**Press Release**

**\*EMBARGOED Until Monday 19th July at 6am\***

**Social Finance Foundation announces €44m in Special Loan Funding to Community Projects, Charities, Sports Groups & Social Enterprises**

* 2020 Social Finance Foundation Annual Report reveals it approved €41m worth of social finance loans across Ireland in 2020 - Munster 34%, Leinster 34% (22% excluding Dublin), Connaught 19% and Ulster 13%.
* Over 460,000 people, 1 in 11 people in Ireland, availed of facilities supported by SFF in 2020.
* Funding from the Irish banks has enabled the Foundation to lend over €143m to more than 1,500 organisations since 2007, through partners *Clann Credo* and *Community Finance Ireland*.
* In 2020, subsidiary *Microfinance Ireland* approved €27m in loans to micro-enterprises.
* Social Finance Foundation welcomes legislative progress on capping interest rates charged by moneylenders.

**[19, July 2021] – Dublin:** *Social Finance Foundation* advises community groups and social enterprises across Ireland that €44m in special loan funding is available through its two partners – *Community Finance Ireland* and *Clann Credo.* The funding is provided by Ireland’s four largest retail banks – AIB, Bank of Ireland, Permanent tsb and Ulster Bank, with additional support from the European Investment Fund.

Loans of up to €500,000 can be obtained, at competitive rates, for community-based projects, charities, sports groups, and social enterprises.

Since it’s inception in 2007, the not-for-profit *Social Finance Foundation* has been funded by AIB, Bank of Ireland, Permanent tsb and Ulster Bank, firstly by way of a €25m non-repayable grant, followed by €116m in two tranches of loan funding at low interest rates for the combined period 2009 to 2025. The bank funding has enabled the Foundation to lend over €143m to more than 1,500 organisations since 2007. This loan funding has enabled such social organisations to achieve their goals, delivering strong social benefits to their local communities.

The Foundation also enjoys the support of the European Investment Fund through a €25m loan guarantee facility.

***2020 Annual Report Highlights***

The availability of €44m in special loan funding through *Social Finance Foundation’s* partners, *Clann Credo* and *Community Finance Ireland,* comes as the *Foundation* releases its Annual Report for 2020. The efforts of the volunteers in local community groups have been remarkable and the sector has proven itself to be very resilient during these challenging times.

* Despite the reduced activity of community groups under lockdown phases, 2020 saw total loans worth €41m approved and €22m drawdown.
* The funding was apportioned across Ireland with Munster accounting for 34%, Leinster 34% (22% excluding Dublin), Connaught 19% and Ulster 13%.
* In excess of 460,000 people, one in 11 people in Ireland, availed of or visited SFF supported facilities during the year.
* 1,200 jobs were supported (mostly temporary) by SFF and its service partners (*Community Finance Ireland* and *Clann Credo*) – up 80 jobs from 2019.

**Minister for Finance, Paschal Donohoe** said: *“I welcome today’s announcement by Social Finance Foundation that €44 million of loan funding is available for community-based projects, charities, sports groups and social enterprises.  This support is incredibly important, now more so than ever, given the impact the pandemic has on traditional fundraising methods. Many of the organisations who will avail of this loan funding have played a significant part in the community response to Covid-19 and this serves as a reminder of the value of the work which Social Finance Foundation, in conjunction with its partners Clann Credo and Community Finance Ireland, does to support the social sector”.*

The **Chair of *Social Finance Foundation*, Aidan Barry** said: *“We are focused on supporting the Government’s plan to reopen and rejuvenate Irish society after lockdown. In keeping with our motto ‘Finance for Social Good’, we have a key role to play, with our partners, Community Finance Ireland and Clann Credo, the Irish retail banking sector, and the European Investment Fund, to reach those sectors in local communities that find it hardest to access loan finance. Even a modest amount of funding can have transformational impacts on communities and the quality of life of the people who are active within them. After 15 months of the pandemic and emerging from a third lockdown, this have never been more important ”.*

**Brian Hayes, Chief Executive, Banking & Payments Federation Ireland stated:**

*“As local projects and organisations the length and breadth of the country strive to rebuild the fabric of their communities in the wake of the pandemic, financial support for this sector is essential and needed now more than ever. Through the provision of low-cost finance to Social Finance Foundation, the country’s four largest retail banks, AIB, Bank of Ireland, permanent tsb and Ulster Bank, are very pleased to indirectly finance a myriad of social and community projects that would otherwise find it difficult to qualify for mainstream funding. And as the country continues to open, our banks are delighted to play our part in delivering the projects that will greatly facilitate that rebuilding process.”*

*Social Finance Foundation* also serves micro-enterprises (employing less than 10 people) by providing loans of between €2,000 and €25,000 through its subsidiary, *Microfinance Ireland*. *Microfinance Ireland* played a very important role during the lockdown periods in 2020 in providing €27m of much needed credit to those micro-enterprises that were negatively affected by Covid19. This was an increase of 350% from 2019 (€6m).

***Legislation on Moneylending***

*Social Finance Foundation* also continues to work diligently on an initiative to cap very high interest rates charged by licensed moneylenders to the most vulnerable in our country. The Foundation is pleased that legislation is now being tabled to implement such a cap and thus facilitate access to credit at reasonable rates.

**2020 Allocation of Social Finance**

***By Activity***

35% to Community & Voluntary Projects (€15.9m) – down 5% from 2019

41% to Sports Clubs (€18.6m) – up 7% from 2019

7% to Social Enterprises (€3.2m) - down 2% from 2019

5% to Social Care Housing (€2.3m)

4% to Arts, Heritage & Tourism (€1.85m) - down 1% from 2019

8% to Other projects (€3.5m) – up 1% from 2019

***By Region***

34% in Munster (€15.4m) – down 1% from 2019

22% in Leinster – excl. Dublin (€9.8m) – up 3% from 2019

19% in Connaught (€8.65m) – down 1% from 2019

13% in Ulster (€6.1m) – down 1% from 2019

12% in Dublin (€5.4m) – down 1% from 2019

***By Lending Profile***

80% Term Loans, 1-10 years (€36.3m) – up 6% from 2019

20% Bridging Loans (€9.05m) – down 6% from 2019

***Social Finance Impact of Funding\****

17,400 children using community facilities – up 1,280 from 2019

107,190 people using community facilities – up 7,940 from 2019

150,330 people using sports facilities – up 11,130 from 2019

7,400 social care users – up 500 from 2019

181,980 visitors – up 13,480 from 2019

1,200 jobs supported (mostly temporary) – up 80 from 2019

*\*Estimates: based on pre-project-activation projections.*

*\*\*Social Finance funding may represent just a portion of a project’s total funding.*

**Link to 2020 Annual Report:** [SFF138-AR2020-digital.pdf](https://sff.ie/wp-content/uploads/2021/07/SFF138-AR2020-digital.pdf?x49447)

**ENDS**

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**About Social Finance Foundation**

*Social Finance Foundation* was established in 2007 by the Government of Ireland to address the needs of the community organisations and social enterprises for loan funding which was difficult to obtain from mainstream financial institutions. Acting as a ‘wholesaler’, it provides funding to its lending partners – *Clann Credo* and *Community Finance Ireland*. Its motto is – ‘Finance for Social Good’.

*Unique Funding Model*

*Social Finance Ireland* has an operating model unique to Ireland. It combines the State, acting through the Department of Finance, the Private Sector through the representatives of the participating banks (AIB, Bank of Ireland, permanent tsb, Ulster Bank), the Third Sector through the Social Lending Organisations (*Clann Credo* and *Community Finance Ireland*), and the EU through the support of the European Investment Fund. It is this extensive and interdependent combination of support that has enabled the Foundation and its subsidiary *Microfinance Ireland* to deliver on its mission to facilitate social development through utilising finance and financial expertise.

*Social Finance Ireland’s Mission*

**Our mission is threefold:** Firstly, generate a strong social impact by funding, through our lending partners, creditworthy projects with loan finance; Secondly, to support micro-enterprises by providing loan finance where such is difficult to obtain from mainstream sources; Finally, working collaboratively, to undertake research and deliver initiatives which promote social good, with the Irish Government and the Irish Banking Industry as our sponsors.