

Investing for inclusive regions and cities

CEB's unique mandate – promoting social cohesion in Europe – makes it a natural partner for regions and cities planning for a more sustainable future



Why cities and regions matter for inclusive growth

Cities are engines of economic growth in Europe, attracting an increasing number of people with job opportunities, access to education and better quality of life.

About 75% of the EU population lives in cities, and rapid urban expansion across the continent will see that number rise even further.

Given their proximity to citizens, subnational governments have an important role to play in areas that matter for inclusive growth: job creation, housing, education, health and social care services, as well as environmental protection and climate resilience. Yet, cities and regions

can suffer from limited access to finance and expertise.

Promoting inclusive growth through the financing of social infrastructure projects is one of the priority areas of operation for the Council of Europe Development Bank (CEB). In recent years we have stepped up cooperation with subnational governments who are on the frontline of implementing the policies and investment strategies to meet Europe's challenges.



AT THE FRONTLINE OF INCLUSION

Cities and regions are drivers of change in the three strategic areas of CEB operations – sustainable and inclusive growth, climate action and support to vulnerable groups.

They also face numerous challenges, including rapid urbanisation, ageing population and the need to adapt to climate change.

Investing in social infrastructure



The scale of needs in local infrastructure across the continent is particularly large, given demographic pressures and climate change adaptation.

Subnational governments are responsible for a quarter of all public expenditure and almost half of all public investment. To support inclusive growth and provide all citizens with equal access to opportunities, regions and cities need to invest in social infrastructure, which has a strong, immediate impact on the daily lives of millions of Europeans.

Access to funding and knowledge is crucial at local level for creating an integrated approach to territorial, programmatic, impact-oriented and multi-sectoral policies.

Between 2014-2019 the CEB approved almost €8 billion in loans to support social projects locally across Europe. These investments in local infrastructure – involving the construction or rehabilitation

of schools, social housing, medical and social care facilities, social aid centres, local roads and transport systems – contribute to delivering affordable and sustainable essential services to local populations.

Moreover, mainstreaming the UN Sustainable Development Goals (SDGs) into its strategic and operational activities will allow the CEB to better support the subnational governments across its member countries on the road to 2030.

€8 billion
in loans since 2014 to support social projects across Europe which improve people's daily lives

A trusted partner for cities and regions

The CEB has a long history of supporting subnational governments in becoming more inclusive, sustainable and competitive.

LEIPZIG, GERMANY

A €58 million loan to Leipziger Wohnungs- und Baugesellschaft to increase the supply of affordable and social housing following a significant inflow of migrants.

SEINE-SAINT-DENIS, FRANCE

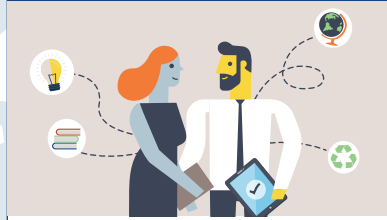
With a €200 million loan, the CEB is supporting the *département* in meeting important education needs through multi-annual investments in lower secondary schools.



MADRID, SPAIN

A €200 million loan to Comunidad Autónoma de Madrid to improve services for vulnerable persons: the elderly, victims of gender violence, persons with disabilities and the homeless.





■ ESPOO, FINLAND

A €80 million loan for investments in education to support City of Espoo's ambition of becoming the 'most competent municipality with competent residents' who can adapt and flourish in the world of the future.



■ WARSAW, POLAND

A €86 million loan to the City of Warsaw to support its investment programme in culture and health. CEB funding will finance the construction of the Museum of Modern Arts and two hospitals.

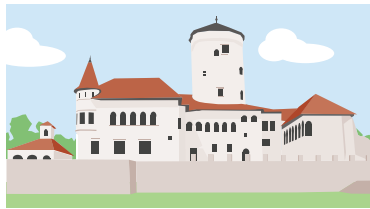


■ GENOA, ITALY

A €50 million loan to the City of Genoa to boost disaster preparedness and support the new resilience strategy.

■ ŽILINA REGION, SLOVAK REPUBLIC

A €49.5 million loan to Žilina Self-Governing Region to finance investments in infrastructure, environmental protection, healthcare and rehabilitation of historic and cultural heritage.



Flexible financing for local investment

Whether through direct lending to governments and municipalities or on-lending operations with commercial banks, the CEB sees its role as a provider of tailored support to local communities in order to fill the funding gaps for the successful implementation of socially oriented investments.

The CEB offers flexible financing instruments that enable regions and cities to leverage additional resources from the private sector for projects with a social impact. In addition to project and programme loans, the CEB offers the following instruments particularly suitable to municipalities.

- **CROSS-SECTORAL LOAN (CSL)**

The CSL provides flexibility in the use of funds for all purposes, which can be a significant advantage, especially for smaller municipalities.

- **EU CO-FINANCING FACILITY (ECF)**

ECF loans allow for co-financing and/or ex-ante financing of EU-funded investment activities, facilitating better absorption of EU Funds in the CEB's priority sectors.

- **PUBLIC SECTOR FINANCING FACILITY (PFF)**

PFF loans cover temporary financing gaps in the public sector and facilitate the continuation of investments and reform programmes, particularly in the areas of high social relevance.



Support and capacity building



The CEB's partnership with subnational governments goes beyond the provision of simple financing. The CEB also provides technical support to regions and cities in the preparation and implementation phases of their projects. This enables them to build monitoring capacity and measure the social impact of their investments, which is a pre-condition for mobilising further financial resources.

60+ years

of experience in the field of social inclusion and capacity building

The technical support offered by the CEB is coupled with its flexible institutional and organisational structure and proactive turn-around, which allow it to address the needs at local level in a swift manner.

When helping regions and cities address the challenges of today the CEB draws upon its more than 60 years of experience in the field of social inclusion, combined with its proven capacity to adapt to the changing environment and evolving borrower needs.

Investing for inclusive regions and cities



About the CEB..

Set up in 1956, the CEB (Council of Europe Development Bank) has 41 member states. Twenty-two Central, Eastern and South Eastern European countries, forming the Bank's target countries, are listed among the member states. As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available resources raised in conditions reflecting the quality of its rating (Aa1 with Moody's, outlook stable, AAA with Standard & Poor's, outlook stable and AA+ with Fitch Ratings, outlook positive). It thus grants loans to its member states, and to financial institutions and local authorities in its member states for the financing of projects in the social sector, in accordance with its Articles of Agreement.

55 avenue Kléber
FR-75116 PARIS
Tel: +33 (0)1 47 55 55 00

www.coebank.org

 COEbanknews  Council of Europe Development Bank