

Social Finance Foundation

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What is Social Finance?

Social Finance is an alternative model of investment. It differs from conventional models in one key aspect: it demands that investments produce both a social and a financial return. There must be a tangible social benefit for any community.

About Social Finance Foundation

The mission of Social Finance Foundation is threefold: firstly, to generate a strong social impact by funding, through our lending partners, credit-worthy projects with loan finance; secondly, to realise the full potential of social finance in Ireland; 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.

Impact of Social Finance Foundation in 2023

2023 Drawdowns	2023 Number of Clients	2023 Number of Drawdowns
Community Sports, Health and Wellbeing		
€13.4m	127	206
Community & Voluntary Groups		
€5.8m	78	117
Social Enterprises		
€3.0m	18	30
Community & Family Resource Centres		
€1.1m	8	15
Arts, Heritage & Tourism		
€0.9m	11	17
New Irish Communities		
€0.7m	5	6
Social Care		
€0.5m	4	11
Education		
€0.1m	2	3
Grand Total		
€25.5m	253	405



Social Finance Foundation: The Model

Donated and low-cost funding provided by Irish Banks, Council of Europe Development Banks.

EIF Credit Guarantees in place to support riskier lending.

SFF, as the wholesale provider, manages donated funds, the credit guarantees and borrowed funds in the social finance sector and provides this to community lenders.

Community Lenders, Clann Credo and Community Finance Ireland, work directly with Social Enterprises and Community Groups to fund projects around the country for social benefit.

Benefits of Social Finance to beneficiaries

1. No personal guarantees.
2. Higher risk loans can be facilitated with a guarantee from the European Investment Fund.
3. Short term bridging finance to pre-fund Government grants.
4. Long term loans for longer term projects.
5. High level of support during the life of the loan.

Philanthropy and Social Finance

Philanthropy's involvement in social finance can lead to significant benefits for both philanthropic organisations and society at large. Here are some key benefits:

Amplifies Social Impact: Social finance enables philanthropists to leverage their capital more effectively by supporting sustainable and scalable solutions to social challenges, rather than relying solely on grants.

Promotes Sustainable Development: By funding projects with a social finance model, philanthropy encourages initiatives that generate long-term social and environmental outcomes while aiming for financial sustainability.

Increases Access to Capital: Philanthropy in social finance can help attract additional private and institutional investment by de-risking projects and

offering blended finance models, increasing the total capital available for social good.

Encourages Innovation: Engaging in social finance allows philanthropists to support innovative business models and social enterprises that tackle systemic issues in new and creative ways, often filling gaps where traditional funding falls short.

Enhances Collaboration: Social finance encourages partnerships between philanthropy, governments, businesses, and communities, fostering a more collective approach to addressing global challenges.

Generates Financial Returns Alongside Impact: Through instruments like impact investing or social impact bonds, philanthropists can earn financial returns while still achieving measurable social outcomes, allowing reinvestment into further philanthropic efforts.

Promotes Accountability and Measurable Results: Social finance typically emphasises outcomes and impact metrics, encouraging more data-driven philanthropy, with clear evidence of social return on investment (SROI).

Supports Systemic Change: Philanthropy's role in social finance can contribute to broader systemic changes by addressing root causes of social problems rather than just alleviating symptoms, driving long-term solutions.