

# Conclusions

## Social Finance in Ireland

### INVEU-ICR-0050-2023 – Social Investment and Skills Window (SISW)

#### Short description of the financing or investment operation and its objectives

Name of the final beneficiary	Social Finance Foundation (SFF)
Countries of implementation	Ireland
Implementing partner	Council of Europe Development Bank (CEB)

The purpose of the Operation is to support the affordable financing of community, voluntary and social enterprise (CVSE) organisations and to contribute to (i) enhancing economic and social inclusion of vulnerable groups and (ii) promoting sustainable and territorial community development, with a focus on rural communities. The categories of end-borrowers supported by SFF, through its partner social lending organisations (SLOs), are: (i) community-based sports clubs and facilities, (ii) community and voluntary organizations and (iii) social enterprises and (iv) others.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 July 2023 for the above-mentioned operation.

The Operation addresses important market failures. While CVSE organisations have significant public and social added-value and many of them can mobilize significant public funding and some revenue streams, they face substantial constraints in accessing affordable, forward-looking financing from commercial financial institutions. The market failure is expected to deepen as private financial institutions have not expanded their financing of SFF for it to respond to the widening funding gap of CVSE organisations. SFF requires additional support from public partners which are willing to support it due to its social added value and its unique role and business model, including its risk-sharing mechanism with partner SLOs for lending to CSVEs.

The Investment Committee recognised the additionality of the Operation. Without the InvestEU guarantee and given the risk profile of the borrower, which is higher than that of the risk generally accepted in CEB's standard activities, CEB could not undertake this Operation. Moreover, the Operation will have highly concessional conditions in terms of pricing, amount, loan structure and maturity and will not have any collateral requirements.