

# Ministers Coveney, McGrath and McConalogue welcome AIB as lender for €500 million Growth and Sustainability Loan Scheme

13th November 2023

Allied Irish Bank Group (AIB) has today confirmed it is joining the €500 million Growth and Sustainability Scheme as a lender.

The scheme will provide eligible SMEs, including farmers, fishers, and Small Mid-Caps with competitively priced loans of between €25,000 and €3 million for terms of up to ten years, with loans of up to €500,000 available unsecured, when investing in the growth and resilience of their business, and/or contribute to climate action and environmental sustainability.

The loan scheme will target a minimum of 30% of the lending volume for environmental sustainability purposes with the aim of encouraging SMEs to take positive actions in support of the climate change agenda. Up to 70% of lending will be for strategic investments with a view to increasing productivity and competitiveness and thus underpinning future business sustainability and growth.

Loans for climate action and environmental sustainability purposes will also benefit from an additional interest rate discount.

**Minister for Enterprise, Trade and Employment, Simon Coveney, TD, said:**

*“I am delighted to welcome the addition of AIB as a lender under the €500million Growth and Sustainability Loan Scheme. The Growth and Sustainability Loan Scheme has unlocked significant funding to enable SMEs to avail of long-term finance at a lower cost to expand, diversify, improve productivity, and invest in energy efficiency and sustainability.*

*The environmental and sustainability focus of the scheme will act as an enabling instrument in our policy goal of a climate-resilient Irish economy. I look forward to the participation of a number of other lenders and financial institutions in the coming weeks.”*

**Minister for Finance, Michael McGrath TD, said:**

*“SMEs are the backbone of the Irish economy creating significant employment throughout the country. This Government is committed to supporting SMEs that*

*are investing in the growth and resilience of their business and to assist them as they play their part in the transition to an environmentally sustainable business model.*

*The Growth and Sustainability Loan Scheme, delivered by the Strategic Banking Corporation of Ireland using a counter guarantee from the European Investment Fund, is making €500 million in competitively priced loans available to SMEs, including primary producers.*

*These loans, ranging from €25,000 to €3 million, will enable SMEs to make essential investments in their growth and resilience, and in particular climate action and environmental sustainability. At least 30% of the scheme's lending capacity will go towards these areas, which are crucial to Ireland's sustainable transition, and which will benefit from a further 'green' interest rate discount.*

*I welcome AIB joining the scheme as an on-lender, as they today launch both growth and sustainability elements of the scheme."*

**Minister for Agriculture, Charlie McConalogue TD, said:**

*"It is a positive development to see a second lender go to market on the €500m Growth and Sustainability Loan Scheme (GSLs). I am glad to see that AIB will make loans available for both green and growth purposes. The agri-food sector has shown its ability to adapt to various challenges over recent years and it is important that we continue to provide the necessary support to assist with investment for growth and resilience, as well as for climate action and environmental sustainability.*

*My Department's funding for the GSLs will ensure its availability to farmers, fishers, foresters, and food businesses, including the seafood sector."*

**Kevin McKeon, Head of the European Investment Bank Group Representation in Ireland said:**

*"The European Investment Bank Group is delighted to improve access to finance for Irish businesses, farmers and fishers throughout Ireland via the innovative Growth and Sustainability Fund. This scheme is the culmination of hard work and close co-operation between the EIB, EIF, SBCI and the Irish government and the EIB Group look forward to being involved in many more such schemes in Ireland in the future. We also greatly welcome the participation of AIB in the scheme."*

**Colin Hunt, CEO of AIB said:**

*“We are pleased to partner with the SBCI once again, to offer businesses low-cost loans through the Growth and Sustainability Loan Scheme. This Scheme will support businesses as they invest in both growth and climate action, take measures to lower their carbon footprint and tackle climate change, delivering a more sustainable future for us all.”*

**June Butler, CEO of SBCI said:**

*“I am delighted to welcome AIB’s participation in the Growth and Sustainability Loan Scheme, which provides investment finance for Irish SMEs, farmers and fishers. Many businesses need the longer-term finance of up to 10 years made possible through the Growth and Sustainability Loan Scheme, to invest in strategic and ultimately sustainable growth. Loans provided by AIB will be at reduced interest rates and will be available unsecured up to €500,000. This Scheme is a key enabler of our commitment to supporting the growth, prosperity and the transition to sustainability of Irish businesses.”*

**How to apply**

The first step to apply for the Growth and Sustainability Loan Scheme is to submit an eligibility application online through the SBCI Hub.

Interested businesses should visit the SBCI website at [sbci.gov.ie](https://sbci.gov.ie) for further details and information.

For more information visit [Growth and Sustainability Loan Scheme](#).

**Ends**

**Notes for Editors**

**Key features of the scheme:**

- loans from €25,000 to €3,000,000
- repayment terms from 7 to 10 years
- loans unsecured up to €500,000
- competitive interest rates
- available until 30 June 2026 (or earlier if fully subscribed)

**Loans for growth**

These loans are for long-term investments towards the growth or resilience of the enterprise.

Loans will be allowed – subject to certain conditions - for, but not limited to, the following purposes:

- investments in tangible or intangible assets
- machinery or equipment
- research and development
- business expansion
- premises improvement

For a full breakdown of criteria and more information on how to apply for the scheme please visit [sbci.gov.ie](http://sbci.gov.ie).

### **Loans for climate action and environmental sustainability**

These loans are for long-term investment towards climate action and environmental sustainability.

Businesses wishing to invest in climate action and environmental sustainability may be categorised as one of the following:

- investment in green/sustainable measures
- any investment by SMEs classified as a green / sustainable enterprise
- any investment by farmers classified as a holder of a sustainable enterprise / green eco label

The scheme is open for a broad range of investments that can qualify for eligibility as investment in green/sustainable measures. These include but are not limited to:

- building upgrades and renovations
- roof and wall insulation
- replacement windows
- replacement of existing lighting with energy efficient LEDs
- electric vehicles and, electric vehicle charging points
- manufacturing of energy efficient equipment
- manufacturing of renewable energy equipment
- minimum tillage equipment
- tractor and harvester replacement
- agriculture building renovation or upgrade

Qualifying climate action and environmentally sustainable loans will receive a discounted interest rate when compared to equivalent loans.

For a full breakdown of criteria and more information on how to apply for the scheme please visit [sbci.gov.ie](http://sbci.gov.ie).

### **About EIF**

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

### **About the Strategic Banking Corporation of Ireland (SBCI)**

The Strategic Banking Corporation of Ireland (SBCI) was set up by the Department of Finance in September 2014 to ensure that SMEs in Ireland have access to stable, lower-cost, long-term funding options. By supporting and helping to develop an effective credit market for SME finance, the SBCI ensures that it is easier for SMEs to get the finance they need to prosper and build economic activity in Ireland.

**ENDS**