With a current membership of almost 450 this GAA club was beginning to run out of space and needed to modernize and build for the future. Its growing, diverse and vibrant membership recognized a new clubhouse was needed. One that could support both young and adult level requirements. This project was costed at €318K. The community and members came together, raised a significant amount of funds themselves and secured some grants. But they had a shortfall. Their term loan was the solution to this short-fall and Community Finance Ireland were delighted to help, as the management and the club was proof of a sustainable and viable community project. Today their new clubhouse is operational. It has all the modern facilities you would expect such as new dressing rooms for all plus the ability to support the ongoing community connections and foster the love of the game.