





The integration of migrants in Europe

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DISCLAIMER

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The designations employed and the presentation of the material in this paper do not imply the expression of any opinion whatsoever on the part of the CEB concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The analysis of migratory trends within countries and the assessment of integration policies are beyond the scope of this publication. Migrant integration needs presented in this study are not exhaustive; they are key areas in which the CEB can be involved.

Unless otherwise stated, the definitions follow the "Glossary on Migration" by the International Organization for Migration (IOM). Population projections are based on Eurostat Population Projections EUROPOP2013 and UN Population Prospects 2015 Revision, latest projections at the time of writing.

The study is printed in this form to communicate the result of an analytical work with the objective of generating further discussions on the issue.

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BOXES

Box 1 CEB sectoral lines of action

Box 2	Migrant integration in the European Union				
Box 3	The CEB's new "Migrant and Refugee Fund"				
Box 4	Germany – an example of housing integration policy in North Rhine-Westphalia				
Box 5	Finland – an example of education integration policy in the City of Helsinki				
Box 6	Italy and Spain – examples of labour inclusion through micro-finance				
Box 7	The CEB's cross-sector approach to migration and migrant integration				
Box 8 The Regional Housing Programme					
	TABLES				
Table 1.1	Key migration factors				
Table 2.1	EU average differences between immigrants/the children of immigrants and native born/the children of native born, 2013 or most recent year				
Table 3.1	Foreign-born population by country of birth, CEB member states, 1 January 2014				
Table 3.2	Population and net migration projections for CEB member states, 2015-2060				
Table 5.1	Classification of CEB member states as immigrant destinations				
Table 5.2	Selected integration indicators for CEB member countries classified as immigrant destinations				
	FIGURES				
Figure 3.1	Top ten countries of origin of non-EU nationals residing in the EU-28, 2014				
Figure 3.2	Net migration flows to EU-28 countries, 1960-2014				
Figure 4.1	Asylum applicants in the EU, 1998-2014				
Figure 4.2	Migrants to Europe via the Mediterranean				
Figure 4.3	Main migration routes for asylum seekers				
Figure 4.4	European Agenda on Migration, 2015				
Figure 5.1	Key transit routes in the Western Balkans				
Figure 6.1	Geographic distribution of CEB lending in favour of refugees, migrants and displaced persons				

ABBREVIATIONS AND ACRONYMS

AC Administrative Council

AIDA Asylum Information Database

AMIF Asylum, Migration and Integration Fund
CEB Council of Europe Development Bank

CEE Central, Eastern and South Eastern Europe (19 countries): Albania, Bosnia and Herzegovina,

Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Republic of Moldova, Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia and

"the former Yugoslav Republic of Macedonia"

CIS Commonwealth of Independent States

EC European Commission
EIB European Investment Bank

EU European Union

EU-12 Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands,

Portugal, Spain and the United Kingdom

EU-15 EU-12 plus Austria, Finland and Sweden

EU-25 EU-15 plus Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland,

Slovak Republic and Slovenia

EU-27 EU-25 plus Bulgaria and Romania

EU-28 EU-27 plus Croatia

EUROPOP EUROSTAT Population Projections

FRONTEX European Agency for the Management of Operational Cooperation at the External Borders

of the Member States of the European Union

Fund Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe

GDP Gross Domestic Product
IDPs Internally Displaced Persons
ISF Internal Security Fund

IFI(s) International Financial Institution(s)

IDMC Internal Displacement Monitoring Centre IOM International Organization for Migration

MRF Migrant and Refugee Fund NGO Non-Governmental Organisation

NRW North-Rhine Westphalia NTA Norway Trust Account

OECD Organization for Economic Co-operation and Development OSCE Organization for Security and Co-operation in Europe

PISA Programme for International Student Assessment

RHP Regional Housing Programme SCA Spanish Social Cohesion Account

SDA Social Dividend Account

SMEs Small and medium-sized enterprises

TFEU Treaty on the Functioning of the European Union

UNDP United Nations Development Programme

UNHCR United Nations High Commissioner for Refugees

UNICEF United Nations Children's Fund

CONTENTS

FOREWORD	1
EXECUTIVE SUMMARY	2
INTRODUCTION	4
PART I: A BRIEF INTRODUCTION TO MIGRATION AND MIGRANT INTEGRATION Chapter 1: Drivers and types of migration	
Chapter 2: Migrant needs in receiving and origin countries	10
PART II: MIGRANT NEEDS ANALYSIS IN CEB MEMBER COUNTRIES	
Chapter 4: Europe's refugee crisis	21
Chapter 5: Sub-regional integration needs assessment	26
PART III: THE CEB: EXPERIENCE TO DATE AND THE ROLE AHEAD	
Chapter 7: Avenues for CEB action in a time of uncertainty	50
BIBLIOGRAPHY	52
GLOSSARY: KEY MIGRATION TERMS	54

FOREWORD

The migrant and refugee crisis facing Europe since 2014 has brought to the forefront the broader issue of the integration of migrants and its social dimensions. This issue is far from new. Over the years, Europe has seen several migrant and refugee flows, and data show that most European states are likely to be a country of origin or a country of destination or both at any given time.

Migration is of particular concern to the member states of the Council of Europe Development Bank (CEB). In addition to the record number of asylum-seekers arriving in Europe in 2015, all CEB members are hosts to migrants, either as transit countries or as final destinations. In most CEB member states, the majority of foreign-born populations were born outside the EU, which poses additional challenges for their integration in European societies.

Migrants can contribute to the economic development and cultural enrichment of both the country of origin and the destination country. This is why tackling migration in an effective way is now among the top priorities of the European Union, as shown by concrete initiatives such as the EU's Comprehensive Agenda on Migration, adopted in May 2015.

Unimpeded access for migrants and their families to adequate housing, the labour market, healthcare and education, including language acquisition wherever necessary, is key when it comes to avoiding discrimination and segregation, protecting social cohesion, and ultimately facilitating the integration of migrants in society.

The CEB regards migration and migrant integration as complex, cross-cutting issues requiring lasting solutions that go beyond the handling of emergency situations. This covers several areas in which the Bank is active and has been at the heart of the CEB's mandate from the start.

When the Bank was established in 1956 in the form of a "Resettlement Fund", its mission was precisely to tackle the problems associated with migrants, refugees and internally displaced persons in the aftermath of the Second World War. Since then, the Bank has approved \in 3.1 billion in loans and has provided an additional \in 32 million in grants for social projects benefitting these populations.

This publication presents the CEB's experience in this sector, complete with data and case studies, and illustrates how the Bank has been making a positive difference in the lives of hundreds of thousands of migrants. The document also assesses migrant needs and trends in Europe, and reflects on how best to support migrant integration in the future.

I hope that this study will draw further attention to the integration of migrants and advance our understanding of this multi-faceted issue with potentially significant implications for European societies.

Rolf WENZEL

Governor

Council of Europe Development Bank

EXECUTIVE SUMMARY

Main migratory trends

- 1. Migration historically tends to track economic opportunity. It is also largely driven by political instability. Over the coming decades, economic asymmetries are likely to remain a key migration driver, with large-scale refugee movements having a profound impact on some countries. Migrants are also increasingly likely to be pushed by natural disasters, some of which may be the result of climate change.
- 2. Immigration flows are on the rise. By 2060, across EU-28, the cumulated net migration is likely to reach almost 55 million persons, representing 10% of the EU population in 2060. Annual net inflows are expected to increase from 891,000 in 2015 to 1.037 million in 2060. In all countries that currently have net outflows, the trend is likely to taper off or reverse in the coming decades, including the Baltics, Croatia, Cyprus, Greece, Poland, Portugal, Romania, Slovenia and Spain. Net migration flows are expected to be concentrated in a few destination countries: Italy (14 million persons), Germany (8 million) and Spain (7 million).
- 3. Western Balkan countries are likely to remain net origin countries for the projected period (from 2015 to 2100), with net emigrants reaching 973,000 by 2060. In the last five years, Turkey has shifted from being a net origin country to being primarily a destination country, including for people fleeing conflict in recent geopolitical crises. For the projected period, Turkey is likely to switch back to being a net origin country, with net emigrants reaching more than 2 million by 2060. Georgia and the Republic of Moldova are likely to remain net origin countries, with net emigrants reaching about 570,000 by 2060.

Europe's refugee crisis

- 4. The past months have been a dramatic period for Europe, faced with a massive influx of asylum seekers from conflict-ridden Syria, Eritrea and other parts of the world. These increasing numbers of arrivals, with their trail of tragic human losses, have led to a humanitarian crisis not only for Southern and transit countries but also for the entire continent.
- 5. The statistics on asylum seekers are presented differently from those on the rest of migrants. The drivers of moves are different, data are collected and presented differently and implications for integration needs are also specific.
- 6. When considering asylum applications from citizens of non-EU countries in the EU, a gradual increase in the number of applications is visible from 2006 to 2012, after which the number of asylum seekers can be seen to rise more sharply from 432,000 in 2013 to 627,000 in 2014 the highest number of asylum applicants within the EU since the peak in 1992. The estimates for 2015 largely exceed these already high numbers, requiring immediate and longer-term responses, as foreseen under the new European Agenda on Migration, adopted in May 2015.

Analysis of integration needs across CEB member countries

- 7. Migrant integration is a multi-dimensional process going beyond economy and labour markets. It also implies social, educational and spatial aspects all closely interrelated, with failure in one area having negative implications for the rest. Better migrant integration is an objective yet to be achieved in most destination countries. Compared to the native born, immigrants as a whole still tend to have worse socio-economic outcomes, with improvements observed across time and generations.
- 8. A walk through history helps group CEB member countries according to their experience with immigrants. There are countries that have been hosts since the aftermath of the Second World War, those that have recently become destinations, and net emigration countries that are at the same time transit or emerging destinations. These countries differ in terms of the types of migrants they have attracted, their socio-economic outcomes and the duration of their residence.
- 9. The overall assessment of integration outcomes shows that employment, job quality and educational attainment are interlinked areas, where the foreign born tend to have difficulties. The education of migrant offspring is an area of particular concern in almost all countries, with these children achieving lower mean PISA reading scores than children with native-born parents. Overcrowding, segregation and

relative poverty are frequent social issues in densely populated areas. Health is reported to be an issue in most Central and Eastern European countries, where the foreign born are an ageing group. Across the EU, the overarching issue is the integration of third-country nationals. They face greater restrictions on mobility and normally have different reasons for migrating, often as asylum seekers or for family reunification, implying the need for targeted measures.

The CEB's statutory role in the field of migration

- 10. The Council of Europe Development Bank (CEB) was set up as a "Resettlement Fund" in 1956 by eight members of the Council of Europe in order to tackle the problems of refugees and persons who had become displaced during the Second World War and its aftermath. Today, sixty years later, improving the situation of refugees and migrants is still very much central to the CEB's work.
- 11. "Aid to refugees, migrants and displaced persons" is one of the CEB's statutory priorities. As a social development bank, the CEB seeks to respond to emergency situations and to facilitate the long-term objective of migrant integration. By virtue of its mandate, the CEB can finance accommodation structures such as reception centres and the voluntary resettlement of refugees and displaced persons as conditions allow. Beyond providing financing for emergency assistance and resettlement programmes, the CEB primarily addresses the issues of migration and migrant integration as cross-sector themes, encompassing several dimensions such as housing, health, education, employment and the environment. In fact, it is on this long-term objective of integration that the CEB focuses its action in favour of these vulnerable population groups.
- 12. Over the period 1956-2015, the Bank has approved projects in favour of refugees, migrants and displaced persons for a total of € 3.1 billion, representing 6% of all loans approved. This figure covers both "emergency projects", financed in the case of crisis situations (such as refugee sheltering and post-conflict assistance), and "integration projects", aimed at the social inclusion of migrants and other vulnerable populations.

The CEB's role in the current refugee crisis

- 13. The crisis in the Mediterranean has given rise to large-scale humanitarian needs, requiring not only immediate but also longer-term action. In response to the unprecedented influx of refugees into Europe, the CEB created a new grant facility, named the "Migrant and Refugee Fund", to assist CEB member states in setting up and operating reception and transit centres, and to facilitate the integration of migrants and refugees. The CEB endowed the Fund with €5 million in seed money, targeting additional contributions of €20 million from the Bank's member countries and other donors.
- 14. Analysis of the current refugee crisis and projected migratory flows across CEB countries of operation shows that demand for CEB support in this "niche" sector is expected to grow, with the Bank's cross-sector expertise likely to play an increasingly important role in helping countries address migratory pressures and integration needs.

The CEB's role in helping migrants to integrate in host societies

- 15. While the CEB's emergency assistance focuses mainly on accommodation facilities, in the longer term, the CEB supports access to housing, education, healthcare, training and microcredit to help those entitled to stay to integrate as effectively and quickly as possible. Depending on the type of assistance needed, the CEB provides loans and/or grants.
- 16. In the coming years, the CEB will continue to provide financing for integration projects with a migrant component, targeted to vulnerable populations. In particular, the CEB will continue to finance social investment projects aimed at improving living conditions and strengthening social inclusion of the most vulnerable groups, including those with a migrant background. To this end, the Bank will continue to provide financing for local infrastructure, decent and affordable housing, skills development and job creation, while following a more localised approach and combining hard and soft investments.
- 17. To develop and/or reinforce synergies, the CEB will build upon existing partnerships and explore new opportunities for cooperation in addressing migration-related challenges with the Council of Europe, the European Union, other financial institutions, the United Nations agencies and relevant non-governmental organisations.

INTRODUCTION

The on-going refugee crisis has pushed the topic of migration to the top of Europe's political and policy agenda. At a time when Europe is faced with a massive influx of refugees, immediate responses are needed from top political level down to hands on level, before long-term solutions can be found for the settlement and integration of refugees in accordance with European standards.

Beyond the immediate consequences of the current crisis in Europe, the issues of migration and migrant integration also need to be dealt with from a longer-term perspective. Migrant integration is a complex multi-dimensional, long-term process. For migrants, integration means adapting to and adopting a new culture, acquiring rights and duties, accessing position and status, building personal relations with members of the receiving society and growing to identify with it. For receiving societies, integration means opening up institutions, giving migrants equal opportunities and publicly welcoming their integration into society.

The Council of Europe Development Bank (CEB) was set up as a "Resettlement Fund" in 1956 by eight members of the Council of Europe in order to tackle the problems of refugees and persons who had become displaced during the Second World War and its aftermath. It is precisely this long-term vision of migration that has been a key element behind the CEB's evolution from a Resettlement Fund to a fully-fledged development bank with a social mandate. Today, sixty years later, improving the situation of refugees and migrants is still very much central to the CEB's work.

As a social development bank, the CEB, at its level and with its means, seeks to respond to emergency situations and to facilitate the long-term objective of migrant integration. By virtue of its mandate, the CEB can finance accommodation structures such as reception centres and the voluntary resettlement of refugees and displaced persons as conditions allow. Beyond providing financing for emergency assistance and resettlement programmes, the CEB primarily addresses the issues of migration and migrant integration as cross-sector themes, encompassing several dimensions such as housing, health, education, employment and the environment. In fact, it is on this long-term objective of integration that the CEB focuses its action in favour of these vulnerable population groups.

This study presents an overview of the CEB's long-standing experience in improving the living conditions of refugees, displaced persons and migrants. It also assesses migrant trends and integration needs across CEB member states and their implications for the Bank's role in addressing migration-related challenges now and in the future.

The study is divided into three main parts.

Part I: A brief introduction to migration and migrant integration

The notions of "migrant" and "migrant integration" are introduced in the European context. In Chapter 1, terms describing various types of migrants are put into a brief historical perspective. In Chapter 2, a range of challenges and opportunities in both origin and receiving countries are presented, paving the way for the detailed analysis of migrant integration needs across CEB member states in Part II.

Part II: Migrant needs analysis in CEB member countries

Migrant profiles, flows and projections are analysed in order to show that all CEB member states are hosts to incoming populations, with some countries being net origin, some net destination countries and some switching between the two. The broad migrant integration needs introduced in Chapter 2 are assessed for various regions of CEB member states, which are grouped according to their experience as destination countries. The flows and profiles of asylum seekers and the current refugee crisis in Europe come under particular focus in this part.

Part III: The CEB: experience to date and the role ahead

The Bank's scope and experience to date in financing projects in the field of migration and migrant integration are described from a geographic and a sectoral standpoint. The diversity of CEB projects is evidenced through a series of case studies. To conclude, potential avenues for the Bank's continued commitment in the field of migration and migrant integration are discussed.



Box 1: CEB sectoral lines of action

Set up by the Committee of Ministers of the Council of Europe in 1956 as the Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe, the CEB is the oldest IFI and the only development bank with an exclusively social vocation in Europe. With a mandate to operate in its 41 member states¹ and a particular focus on the countries in Central, Eastern and South Eastern Europe, known as "target countries", the CEB has become an important financial tool within the framework of European solidarity.

The Bank's original mandate was to respond to emergency situations, with aid to refugees, migrants, displaced persons and victims of natural or ecological disasters being a statutory priority (Article II of the Articles of Agreement). The Bank's scope of action has progressively widened to include other sectors that directly contribute to strengthening social cohesion in Europe.

Today, CEB lending is structured around four sectoral lines of action. The sector "aid to refugees, migrants and displaced persons" is part of the line of action devoted to strengthening social integration, which also contains "housing for low-income persons" and the "improvement of living conditions in urban and rural areas".

Sectoral lines of action	Sectors of action				
Strengthening social integration	Aid to refugees, migrants and displaced persons Housing for low-income persons Improvement of living conditions in urban and rural areas				
Managing the environment	Natural or ecological disasters Protection of the environment Protection and rehabilitation of historic and cultural heritage				
Supporting public infrastructure with a social vocation	Health Education and vocational training Infrastructure of administrative and judicial public services				
Supporting micro-, small and medium sized enterprises (MSMEs)	Creation and preservation of viable jobs				

The CEB's approach to "aid to refugees, migrants and displaced persons" and its scope of action in this field are defined in the "Overall Policy Framework for Loan and Project Financing" (Resolution 1562 (2013)) and the implementation document "Handbook for the preparation and monitoring of projects" (updated in March 2015). These documents are available on the CEB website (www.coebank.org).

The Bank's projects are designed and implemented at the request of countries to assist them with migratory pressures. The Bank's action is focused on projects that contribute to addressing migratory pressures, facilitating voluntary return when conditions for return are met and/or promoting the integration of populations in host countries. The diverse nature of CEB investments in this field is illustrated in the Case Studies presented in Chapter 6. The Regional Housing Programme (RHP) provides a telling example of the CEB's experience in the context of such voluntary resettlement policies (see Box 8).

Albania, Bosnia and Herzegovina, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Lithuania, Liechtenstein, Luxembourg, "the former Yugoslav Republic of Macedonia", Malta, Republic of Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey. Note: Countries in bold are the CEB's target countries in Central, Eastern and South-Eastern Europe.

Chapter 1: Drivers and types of migration

Although no universally accepted definition exists, the EC defines a migrant as "a person who leaves from one country or region to settle in another, often in search of a better life." The decision to migrate to another country is triggered either by economic or non-economic motives. Three categories of factors – demand-pull, supply-push and social networks – encourage an individual to migrate (see Table 1.1). Pull factors are the opposite of push factors and are aspects that attract people to a certain location. Economic migrants may, for example, be encouraged to migrate by labour recruitment programmes while noneconomic migrants may be motivated to join family members already abroad. Examples of push factors include un- and under-employment, low wages, lack of adequate healthcare and education, political insecurity and natural disasters or environmental degradation.

Table 1.1 Key migration factors

Type of migrant	Demand-pull	Supply-push	Network/Other			
Economic	Labour recruitment Better wages	Unemployment Underemployment Low wages	Job and wage information flows			
Non-economic	Family unification	War and persecution	Communications Transportation Assistance organisations Desire for new experience			

Source: Martin, P. and Widgren, J. (2002), International Migration: Facing the Challenge.

Driven by these factors, Europeans have increasingly migrated from East to West, people from around the world have increasingly migrated to EU member states, and CEB member states have experienced population movements that have changed their demographical and social composition² (see Part II). Certain paths of these flows can be identified, such as temporary and seasonal labour migration, asylum seeking, returns, irregular migration and intra-EU mobility.

From a numerical standpoint, **labour migration** is today the most significant form of migration across Europe and has been the dominant pathway in Western and Southern Europe since the 1950s. Whereas between 1945 and 1960 Europe was dominated by the resettlement of millions of displaced persons and refugees, from 1961 to 1974, Europe became a destination for temporary workers. In the aftermath of the Second World War, foreign workers came to meet domestic labour market needs, creating large South to North flows. These flows were sustained through the implementation of active recruitment policies by companies and agreements between countries, mainly between Western countries and Southern European and Mediterranean countries. Initially intended as temporary sojourners, many of these workers settled in Europe – a process known as two-step migration, when temporary workers often become permanent migrants – and subsequently had their families join them, resulting in chain migration.

Labour/economic migration – the movement of persons from one state to another for the purpose of employment.

Circular migration – the fluid movement of people between countries, including temporary or long-term movement, which may be beneficial to all involved if it occurs voluntarily and is linked to the labour needs of countries of origin and destination.

² Source: Triandafyllidou, A. and Gropas, R. (2014), European Immigration: A Sourcebook, April 2014.

Since the mid-1970s, Europe has been an important destination for **refugees and migrants**.

The first wave of **asylum seekers** came from Central and Eastern Europe (from mid-1970s to end-1980s), followed by a wave from Turkey (in the 1980s) and then from the former Yugoslavia (1991-1995). Asylum seekers also came from regions affected by political turmoil, ethnic conflicts and civil and international wars, such as Africa, the Middle East, Latin America and Asia. As a response to the constant rise in the number of asylum applications, by the mid-1990s, some European countries had made their application criteria more restrictive. Today, asylum flows continue, from Chechnya, Afghanistan, Pakistan, Iraq, and more recently from Syria and Eritrea (see Chapter 4).

Asylum seeker – a person who seeks safety from persecution or serious harm in a country other than their own and awaits a decision on their application for refugee status.

"The 1951 Geneva Convention relating to the status of refugees (as amended by the 1967 New York Protocol) has, for over 60 years, defined who is a refugee. Since 1999, the EU has worked towards creating a common European asylum regime in accordance with the Geneva Convention and other applicable international instruments. A number of directives in this area have been developed. There exist four main legal instruments on asylum and they have all been recently recast.

- The Qualification Directive 2011/95/EU on standards for the qualification of non-EU nationals and stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection.
- The Procedures Directive 2013/32/EU on common procedures for granting and withdrawing international protection.
- The Conditions Directive 2013/33/EU laying down standards for the reception of applicants for international protection.
- The Dublin Regulation (EU) 604/2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national (national of a non-member country) or stateless person."³

According to the European Council on Refugees and Exiles – a pan-European alliance of 90 NGOs protecting and advancing the rights of refugees, asylum seekers and displaced persons – in Europe, the recast Dublin Regulation, effective as of 1 January 2014, establishes a hierarchy of criteria for identifying the member state responsible for the examination of an asylum claim. These criteria are predominantly on the basis of family links, followed by responsibility assigned on the basis of the state through which the asylum seeker first entered or the state responsible for their entry into the territory of the EU member states, Norway, Iceland, Liechtenstein and Switzerland.

Internally displaced persons (IDPs) – persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflicts, situations of generalised violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognised state border.

³ Source: Eurostat

Pre-1989 internal migration concerned Central and Eastern Europe, the Baltic region and Southeast Europe, when large numbers of Soviet citizens settled in areas that became independent in 1989. When the Iron Curtain subsequently lifted, three migratory regions developed: Western Europe, Central and Eastern Europe excluding the Commonwealth of Independent States (CIS), and CIS countries. Rising levels of unemployment and persistently high income differentials between East and West encouraged **temporary and permanent migration**, particularly among the most highly qualified. In Central and Eastern Europe, **ethnically-based migration** of co-ethnics and **returnees** was common.

Return – refers broadly to the act or process of going back. This could be within the territorial boundaries of a country, as in the case of returning IDPs and demobilised combatants, or from a host country (transit or destination) to the country of origin, as in the case of refugees, asylum seekers and qualified nationals. Return can be voluntary, forced, assisted or spontaneous. Return can also be described with regards to who is participating in the return, such as repatriation (for refugees).

The EU provides for the freedom of movement of EU nationals, and the EU enlargements in 2004 and 2007 led to an increase in **intra-EU mobility**. The economic and financial crisis has affected migratory flows, with countries that perform better attracting more migrants from within or outside the EU. There are also in-between categories such as third-country nationals with preferential treatment as a result of association agreements.

Some migrants across Europe are nevertheless **undocumented**, with some working in the shadow economy, generally shifting to and fro between legal and illegal status, and often being marginalised.

Irregular migration – movement that takes place outside the regulatory norms of sending, transit and receiving countries. There is no clear or universally accepted definition of irregular migration. From the perspective of destination countries, it is entry, stay or work in a country without the necessary authorisation or documents required under immigration regulations. From the perspective of sending countries, the irregularity is, for example, seen in cases in which a person crosses an international boundary without a valid passport or travel document or does not fulfil the administrative requirements for leaving the country. The term "illegal migration" is generally restricted to the smuggling of migrants and trafficking in persons.

* * *

This brief walk through history and terminology shows that the profile of migrants differs depending on how their decision to move was triggered. While economic migrants, for example, are mainly driven by better economic opportunities, humanitarian migrants are fleeing war and persecution. The profile of migrants also depends on their integration outcomes and the length of their residence in their host country. This differentiation is important for the analysis of integration needs. In Chapter 5, CEB member countries are grouped according to the profile of migrants they have attracted. In countries with significant numbers of recent humanitarian migrants, for example, one particular integration need is to facilitate access to local labour markets through civic integration and targeted education and labour market measures.

Chapter 2: Migrant needs in receiving and origin countries

Population movements imply complex challenges and opportunities for both receiving and origin countries. Immigration management and migrant integration have become focus areas for a growing number of host countries, also rising high on the EU agenda. Creating institutions, equal opportunities and a tolerant environment are just some of the key ways of integrating migrants in the host society. Migrants, in their turn, may contribute to productivity and economic growth and to addressing pressing demographic needs. These needs are carefully balanced against concerns of security, national identity and social cohesion. For origin countries, while mass emigration poses a series of socio-economic challenges, if effectively managed, it can increase the local set of skills, and the remittances and savings of (return) migrants can help sustain local economies.

Population with a migrant background – the native-born offspring of immigrants with one or two foreign-born parents, the foreign born who arrived as children and the foreign born who arrived as adults. The notion of migrant is based on the place of birth rather than citizenship as the latter may change over time. "Recent" migrants are defined as those with less than ten years in the host country while "settled" migrants are those that have resided in the host country for over ten years. In the EU context, migrants are understood to be non-EU or third-country nationals who legally reside in the EU.

Source: OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris.

2.1 Receiving countries⁴

Migrant integration is a multi-dimensional process going beyond economy and labour markets. It also implies social, educational and spatial aspects – all closely interrelated, with failure in one area having negative implications for the rest. Better migrant integration is an objective yet to be achieved in most destination countries. Compared to the native born, immigrants as a whole still tend to have worse socio-economic outcomes (see Table 2.1), with improvements observed across time and generations. The gaps are particularly large in job skills, relative poverty and household overcrowding.

Table 2.1 EU average differences between immigrants/the children of immigrants and native born/the children of native born, 2013 or most recent year

Immigrants	
Employment rate	-1.9
Unemployment rate	4.2
Labour force participation rate	1.2
Share of workers hired under a temporary contract	4.7
Share of workers in low-skilled jobs	9.4
Share of self-employed	0.7
Over-qualification rate among highly-educated employed	11.0
Share of highly educated	4.0
Share with only basic literacy skills among 16-64 year-olds	18.3
Poverty rate	12.3
Share reporting being in good health or better	-0.3
Share of persons living in an overcrowded dwelling	8.4
Share of persons living in an overcrowded or deprived dwelling	8.1
Voter participation	-5.5
Native-born immigrant offspring	
Share of low achievers in reading at the age of 15	11.1
Share of persons aged 15-34 neither in employment, education or training	8.4

Source: OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris.

Notes: (1) The figures show the differences between foreign- and native-born unweighted averages (and between native-born immigrant offspring and the offspring of natives). (2) Unless otherwise stated, outcomes are compared for those aged 15-64.

⁴ Section largely based on OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris.

Across Europe, it is generally more challenging to integrate immigrants from outside the EU, with disparities between non-EU nationals and host-country nationals generally greater than differences between foreign-born and native-born. Third-country nationals tend to be recent arrivals, facing legal barriers, limited access to social services such as housing, and difficulties in getting their qualification recognised. In recent decades, policies have tended to focus on managing this immigration from non-EU countries while improving the integration conditions of non-EU foreigners living and working in Europe.

Overall, certain categories of needs can be identified when it comes to achieving effective integration of migrants in their countries of destination, notably:

• Education inclusion, to reduce the gap in educational attainment.

According to the OECD (2015), improvements in educational attainment have been registered in many countries, mostly as a result of new arrivals that are on average better educated than settled immigrants and thus, their children perform better. When compared with their peers with no migrant background, however, the offspring, still often perform worse at school, with, for example, a significant gap of 11 percentage points in the share of low achievers in reading registered for 15 year-olds at EU level (see Table 2.1).

Educational attainments are vital for subsequent labour integration everywhere. For the children of migrants, improvements in employment rates associated with high levels of education are large, but still below their peers with no migrant background and with significant gender differences. For immigrants that arrived as adults, the connection between educational attainment and employment is the weakest. Host-country employers often fail to recognise foreign credentials. This is a particular challenge for third-country nationals coming from lower-income countries where educational systems do not perform as well as those in the EU. The employment rate among immigrants with a host-country degree, for example, is ten points higher than among those with a foreign qualification and is comparable, on average, to the rate among native born. Training, including language courses, and on-the-job programmes seem to be particularly beneficial for overcoming this gap.

Labour inclusion, to better employ immigrants.

Immigrants are more likely to be out of work, with 62% of foreign born and 54% of third-country nationals being in employment against 65% of the native born in 2012-2013. Countries home to high proportions of immigrants tend to have the highest immigrant employment rates. One reason for this is that these countries tend to have greater shares of labour migrants. Family and humanitarian migrants generally have lower labour market outcomes, and measures are needed to make these groups of migrants employable.

In 2012-2013, in the EU, the unemployment rate for all immigrants was 16% or six percentage points higher than for the native born and six percentage points lower than for the non-EU foreigners. Although unemployment is generally greater among people with low levels of education, the gap in unemployment between foreign and native born is wider among those with tertiary education degrees, standing at almost double. Moreover, 30% of immigrants with tertiary degrees and 44% of high-educated third-country nationals were overqualified for their job, compared to less than 20% for the native born. This phenomenon raises concerns regarding the under-utilisation of education and skills among immigrants and "brain waste".

The global financial and economic crisis has had more negative consequences for immigrants than for the native born, with recent immigrants and those with low levels of qualification being affected the most. The harder the country has been hit, the wider the unemployment gap and the more immigrants have been exposed to precarious working conditions, leading to irregular and insecure employment.

Access to adequate housing, to address poverty, segregation and urban exclusion.

Immigrants' housing conditions depend to a large extent on circumstances, such as the type of entry. During asylum procedures, for example, migrants are normally offered housing in reception facilities. These establishments, however, are often substandard and overcrowded. In the rental market, limited

information and access to credit, and sometimes discrimination by landlords, expose immigrants to inadequate housing. Social and affordable housing is a solution, but some households are not eligible and, even when they are, the application process can take a long time before they can actually enter the house. Immigrants also risk concentrating in deprived neighbourhoods, leading to their further segregation and urban exclusion. Across the EU in 2012, an average of 39% of people in third-country national households were living in relative poverty. This rate was twice the share among host-country nationals (17%) and was significantly higher than that for EU foreigners (28%). Addressing poverty and housing and social exclusion normally requires a holistic approach, through targeted employment, education, health and housing measures.

Civic integration and social cohesion, to improve the sense of social inclusion, particularly among immigrant offspring.

Native-born children of immigrants are more likely to feel discriminated against than their peers who immigrated. During the period 2000-2012, nearly a quarter of third-country nationals felt they were discriminated against because of their origin. Better sentiment was registered in longstanding settlement countries. Civic integration, with shared emphasis on learning the national language of the country of settlement and its core civic values, is one way of addressing this challenge. The status of undocumented migrants and the processing of asylum seekers are other issues that have been rendered more acute in the recent Mediterranean crisis and still remain to be resolved.

In Chapter 5, these integration needs are analysed for each set of CEB member countries, grouped according to the profile of migrants they have attracted. Chapter 6 shows how the CEB has been assisting its member states in addressing these short- and longer-term needs.

2.2 Origin countries

Across the EU, emigration countries are the latest EU member states – the countries of Eastern and South-Eastern Europe – with migration towards other EU states. Some of these emigration countries are also transit migration countries, and others are in the preliminary stages of becoming hosts of third-country immigrants (see Chapter 5). The inflow of immigrants is mainly from the Republic of Moldova and the Western Balkans, and on a smaller scale, from Asia.

When migration occurs voluntarily and is linked to the labour needs of the countries of origin and destination, it is generally beneficial for everyone. In sending countries, remittance transfers and diaspora investment initiatives contribute to poverty reduction. Job opportunities abroad can help motivate the young to acquire appropriate skills. However, certain challenges exist. Origin countries often have great difficulties in transforming remittances into sustainable investment, and these flows often lead to (conspicuous) consumption. The human development implications are also complex, with concerns about "brain drain", "brain waste" and the negative social consequences for those left behind, such as change in family composition, family separations, the abandonment of old people and child outcomes in terms of labour, health and education. Dwindling birth rates put additional pressures on the sustainability of social systems. The expectation of return mobility if the situation in the country of origin improves tempers such risks.

In origin countries, the overarching need is thus to effectively manage migration in order to maximise its development impact. Fostering assimilation support, partnerships for mobility, a transparent investment climate and incentives for return migration may address some of the concerns regarding the overqualification and unemployment of immigrants in destination countries, and at the same time sustain local economies. Some countries have to address their situation as (clandestine) transit routes, especially in the recent Mediterranean crisis. The integration of immigrants is also a reality for net origin countries (see Chapter 5).



Box 2: Migrant integration in the European Union

With all the opportunities and challenges it implies, migration needs to be properly managed as there are many interests at stake: the interests of new arrivals and of those already here; personal, humanitarian, economic and national interests; European and international security interests; and integration interests.

In the EU context, where migrants are defined as legally residing non-EU or third-country nationals, integration policies are developed and implemented primarily at national or subnational levels. These policies are linked to the EU equality framework and to EU provisions that grant these migrants certain rights, such as Directive 2000/43/EC on racial equality and Directive 2000/78/EC on employment equality. Moreover, since 2009, the Treaty on the Functioning of the European Union "enables measures to be established at the European level to provide incentives and support for member states with a view to promoting the integration of third-country nationals residing legally in their territories, excluding any harmonisation of the laws and regulations of the member states" (Article 79.4 TFEU).

The foundations of EU initiatives in the field of integration lie in the "Common Basic Principles for Immigrant Integration Policy in the EU" (for third-country nationals), adopted in 2004 and reaffirmed in 2014. The EU's "Common Agenda for Integration" (2005) and the "European Agenda for the Integration of non-EU nationals" (2011) have helped implement these principles, known as "Zaragoza Indicators". These principles serve as the general framework for EU policy cooperation on integration and for member countries' assessments of their own efforts. They underline the importance of a holistic approach to integration and aim, inter alia, at assisting EU countries in formulating their integration policies. They also provide a basis for the countries to explore how EU, national, regional and local authorities can interact in the implementation of integration policies. Zaragoza indicators cover the main aspects of migrant integration, focusing on employment, education, social inclusion, active citizenship and welcoming society.

The EU's mandate to promote integration also derives⁵ from its Europe 2020 strategy⁶ (2010). One of the headline targets for 2020 is to raise the employment rate for adults (20-64 years old) in the EU to 75%. One means of achieving this objective is through better integration of legal migrants.

As specified in Chapter 4, the "European Agenda on Migration", adopted in May 2015 (see Figure 4.4), presents migration management as a shared responsibility, not only among EU member states, but also vis-à-vis non-EU countries of transit and origin of migrants. By combining both internal and external policies, this Agenda, based on immediate actions and longer-term structural priorities, provides a new, comprehensive approach grounded in mutual trust and solidarity among EU member states and institutions. Close cooperation among all actors — EU member states, EU institutions, international organisations, civil society, local authorities and third countries — is thus the cornerstone of this new Agenda.

Sources: DG Migration and Home Affairs website; OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris.

⁵ In addition to The Charter of Fundamental Rights and the Treaties of Amsterdam (1997) and Lisbon (2007). The Founding Treaties of the EU did not make a reference to the integration of immigrants.

⁶ Part II of the Europe 2020 Integrated Guidelines is directly relevant to the integration of immigrants.

Chapter 3: Overview of migration flows

3.1 Migrant populations in CEB member states (reference to Table 3.1 on p.19)

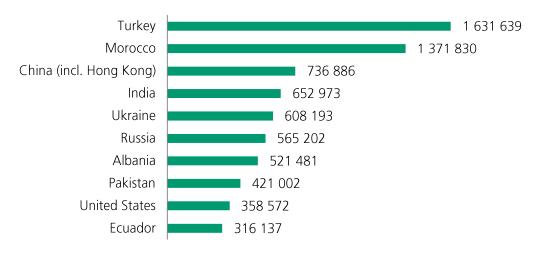
As presented in Chapter 2, migration is generally based on the concept of country of birth rather than citizenship as the latter may change over time. On 1 January 2014, there were more than 50 million foreign born living in an EU member state representing about 10% of the total EU-28 population: 33.5 million or 6.6% of total population were born in a non-EU country, and about 18 million or 3.5% of total population were born in an EU member state different from the one where they were resident. Statistics on asylum seekers are presented separately, in Chapter 4.

On 1 January 2014, in CEB member states, the foreign-born population represented 8.5% of the total population or 46.7 million persons. In most CEB member states, the majority of the foreign population was born outside EU countries, except for Cyprus, Hungary, Iceland, Ireland, Luxembourg, the Slovak Republic and Switzerland. In Estonia (19%) and Latvia (12%), the proportion of foreign born in non-EU countries was particularly large, given the high number of recognised non-citizens, mainly former Soviet Union citizens, who are permanently resident in these countries but have not acquired any other citizenship.

In absolute terms, the largest numbers of foreign-born living in CEB member states on 1 January 2014 were registered in Germany (9.8 million persons), France (7.7 million), Spain (6 million) and Italy (5.7 million), accounting for almost 63% of the total number of foreign-born living in all CEB member states. The overall population of these four member states represented 46% of the total population across CEB member countries.

In relative terms, the CEB member states with the highest share of non-nationals were Liechtenstein and Luxembourg, where foreign born accounted for 63% and 43% of the total population, respectively. A high proportion of foreign born – 10% or more of the total population – was also observed in Belgium, Croatia, Cyprus, Denmark, Estonia, France, Germany, Greece, Iceland, Ireland, Latvia, the Netherlands, Norway, Slovenia, Spain, Sweden, Switzerland and the Republic of Moldova. Across the EU-28, Turkey and Morocco constitute the two most important countries of origin of non-EU nationals, representing 15% of all non-EU citizens residing in the EU (see Figure 3.1).

Figure 3.1 Top ten countries of origin of non-EU nationals residing in the EU-28, 2014



Source: EC (2015), Immigration in the EU: Immigration of non-EU Nationals.

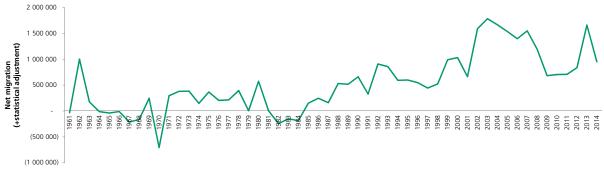
Note: Data are grouped by country of citizenship. In total 19.6 million people living in the EU-28 were citizens of non-EU member countries.

3.2 Migration flows and projections across CEB member states

Since the Second World War, European countries have gradually become destinations for migrants. The average annual net entries to the EU more than tripled from around 198,000 people per year during the 1980s to around 750,000 during the 1990s. At the beginning of the 2000s, net migration flows to EU countries increased to 1.8 million. They stayed at levels above or close to 1.5 million until the onset of the financial crisis, when they dropped to around 700,000 during 2009 and 2011⁷, recovering in 2012-2013 and then dropping again in 2014 (see Figure 3.2). Across CEB member states, net migration flows were on average 757,000 during 2010-2012, increasing to 1.6 million in 2013 and dropping to 823,000 in 2014.8

In 2013, 3.4 million people immigrated to an EU country, while at least 2.8 million emigrants were reported to have left an EU Member State. Among these 3.4 million immigrants, an estimated 1.4 million were born in non-EU countries and 1.2 million people were born in a different EU member state from the one to which they immigrated. Germany reported the largest number of immigrants (692,713 persons), followed by France (332,640), Italy (307,454) and Spain (280,772). From the 18 countries with available data on emigration based on the country of birth, Spain (532,303 persons) and Germany (259,328) reported the highest number of emigrants.⁹

Figure 3.2 Net migration flows to EU-28 countries, 1960-2014



Source: CEB graph based on Eurostat, [demo_gind] extracted on 28 July 2015. Note: Net migration is the difference between immigration to and emigration from a given area during the year. Since many countries either do not have accurate figures on immigration and emigration, or have no figures at all, net migration has to be estimated. It is usually estimated as the difference between the total population change and the natural increase during the year.

While all CEB member countries host foreign-born populations, some countries have been net destinations, others net senders and some have switched from one to the other. When considering annual net migration across CEB member countries during the past five years (2010-2014), for example, the overall group was a net receiver, with the following countries being net hosts every year: Belgium, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Malta, the Netherlands, Norway, Sweden and Switzerland. On the other hand, most Central and South-Eastern European countries were constant countries of origin: Albania, Bulgaria, Croatia, Estonia, Greece, Ireland, Kosovo, Latvia, Lithuania, Montenegro, Romania and "the former Yugoslav Republic of Macedonia". Some countries switched between origin and destination. During the last five years, Cyprus and Spain switched from destination to origin countries, while Iceland switched from an origin to a destination country. Poland and Portugal were primarily emigration countries, and the Slovak Republic a receiving country, except for 2010. The Czech Republic was primarily a destination country, except for 2013. Turkey was also primarily a destination country, and the Republic of Moldova was generally a net origin country, except for 2012. For the years for which data is available (2010 and 2011), Georgia, normally known as country of origin, was a destination country. Serbia and Bosnia and Herzegovina had zero net balances in 2014, and Slovenia was a net sender in 2010 and 2014 and a net receiver during 2011 and 2013.¹⁰

⁷ Source: EC (DG ECFIN) and the Economic Policy Committee (AWG) (2014), The 2015 Ageing Report: Underlying Assumptions and Projection Methodologies, European Union 2014.

⁸ Source: Eurostat [demo_gind], extracted on 28 July 2015.

Source: Eurostat [migr_imm3ctb] and [migr_emi4ctb], extracted on 28 July 2015.
 Source: Eurostat [demo_gind], extracted on 28 July 2015.

Over the coming decades, migration flows across CEB member countries are expected to increase, with likely changes in net balances, especially across the EU-28 countries. As identified in Chapter 1, migration historically tends to track economic opportunity. It is also largely driven by political instability. Economic asymmetries are likely to remain a key driver, with large-scale refugee movements having a profound impact on some countries. In the future, migrants are also likely to be more often pushed by natural disasters, some of which may be the result of climate change.

Migration is the third component of demographic change, along with fertility and mortality, affecting not only population numbers but also the age structure of populations. While migration is generally a much smaller component of population change than births or deaths, it becomes important in some countries, particularly in those that send/receive relatively large numbers of economic migrants or in those that are affected by refugee flows.

According to EUROPOP2013, the EU population is projected to increase by 3% to 523 million by 2060, and so is the population across CEB member countries, which is expected to reach 571 million (see Table 3.2). The increase in the absolute value of population growth across CEB member countries is expected to be the result of the population increase in the group of CEB non-target countries. The CEB's study on ageing populations in Europe (2014) showed that in these countries the population is likely to increase thanks to the positive net migration changes that are projected to counter-balance the negative natural changes. On the other hand, with the exception of Turkey, CEB target countries are likely to witness negative natural and negative net migration changes.

The CEB's study on ageing populations in Europe also showed that the age composition of the population in CEB member countries is likely to transition to a significantly older structure, with the population pyramid becoming more rhomboid than triangular. Those aged 15-64 are projected to become a substantially smaller share of the population, declining by 9 percentage points to 56%, while those aged 65+ are likely to become a much larger share, almost doubling to 29%. The old-age dependency ratio is also projected to more than double to 52%, representing almost twice the global level. This implies that the CEB member countries are expected to move from having four working-age people for every person aged 65+ to only two.¹¹

The EU-28 (reference to Table 3.2 on p.20)

By 2060, across EU-28, the cumulated net migration is likely to reach almost 55 million persons, representing 10% of the EU population in 2060. Annual net inflows are expected to increase from 891,000 in 2015 to 1.037 million in 2060. In all countries that currently experience a net outflow the trend is likely to taper off or reverse in the coming decades, including the Baltics, Croatia, Cyprus, Greece, Poland, Portugal, Romania, Slovenia and Spain. Net migration flows are expected to be concentrated in a few destination countries: Italy (14 million persons), Germany (8 million) and Spain (7 million).

The population is projected to decline by more than 15% in Bulgaria (-24%), Estonia (-17%), Greece (-22%), Latvia (-30%), Lithuania (-37%), Portugal (-21%) and the Slovak Republic (-16%), mainly due to negative natural changes.

Net migration flows	2015	2020 2030		2040	2050	2060	Cumulated 2015-2060
EU-28	890 947	976 300	1 244 057	1 363 790	1 188 299	1 036 681	54 197 176

Source: Main scenario of EUROPOP2013 [proj_13ndbims], extracted on 23 July 2015.

Note: Table 3.2 presents annual projections per country.

¹¹ Source: CEB (2014), Ageing Populations in Europe: Challenges and Opportunities for the CEB.

The Western Balkans

Historically, these countries have been net origin countries. During the last five years, Albania, Kosovo, Montenegro, and "the former Yugoslav Republic of Macedonia" were net senders. In 2014, Serbia and Bosnia and Herzegovina had a zero net balance.

Net number of migrants	2015-2020	2020-2025	2025-2030	2030-2035	2035-2040	2040-2045	2045-2050	2050-2055	2055-2060	Cumulated 2015-2060
Albania	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 47 499	- 44 999	- 442 512
Bosnia and Herzegovina	- 2 506	- 2 506	- 2 506	- 2 506	- 2 506	- 2 506	- 2 506	- 2 376	- 2 251	- 22 169
Montenegro	- 2412	- 2412	- 2412	- 2412	- 2412	- 2412	- 2412	- 2 290	- 2 175	- 21 349
Serbia	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 50 002	- 47 500	- 45 001	- 442 515
"the former Yugoslav Republic of Macedonia"	- 4 999	- 4 999	- 4 999	- 4 999	- 4 999	- 4 999	- 4 999	- 4 752	- 4 499	- 44 244

Source: UN (2015) World Population Prospects, the 2015 Revision.

Notes: (1) As the UN estimates are 5-year projections, they are presented separately from Table 3.2, which shows annual estimates. (2) The estimates are based on the medium fertility scenario.

According to UN 2015 projections, these countries are likely to remain net origin countries for the projected period (from 2015 to 2100), with net emigrants reaching 973,000 by 2060. The population is likely to decline by more than 15% in Bosnia and Herzegovina (-27%) and Serbia (-22%), due to negative natural changes and migration changes. In addition to being a net sender, this region is often used for (clandestine) transit routes into the EU (see Chapter 5).

Turkey

In the last five years, Turkey has shifted from being a net origin country to being primarily a destination country, including for people fleeing conflict in recent geopolitical crises.

Net number of migrants	2015-2020	2020-2025	2025-2030	2030-2035	2035-2040	2040-2045	2045-2050	2050-2055	2055-2060 Cumulated 2015-2060
Turkey	- 419 998	- 999 997	- 350 003	- 49 998	- 50 000	- 50 000	- 50 000	- 47 500	- 45 000 - 2 062 496

Source: UN (2015) World Population Prospects, the 2015 Revision.

Notes: (1) As the UN estimates are 5-year projections, they are presented separately from Table 3.2 which shows annual estimates. (2) The estimates are based on the medium fertility scenario.

From 2015 onwards, according to UN 2015 projections, Turkey is likely to switch back to being a net origin country for the projected period, with net emigrants reaching more than 2 million by 2060. The population is however expected to significantly increase, by 23%, given strong positive natural changes.

Georgia and the Republic of Moldova

Mostly known as typical origin countries, Georgia was a net destination in 2010 and 2011, as was the Republic of Moldova in 2012.

Net number of migrants	2015-2020	2020-2025	2025-2030	2030-2035	2035-2040	2040-2045	2045-2050	2050-2055	2055-2060	Cumulated 2015-2060
Georgia	- 50 000	- 50 000	- 50 000	- 50 000	- 50 000	- 50 000	- 50 000	- 47 499	- 45 001	- 442 500
Republic of Moldova	- 14 318	- 14 318	- 14 318	- 14 318	- 14 318	- 14 318	- 14 318	- 13 602	- 12 884	- 126 712

Source: UN (2015) World Population Prospects, the 2015 Revision.

Notes: (1) As the UN estimates are 5-year projections, they are presented separately from Table 3.2, which shows annual estimates. (2) The estimates are based on the medium fertility scenario.

According to UN 2015 projections, these former CIS countries are likely to remain net origin countries for the projected period, with net emigrants reaching about 570,000 by 2060. The population in each country is expected to decline by more than 15% by 2060, registering a drop of 19% drop in Georgia and 29% in the Republic of Moldova, due to negative natural changes and migration changes.

Table 3.1 Foreign-born population by country of birth, CEB member states, 1 January 2014

	Total population	Forei	ign population		ens of another nember country		itizens of a n-EU country
	in thousands	in thousands	share of total population		share of total population		share of total population
Albania	3 173	97	3.1%	n.a.	n.a.	n.a.	n.a.
Belgium	11 204	1 773	15.8%	835	7.5%	938	8.4%
Bosnia and Herzegovina	3 829	23	0.6%	n.a.	n.a.	n.a.	n.a.
Bulgaria	7 246	109	1.5%	40	0.6%	69	0.9%
Croatia	4 247	569	13.4%	70	1.7%	498	11.7%
Cyprus	858	192	22.3%	111	13.0%	80	9.4%
Czech Republic	10 512	396	3.8%	155	1.5%	241	2.3%
Denmark	5 627	570	10.1%	192	3.4%	378	6.7%
Estonia	1 316	265	20.2%	13	1.0%	252	19.2%
Finland	5 451	298	5.5%	109	2.0%	189	3.5%
France	65 836	7 662	11.6%	2 167	3.3%	5 495	8.3%
Georgia	4 341	190	4.4%	n.a.	n.a.	n.a.	n.a.
Germany	80 767	9 818	12.2%	3 839	4.8%	5 979	7.4%
Greece	10 904	1 246	11.4%	334	3.1%	912	8.4%
Hungary	9 877	447	4.5%	300	3.0%	147	1.5%
Iceland	326	37	11.4%	24	7.4%	13	3.9%
Ireland	4 606	741	16.1%	471	10.2%	270	5.9%
Italy	60 783	5 737	9.4%	1 815	3.0%	3 922	6.5%
Latvia	2 001	271	13.5%	28	1.4%	243	12.2%
Liechtenstein	37	23	63.1%	8	21.7%	15	41.4%
Lithuania	2 943	137	4.7%	18	0.6%	120	4.1%
Luxembourg	550	238	43.3%	178	32.3%	60	11.0%
Malta	425	40	9.4%	19	4.4%	21	5.0%
Montenegro	621	51	8.2%	n.a.	n.a.	n.a.	n.a.
Netherlands	16 829	1 953	11.6%	508	3.0%	1 445	8.6%
Norway	5 108	704	13.8%	318	6.2%	386	7.6%
Poland	38 018	620	1.6%	222	0.6%	398	1.0%
Portugal	10 427	859	8.2%	222	2.1%	638	6.1%
Republic of Moldova	3 487	392	11.2%	n.a.	n.a.	n.a.	n.a.
Romania	19 947	211	1.1%	82	0.4%	130	0.7%
Serbia	9 511	532	5.6%	n.a.	n.a.	n.a.	n.a.
Slovak Republic	5 416	175	3.2%	146	2.7%	29	0.5%
Slovenia	2 061	235	11.4%	69	3.3%	167	8.1%
Spain	46 512	5 958	12.8%	2 028	4.4%	3 931	8.5%
Sweden	9 645	1 533	15.9%	510	5.3%	1 023	10.6%
Switzerland	8 140	2 183	26.8%	1 322	16.2%	861	10.6%
"the former Yugoslav Republic of Macedonia"	2 107	140	6.6%	n.a.	n.a.	n.a.	n.a.
Turkey	75 627	273	0.4%	n.a.	n.a.	n.a.	n.a.
TOTAL CEB	550 317	46 700	8.5%	16 154	2.9%	28 850	5.2%
CEB target countries	207 566	5 366	2.6%	1 274	0.6%	2 395	1.2%
CEB non-target countries	342 751	41 335	12.1%	14 880	4.3%	26 455	7.7%
EU-28	506 825	51 501	10.2%	17 927	3.5%	33 574	6.6%

Sources: (1) Eurostat, extracted on 27 July 2015 [migr_pop3ctb]. (2) For Albania, Bosnia and Herzegovina, Georgia, Montenegro, the Republic of Moldova, Serbia and "the former Yugoslav Republic of Macedonia", data are from the UN Country Profiles (2013), http://esa.un.org/MigGMGProfiles/indicators/indicators.HTM#europe, accessed on 24 July 2015. (3) Data for Turkey are based on Eurostat data on citizenship, extracted on 27 July 2015 [migr_pop1ctz]. Notes: (1) Data for these seven countries and Turkey are from 2013. (2) Countries highlighted are CEB target countries. (3) Due to lack of available data, the table does not include the Holy See, Kosovo or San Marino.

Table 3.2 Population and net migration projections for CEB member states, 2015-2060

				Projectic	Projection of total population (in million)	pulation						Proje	Projection of net migration flows (in thousands)	migration fl	ows			
	Source	2015	2020	2030	2040	2050	2060	% change 2015-2060	2015	2020	2030	2040	2050	2060	Cumulated 2015-2060	% of total population 2015	% of total n population a 2060 p	Cumulated net migration as a share of population in 2060
Albania	JN World Population Prospects 2015	2.9	2.9	3.0	5.9	2.7	5.6	-11.8%	n.a.	n.a.	n.a.	n.a. }	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	EUROPOP2013	11.3	11.8	12.9	13.9	14.8	15.4	35.8%	73.7	80.2	80.9	8.69	46.8	42.1	3 058.3	0.7%	0.3%	19.9%
nd Herzegovina	JN World Population Prospects 2015	3.8	3.8	3.6	3.3	3.1	2.8	-57%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bulgaria	UROPOP2013	7.2	7.0	6.5	6.1	5.8	5.5	-24%	-3.5	-5.8	-5.8	5.3	3.7	9.0	-14.7	0.0%	0.1%	-0.3%
Croatia	EUROPOP2013	4.2	4.2	4.1	4.0	3.8	3.7	-12.7%	2.1	2.4	3.5	4.6	5.7	4.8	187.2	%0.0	0.2%	5.1%
	UROPOP2013	0.9	6.0	6.0	1.0	1.0	1.1	28.2%	-0.5	-0.6	2.8	6.0	8.8	7.9	214.7	-0.1%	0.8%	19.2%
Czech Republic	UROPOP2013	10.5	10.6	10.8	10.9	11.1	11.1	5.2%	23.3	28.0	35.8	40.7	25.5	21.2	1 419.7	0.2%	0.2%	12.8%
ш	:UROPOP2013	5.6	5.8	6.1	6.3	6.4	6.5	15.7%	17.1	18.9	19.9	16.3	10.5	10.0	717.2	0.3%	0.2%	11.0%
	EUROPOP2013	1.3	1.3	1.2	1.2	Ξ.	17	-17%	-3.1	-3.7	-2.2	9.0	9.0	0.0	-43.6	-0.2%	0.1%	-4.0%
Finland	UROPOP2013	5.5	5.6	5.9	6.1	6.2	6.2	13.9%	20.3	22.0	21.7	17.7	9.6	8.9	775.1	0.4%	0.2%	12.4%
France	EUROPOP2013	66.2	67.7	70.4	72.8	74.3	75.6	14.2%	9.78	90.2	91.2	84.0	74.2	8.99	3 821.2	0.1%	0.1%	5.1%
Georgia	JN World Population Prospects 2015	4.0	4.0	3.9	3.7	3.5	3.2	-19%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Germany	EUROPOP2013	80.7	90.0	79.8	77.8	74.7	71.0	-12.0%	242.3	228.7	220.2	142.6	119.3	67.6	7 905.0	0.3%	0.2%	11.1%
ш	UROPOP2013	11.0	10.7	10.1	9.6	9.1	9.8	-22%	-21.3	-22.3	-10.0	1.3	7.3	4.7	-215.5	-0.2%	0.1%	-2.5%
	UROPOP2013	6.6	9.8	9.7	9.5	9.4	9.2	-7.1%	22.0	24.3	20.9	24.2	15.3	14.0	913.7	0.2%	0.2%	10.0%
ш.	UROPOP2013	0.3	0.3	0.4	0.4	0.4	0.4	30.3%	0.0	0.0	0.2	0.4	9.0	0.5	14.9	%0.0	0.1%	3.5%
Ireland	EUROPOP2013	4.6	4.6	4.6	4.7	5.0	5.2	13.8%	-31.8	-30.3	-12.1	4.8	16.7	15.1	-143.2	-0.7%	0.3%	-2.7%
Italy	EUROPOP2013	6.09	62.0	1.49	66.2	67.1	6.99	8.9%	310.6	348.1	382.4	335.9	214.8		14 070.9	0.5%	0.3%	21.2%
Latvia	UROPOP2013	2.0	1.9	1.6	1.5	1.5	1.4	-30%	-11.5	-14.3	6.6-	6.0	0.7		-215.8	-0.6%	0.1%	-15.4%
ia	UROPOP2013	2.9	2.7	2.2	2.0	1.9	1.8	-37%	-34.0	-37.4	-21.1	1.0	0.4	0.0	-555.0	-1.2%	0.0%	-30.2%
bourg	UROPOP2013	9.0	9.0	0.8	0.9	1.1	1.1	102.5%	10.8	11.7	11.2	9.1	5.4	4.9	407.4	1.9%	0.5%	35.8%
ш	EUROPOP2013	0.4	0.4	0.5	0.5	0.5	0.5	11.7%	1.6	1.6	1.5	1.4	1.3	<u>-</u> :	65.5	0.4%	0.3%	13.8%
	JN World Population Prospects 2015	9.0	9.0	9.0	9.0	9.0	0.5	-12.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Netherlands	UROPOP2013	16.9	17.1	17.6	17.7	17.4	17.1	1.2%	19.9	24.2	23.5	13.0	8.9	9.3	6.697	0.1%	0.1%	4.5%
	UROPOP2013	5.2	5.5	6.4	7.1	7.7	8.1	57.1%	48.7	53.4	51.8	42.3	24.9	22.4	1 880.1	%6:0	0.3%	23.1%
Poland	EUROPOP2013	38.5	38.4	37.5	36.2	34.8	33.3	-13.5%	0.0	2.9	6.0-	25.4	29.5	11.6	619.9	%0.0	0.1%	1.9%
	UROPOP2013	10.4	10.1	8.6	9.4	8.9	8.2	-21%	-24.9	0.3	9.2	11.9	8.3	7.9	289.4	-0.2%	0.1%	3.5%
: Moldova	JN World Population Prospects 2015	4.1	4.0	3.8	3.6	3.2	2.9	-29%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ea.	EUROPOP2013	19.9	19.7	19.0	18.5	18.0	17.4	-12.4%	2.6	0.4	-24.7	11.6	7.1	2.4	-18.3	%0.0	%0.0	-0.1%
_	JN World Population Prospects 2015	8.9	8.7	8.3	7.8	7.3	6.9	-22%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Slovak Republic	EUROPOP2013	5.4	5.4	5.3	5.1	4.9	4.6	-16%	2.4	3.0	2.5	4.7	4.7	2.4	157.8	%0.0	0.1%	3.4%
Slovenia	EUROPOP2013	2.1	2.1	2.1	2.1	2.1	2.0	-1.2%	3.9	4.1	4.6	5.5	5.4	4.5	219.9	0.2%	0.3%	10.8%
Spain	EUROPOP2013	46.4	45.8	44.5	44.6	45.5	46.1	%9:0-	-83.3	-79.0	87.5	225.2	305.6	275.0	6 905.1	-0.2%	0.7%	15.0%
	EUROPOP2013	9.7	10.1	11.0	11.7	12.4	13.1	34.3%	51.3	55.3	26.0	49.1	34.7	31.2	2 156.5	0.5%	0.3%	16.5%
pu	UROPOP2013	8.2	8.7	9.6	10.3	10.9	11.2	36.8%	6.89	73.2	72.1	62.4	44.1	39.7	2 781.2	0.8%	0.4%	24.7%
rugoslav Republic (JN World Population Prospects 2015	2.1	2.1	2.1	2.0	6.1	8.	-11.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	JN World Population Prospects 2015	78.7	82.3	87.7	92.7	95.8	96.9	23.1%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CEB		553.8	559.9	268.0	574.5	575.8	570.7	3.1%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CEB target countries		210.2	212.7	214.3	215.1	214.0	210.3	0.0%	n.a.	n.a.	n.a.	n.a.	n.a.	-	n.a.	n.a.	n.a.	n.a.
CEB non-target countries		343.5	347.2	353.7	359.4	361.8	360.4	4.9%	789.9	874.6	1 105.9	1 085.7	931.7		45 193.3	0.2%	0.3%	12.5%
EU-28	UROPOP2013	508.2	512.5	518.5	523.5	525.5	522.9	2.9%	890.9	976.3	1 244.1	1 363.8	1 188.3	1 036.7	54 197.2	0.2%	0.2%	10.4%
WORLD	IN World Population Prospects 2015	7 349.5	7 758.2	8 200.8	9 157.2	9 725.1	10 184.3	38.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Revision. Reference date: 1 July. Notes: (2) As the UN net migrant projections are 5-year estimates, they are presented separately in the body of Chapter 3 for the countries for which there are no EUROPOP2013 annual estimates. (1) Countries highlighted are CEB target countries. (3) Due to lack of available data, the table does not include the Holy See, Kosovo, Liechtenstein or San Marino. Sources: (1) Main scenario of EUROPOP2013 [proj_13ndbims], extracted on 23 July 2015. Reference date: 1 January. (2) Medium fertility scenario of the UN World Population Prospects, the 2015

Chapter 4: Europe's refugee crisis

The end of 2014 and the first half of 2015 have been a dramatic period for Europe, with the trend likely to continue: on-going refugee crises in Syria, Eritrea and other parts of the world, tragic human losses, and increased arrivals mainly by sea have led to an unprecedented humanitarian crisis, not only for the Southern countries, but also for the entire EU.

The statistics on asylum seekers are presented differently from those on the rest of migrants, mentioned so far.¹² The drivers of moves are different, data are collected and presented differently and implications for integration needs are also specific.

When considering asylum applications from citizens of non-EU countries in the EU (see Figure 4.1), a gradual increase in the number of applications is visible from 2006 to 2012, after which the number of asylum seekers rose to 432,000 in 2013 and 627,000 in 2014 – the highest number of asylum applicants within the EU since the peak in 1992.

In 2014, the highest number of asylum applicants was registered in Germany (202,815) representing 32% of total applicants in the EU-28, followed by Sweden (81,325), Italy (64,625), France (64,310) and Hungary (42,775). Compared with the population of each member state, the highest rates of applicants were recorded in Sweden (8.4 applicants per 1,000 inhabitants), Hungary (4.3), Malta (3.2), Denmark (2.6) and Germany (2.5). At the EU level, 1.2 asylum applicants were registered per 1,000 inhabitants.

In 2014, nearly four in every five-asylum seekers (79%) were aged less than 35. Those aged 18–34 accounted for slightly more than half (54%) of the total number of applicants, while minors aged less than 18 accounted for one quarter (26%) – a distribution common to most EU member states. About 23,100 applications were registered from unaccompanied minors.¹³

700 000 600 000 500 000 400 000 300 000 200 000 100 000 2013 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 EU-27 (1998-2007) & EU-28 (2008-2014)

Figure 4.1 Asylum applicants in the EU, 1998-2014

Source: CEB graph based on Eurostat [migr_asyctz] and [migr_asyappctza], extracted on 29 July 2015.

4.1 Where do they come from?¹⁴

In 2014, an increase of almost 195,000 applicants in the EU-28 compared to 2013 was in part due to a considerably higher number of applicants from Syria, Afghanistan, Kosovo, Eritrea, and Ukraine and to a lesser extent from Iraq, Serbia, Nigeria and the Gambia.

Asylum applicants from Syria rose to 123,000 in the EU-28, representing 20% of the applicants from all non-EU countries. Afghan citizens accounted for 7% of the total (41,300 applicants), while Kosovan (37,900 applicants) and Eritrean citizens accounted for 6% and Serbians for 5%. Among the 30 main groups of citizenship of asylum applicants in the EU-28, the largest relative increase compared to 2013

¹² Asylum statistics include (1) asylum seekers who have lodged a claim (asylum applications) and whose claim is under consideration by a relevant authority; and (2) persons who, after consideration, have been recognised as refugees, or have been granted another kind of international protection (subsidiary protection), or were granted protection on the basis of the national law related to international protection (authorisations to stay for humanitarian reasons), or were rejected from having any form of protection. Source: Eurostat

¹³ Source: Eurostat, Asylum in the EU, 53/2015.

¹⁴ Source: Eurostat, Asylum in the EU, 53/2015.

was recorded for individuals from Ukraine. The largest relative fall in applicants was recorded for Russia, since the number of Russian asylum seekers more than halved between 2013 and 2014.

4.2 Where do they head?

Of the 123,000 Syrians who applied for asylum in 2014, around 60% were registered in two countries: Germany (41,100) and Sweden (30,800). Of the 41,300 Afghans seeking asylum protection in the EU in 2014, 9,700 were registered in Germany and 8,800 in Hungary. More than half of the 37,900 applicants from Kosovo applied to Hungary. ¹⁵ In 2015, according to the German Minister of Interior, Germany was expected to receive a record of 800,000 asylum seekers, more than the entire EU combined in 2014.

In 2014, of the total 491,000 first and second instance decisions on asylum that were taken, almost 40% were positive, i.e. the EU-27 member states granted protection status to 185,000 asylum seekers. The highest numbers of positive asylum decisions in CEB member states were registered in Germany (47,600) and Sweden (33,000), followed by France (20,600), Italy (20,600) and the Netherlands (13,300). These five member states accounted for more than 70% of the total number of positive decisions issued in the EU-28. ¹⁶

4.3 How do they get there?

The European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) lists the different migratory routes into the EU by land and sea: Western African, Western Mediterranean, Central Mediterranean, Apulia and Calabria, circular from Albania to Greece, Western Balkan, Eastern Mediterranean and Eastern Borders. Figure 4.3 shows the recent main migration routes used by asylum seekers.

Concepts of country of departure and transit are nevertheless fluid because routes are constantly changing, especially in response to reinforced border controls. According to the Asylum Information Database (AIDA), in 2014, more than 75% of migrants and refugees reaching Europe by sea arrived through Italy, and only 20% came through Greece. Between January and August 2015, Greece became the major entry point, with 205,000 arrivals from across the Mediterranean Sea, compared with 115,500 migrants disembarking in Italy. This shift particularly concerns Syrian refugees, fleeing from Turkey to Greece. Turkey has been host to almost 2 million Syrian refuges and in July 2015, UNHCR reported that an average 1,000 refugees were arriving on Greek islands every day.¹⁷

The Mediterranean routes have turned out to be the most fatal. According to the IOM, the deaths that occurred in the Mediterranean in 2014 accounted for an estimated 75% (3,072) of all migrant border-related deaths in the year, making it the deadliest sea in the world for migrants. Since 2000, at least 22,400 people are estimated to have lost their lives trying to reach Europe. AIDA (2015) expects 2015 to be a deadlier year than 2014, with 2,643 migrants having already died in the Mediterranean attempting to seek protection in Europe between January and August 2015.

The jump in the number of fatalities in the Mediterranean in 2014 likely reflects a significant increase in the number of migrants trying to reach Europe, namely via illegal border crossings. Nearly 230,000 people illegally crossed the Mediterranean, up from 85,000 in 2008. Many are fleeing conflict, persecution and poverty, with Eritreans and Syrians constituting the largest share of arrivals in 2014 (see Figure 4.2). The deteriorating security situation in Libya, where many migrants reside prior to their departure for Europe, has also increased migration pressures. This creates a lot of pressure for Europe's Southern border and transit regions. In addition to border controls and asylum processing, this large inflow puts great pressure not only on reception centres, where overcrowding has become an area of concern, but also on final destination countries.

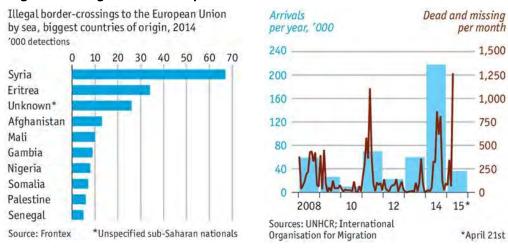
¹⁶ Source: Eurostat, Asylum Decisions in the EU, 82/2015

¹⁵ Source: Eurostat, Asylum in the EU, 53/2015.

¹⁷ Source: AIDA (2015), Annual Report 2014/2015. Common Asylum System at a Turning Point: Refugees Caught in Europe's Solidarity Crisis, 10 September 2015

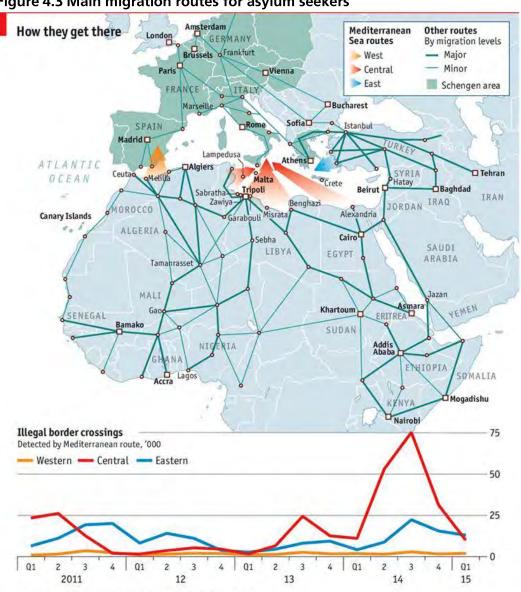
¹⁸ Source: IOM (2014), Fatal Journeys: Tracking Lives Lost during Migration.

Figure 4.2 Migrants to Europe via the Mediterranean



Source: The Economist, 25 April 2015.

Figure 4.3 Main migration routes for asylum seekers



Sources: International Centre for Migration Policy Development; Frontex

Source: The Economist, 25 April 2015.

4.4 How to address their needs?

The crisis in the Mediterranean has given rise to large-scale humanitarian needs, requiring not only immediate but also longer-term responses. Providing food, shelter and other basic services such as healthcare require swift funding and implementation. In addition to such emergency responses, longer-term measures need to be put in place in order to benefit from the socio-economic aspects of migration and ensure social cohesion.

As a social development bank, the CEB is well positioned to assist its member countries with both emergency responses (see Box 3 and Case Study 1) and longer-term migrant integration needs (see Chapter 6).

Box 3: The CEB's new "Migrant and Refugee Fund"

Set up in 1956 to help Europe deal with millions of people displaced by the Second World War, the Bank has strong expertise in funding and implementing projects in favour of migrants and refugees (see Chapter 6).

In addition to supporting its member states in achieving longer-term migrant integration, the CEB, in response to the unprecedented influx of refugees into Europe, created a new grant facility, the "Migrant and Refugee Fund" (MRF), to finance transit and reception centres in affected countries.

The CEB endowed the MRF with ≤ 5 million in seed money, targeting additional grant contributions of ≤ 20 million from the Bank's member countries and other donors. The MRF's resources will assist CEB member states in setting up and operating reception and transit centres. Other types of projects which facilitate the integration of migrants and refugees will also be eligible.

The CEB has started engaging with its member states to identify projects and raise additional funds. The Bank will also be cooperating with organisations working to address the crisis, in particular the Council of Europe, the EU, the International Organization for Migration and other United Nations agencies. The CEB is also liaising with relevant non-governmental organisations and other financial institutions, such as the European Investment Bank (EIB) which is also a contributor to the Fund.

Responding to the immediate refugee crisis and tackling migration better in the medium- and long-term are also key priorities for the EU. In May 2015, the EU adopted its comprehensive Agenda on Migration (see Figure 4.4), outlining both immediate actions and longer-term structural responses to manage migration. Migration management is presented as a shared responsibility, not only among EU member states, but also vis-à-vis non-EU countries of transit and origin.¹⁹

One of the immediate measures planned under the new Agenda is to triple the capacities and assets for Frontex joint operations Triton and Poseidon in 2015 and 2016. In October 2014, Triton replaced Mare Nostrum, the search and rescue operation run by the Italian navy. The aim of this boost was to enable Frontex to fulfil its dual role of coordinating operational border support to EU member states under pressure and helping save the lives of migrants at sea. The new Agenda also envisages proposals for temporary and permanent systems for sharing responsibility for large number of refugees and asylum seekers.

On 27 May 2015, based on Article 78(3), the EC proposed a 24-month emergency scheme to relocate 40,000 persons in clear need of international protection from Italy (24,000) and Greece (16,000). On 22 September 2015,²⁰ the EC put forward another proposal to relocate an additional 120,000

¹⁹ EC COM (2015) 240 Final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A European Agenda on Migration, Brussels, May 2015

²⁰ The additional proposal was first presented on 9 September 2015, with the remaining 54,000 people envisaged to be relocated from Hungary. Hungary however did not wish to be included as beneficiary of the emergency relocation scheme.

people in clear need of international protection from Greece (50,400), Italy (15,600) and other EU member states directly affected by the refugee crisis (54,000). The proposal provided for the remaining 54,000 people to be proportionally relocated from Italy and Greece to other EU member states after one year, unless the situation on the ground changes. At the time of writing, the emergency distribution schemes were yet to be carried out, and the proposal for a permanent relocation mechanism still remained to be adopted.²¹

The new Agenda also includes long-term objectives such as reducing incentives for irregular migration with Frontex taking on a stronger role in return operations, securing external borders, evaluating the Dublin system (see definition in Chapter 1) in 2016 with a view to its revision, and managing regular migration and visa policies.

The EU provides its member states with financial resources to support efforts in the areas of legal and irregular migration, return, asylum, border management and integration. During the period 2014-2020, the principal EU financial instruments supporting these areas are the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) – Borders and Visa, with a total budget of almost €7 billion. A total 85% of these funds are expected to be channelled through multiannual strategic national programmes. Emergency assistance is also available to EU member states throughout the new funding period. The EU budget also envisages an extra €240 million to support the first temporary relocation scheme concerning 40,000 people and an extra €780 million for the second proposal involving 120,000 people. On 9 September 2015, the EC also put forward the proposal for a €1.8 billion Trust Fund to help tackle the root causes for migration in Africa.

Figure 4.4 European Agenda on Migration, 2015



Source: EC (2015), http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/background-information/docs/summary_european_agenda_on_migration_en.pdf

²¹ (1) EC Press Release (2015), Refugee Crisis: European Commission Takes Decisive Action, 9 September 2015, and (2) EC Fact Sheet (2015), Refugee Crisis – Q&A on Emergency Relocation, 22 September 2015

Chapter 5: Sub-regional integration needs assessment

Chapter 3 showed that, while certain countries are net destination countries and others are net origin countries, all CEB countries are hosting immigrants as final destinations or as transit routes. In this Chapter, CEB member states are grouped according to their experience as hosts, and migrant integration needs – introduced in Chapter 2 – are described for each group of countries of destination.

5.1 CEB member states' experience as destinations for migrants

A walk through history helps identify certain categories of countries regarding their experience with immigrants. There are countries that have been hosts since the aftermath of the Second World War, those that have recently become destinations and net emigration countries that are at the same time transit or emerging destinations. These countries differ in terms of the types of migrants they have attracted, their socio-economic outcomes and the duration of their residence. The OECD (2015) classifies OECD and EU countries as immigrant destinations according to key foreign-born population characteristics: the shares of foreign-born, recent migrants, tertiary-educated migrants, immigrants born in a high-income country, native-speaker immigrants and old immigrants. This publication follows the OECD approach, and CEB member countries are grouped as such (see Table 5.1) in order to evaluate migrant integration challenges:

I. Longstanding destinations with a large share of recent and settled migrants

In Switzerland and Luxembourg, the foreign born account for as much as 28% and 43% of the population, respectively. Immigrants are mostly economically-driven and tend to be highly educated, with at least 35% of those of working age having a tertiary degree. Labour market outcomes are positive and similar to the native-born, including for the offspring. Housing quality is on the other hand an issue.

In Belgium, Germany, France and the Netherlands, between 12% and 15% of the population are foreign-born. Immigration was initially driven by guest-worker arrangements, followed by family reunification. These countries also host humanitarian migrants and their families. The level of education of migrants is lower, a disadvantage which is passed on to the children. Given this profile, the market outcomes for migrants are worse than for their native-born peers: the employment rate is on average from 6 to 14 points lower (see Table 5.2). This translates into higher relative poverty and poorer-quality housing, particularly in concentrated urban areas. As guest workers are reaching their retirement age, health issues are more frequent among foreign- than native-born.

II. Destination countries with significant recent and humanitarian migration

Nordic countries have been hosts to humanitarian immigrants and their families, groups generally facing more difficulties to integrate. The majority are non-native speakers, and their labour outcomes are poor, with much higher levels of relative poverty and lower-standard housing compared to the native born. These countries have nevertheless strong integration policies.

III. New destinations with many recent labour immigrants

Most of Southern Europe was home to labour migrants who came to fill low-skilled jobs in the first half of the 2000s, up to the onset of the crisis. An overwhelming majority come from lower-income countries. The crisis has affected them the most, in particular the non-EU nationals. Employability, over-qualification and sub-standard housing are key concerns. In Ireland, Iceland and Malta, many recent migrants are highly educated, but employability also remains an issue largely because skills are country-specific.

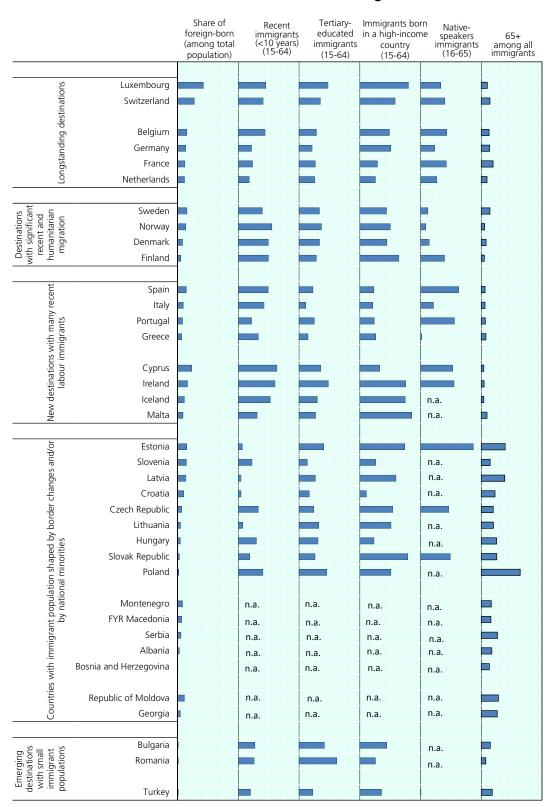
IV.Countries with immigrant population shaped by border changes and/or by national minorities

This group includes most new EU member states from Central and Eastern Europe, the countries in the Western Balkans, the Republic of Moldova and Georgia – all countries that found themselves with a foreign-born population mainly as a result of border changes. Employability is generally similar to the native-born. Some of these countries are faced with the issues of illegal border crossing and trafficking.

V. Emerging destinations with small immigrant populations

In this group, the population of immigrants increased at the beginning of the 2000s either as a result of returnees or labour immigrants. In Romania, immigrants have better labour outcomes than the native-born, while the reverse is observed in Bulgaria and Turkey (see Table 5.2).

Table 5.1 Classification of CEB member states as immigrant destinations



Source: Table based on OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris. Data from 2010-2013. Notes: (1) Original table customised: countries that are not CEB member states were removed from the source and seven CEB member countries were added, namely Albania, Bosnia and Herzegovina, Georgia, Montenegro, Republic of Moldova, Serbia and "the former Yugoslav Republic of Macedonia". (2) For the countries added, the share of foreign-born (migrant stock) and the share of old immigrants is based on the UN Country Profiles (2013), http://esa.un.org/MigGMGProfiles/indicators.HTM#europe, accessed on 24 July 2015.

5.2 Migrant integration needs across CEB member states

The classification of CEB member countries as immigrant destinations allows for further analysis of integration needs. These needs generally depend on the profile of migrants, taking into account the following characteristics: demographic (e.g. age of arrival, country of birth and duration of residence), socio-economic (e.g. education, employment and level of development of the country of origin) and socio-cultural (e.g. mother tongue and language acquisition). Integration needs also depend on the level of development of the receiving societies and the effectiveness of general and targeted integration policies. While some host countries have a longstanding migration and admission experience and thus, have elaborated integration policies, there are those that have only recently turned into immigration countries. The evaluation of integration policies is beyond the scope of this publication, and the analysis will focus on certain indicators of integration outcomes that help define integration needs.

In Chapter 2, migrant integration in receiving countries was presented as a multi-disciplinary objective, involving education, economic, housing and civic fields. The summary of integration needs is in line with the EU Zaragoza Indicators (see Box 2) and the OECD's analysis of integration in terms of labour market outcomes, job quality, adult cognitive skills, household income, housing, health status and healthcare, civic engagement and social cohesion.

In this Chapter, in order to understand migrant integration needs across CEB member states, the outcomes of immigrants are evaluated for each group of countries, previously classified as destinations, against a reference group – the native born. Furthermore, the outcomes of native-born offspring with foreign-born parents are evaluated against the outcomes of native-born offspring with native-born parents. One common way to measure the outcomes of a target group against those of a reference group is by using differences in outcomes expressed in percentage points, as presented in Table 5.2.

The overall assessment of integration outcomes shows that employment, job quality and educational attainment are interlinked areas, where the foreign born tend to have difficulties. The education of migrant offspring is an area of particular concern in almost all countries, with mean PISA reading scores being lower compared with those of children with native-born parents. Overcrowding, segregation and relative poverty are social issues in densely populated areas. Health is reported to be an issue in most Central and Eastern European countries, where the foreign born are an ageing group. Across the EU, the overarching issue is the integration of third-country nationals. They face greater restrictions on mobility and normally have different reasons for migrating, often as asylum seekers or for family reunification, implying the need for targeted measures.

Table 5.2 Selected integration indicators for CEB member countries classified as immigrant destinations

		Differences between the foreign born and native born (percentage points) + Higher than native born - Lower than native born				% among foreign born living in the country for 10 years or more	Differences between native born with foreign-born parents and native born with native-born parents		
		Employment rate (15-64)	Overqualification rate (15-64)	Poverty rate (15+)	Share living in overcrowded dwellings (15+)	Share of persons in overall good health (15+)	Share of nationals (15+)	Mean PISA reading scores (points) 15 years	NEET rate (percentage points) 15-34
	Luxembourg	+11	+4	+18	+9	+1	22		+1
	Switzerland	-5	-2	+9	+8	+1	45	-53	+2
Longstanding	Belgium	-11	+11	+26	+4	-1	62	-60	+18
destinations	Germany	-8	+15	+5	+7	-1	61	-43	+3
	France	-8	+7	+18	+9	-4	62		+9
	Netherlands	-14	+8	+15	0	+1	78	-56	+8
Destinations with	Sweden	-14	+19	+11	+9	+1	84	-40	+3
significant recent	Norway	-7	+22	+14	+15	+7	72		+4
and humanitarian	Denmark	-12	+14	+18	+12	+1	50		+6
migration	Finland	-6	+11	+23	+6	+20	66	-65	+17
	Spain	-5	+21	+21	+6	+14	34	-47	+8
	Italy	+3	+39	+17	+28	+17	37		
	Portugal	+4	+8	+5	+11	+18	81	-31	
New destinations with many recent	Greece	-1	+32	+25	+30	+16	29	-33	
labour immigrants	Cyprus	+6	+25	+18	+5	+20	45		
3	Ireland	0	+11	+5	+2	+9	56		
	Iceland	-1	+26	+14	+17	+10	83		
	Malta	+2	0	-	+8	+11	57		
	Estonia	0	+23	+11	+1	-28	38	-36	
	Slovenia	-2	0	+14	+21	-2	91	-36	
	Latvia	-3	+5	+3	-3	-25	27	-	
	Croatia	-5 . 1	+3 +7	+6	+4	-5 -3	99 75		
	Czech Republic Lithuania	+1 +4	+10	+14 +6	+21 -1	-3 -15	92	-21	
Countries with	Hungary	+10	+3	-3	-4	+8	85		
immigrant	Slovak Řepublic	+5	-5	-	+2	-18	89		
population	Poland	+1	-4	+10	-11	-39	92	-	
shaped by border changes and/or by	Montenegro								
national minorities	FYR Macedonia								
	Serbia								
	Albania								
	Bosnia and Herzegovina								
	Republic of Moldova								
	Georgia								
Emerging	Bulgaria	-3		-9	+19	-13	68		
destinations with	Romania	-5 +4	-	-9	+19	-13	-	_	
small immigrant									
population	Turkey	-3	-5					-	
	Ell total	7	. 12	. 17			F0	1 22	, 4
L	EU total	-3	+13	+13	+5	+5	59	-32	+4

Source: Table based on OECD/European Union (2015), Indicators of Immigrant Integration 2015: Settling In, OECD Publishing, Paris. Data from 2010-2013.

Notes:

- (1) Averages by sub-group in Tables 5.1 and 5.2 are unweighted.
 - .. : not available.
 - -: not significant.
- (2) Original table customised: countries that are not CEB member states were removed from the source and seven CEB member countries were added, namely Albania, Bosnia and Herzegovina, Georgia, Montenegro, Republic of Moldova, Serbia and "the former Yugoslav Republic of Macedonia". Due to lack of available data for Tables 5.1 and 5.2, the two tables do not include Kosovo, Liechtenstein, San Marino or the Holy See.
- (3) Countries highlighted are CEB target countries.

I. Longstanding destinations with a large share of recent and settled migrants

In Luxembourg and Switzerland, a particular issue is adequate housing. Immigrants tend to have lower home-ownership rates and to live in lower quality housing compared to the native born. The share of the foreign born living in overcrowded dwellings is 8 to 9 percentage points higher than for the native born (see Table 5.2).

In Belgium, Germany (see Box 4), France and the Netherlands, housing and spatial segregation are issues specific to densely populated areas. In addition, education and labour integration measures are needed to address higher relative poverty and over-qualification rates and the lower education and labour market outcomes of migrants, taking close account of gender differences and the specific profile of humanitarian migrants and their families. Access to adequate healthcare in an accessible language is also an important social need, particularly for retiring guest workers.

Box 4: Germany – an example of housing integration policy in North Rhine-Westphalia

In Germany, as of 1 September 2006, in the context of Federalism Reform I, responsibility for social housing assistance was transferred completely from the Federal Government to Federal States. Federal States are assigned the right to issue legislation in this area and to finance social housing assistance. For this purpose, up to and including 2019, they will receive annual compensation from the Federal Government for an amount of € 518.2 million.

So far, North-Rhine Westphalia (NRW), along with Baden-Württemberg, Bavaria, Berlin, Bremen, Hamburg, Hessen, Lower Saxony, Rhineland Palatinate, Schleswig-Holstein and Thuringia, have issued their own Federal State laws for social housing assistance or for ensuring that social housing goes only to those eligible. To the extent that the Housing Assistance Act (Wohnraumförderungsgesetz) and the Social Housing (Restricted Allocation) Act (Wohnungsbindungsgesetz) at Federal level are not replaced by rulings at Federal State level, they retain their validity.²²

In response to housing needs in NRW, the CEB has cooperated with NRW.BANK, the development bank for the State, under the promotional programme "Social housing and dwelling units in North Rhine-Westphalia". This programme aimed at providing low-income households, including those with a migrant background, with decent housing through low-interest loans to companies or individuals for constructing new residential units as well as for renovating or refurbishing existing social housing stock. The CEB has provided part-financing for social rental housing and related infrastructure (see Case Study 2).

II. Destination countries with significant recent and humanitarian migration

Civic integration, including language acquisition, is needed for the effective integration of humanitarian immigrant and their families who tend to be non-native speakers – a preponderant type of immigrants in this group of CEB member states. Given this migrant profile, transition to the labour market needs to be facilitated for immigrants and their offspring through targeted education (see Box 5) and labour market measures. At the same time, other interlinked social issues such as housing and poverty need to be addressed in a holistic manner.

²² Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, The Federal Government's Housing Assistance, http://www.bmub.bund.de/en/topics/city-housing/home-ownership-and-housing-assistance/general-information/?cHash=708635c8a9f766bc5d0c165b53867c44, accessed on 16 September 2015.

Box 5: Finland – an example of education integration policy in the City of Helsinki

Education is one of Finland's government priorities. The basic principle of the Finnish education system is that all people must have equal access to high-quality education and training. The same opportunities for education should be available to all citizens, irrespective of their ethnic origin, age, and residence. Education policy priorities are outlined in the Government's five-year Development Plan for Education and Research. The key objectives for 2011-2016 include promoting equality in education, enhancing the quality of education at all levels, and supporting lifelong learning. The Plan also aims to reduce gender and regional differences in skills and education levels as well as the impact of socioeconomic background on participation in education.

Local authorities and municipalities play an important role in implementing the education policy. They finance and provide education from preschools to polytechnics, through a nationwide network of educational institutions. In the City of Helsinki, under the Strategy Programme for 2013-2016, education sector investments are envisaged as one of the priorities for addressing challenges related to urbanisation and immigration. The City of Helsinki has adopted an investment programme for education infrastructure of amounting to €294 million for 2013-2016 and involving around 25% of all municipal education establishments. The CEB is providing part of the necessary financing to the City for the implementation of this programme (see Case Study 3).

III. New destinations with many recent labour immigrants

The impact of the on-going financial and economic crisis is particularly strong for immigrants in this group of countries. For poorly educated migrants, employability has become a critical issue. For highly-educated migrants, over-qualification has been more acute than in other groups of countries. Training programmes and skills transferability and other targeted measures are important for labour inclusion (see Box 6). At the same time, return programmes when conditions for return are met may also be a solution for addressing employability and "brain waste". Sub-standard housing is also a key issue in these countries.

Box 6: Italy and Spain – examples of labour inclusion through micro-finance

PerMicro (Italy) and MicroBank La Caixa (Spain) are members of the European Microfinance Network, an association that actively promotes microfinance in the EU to assist in the fight against unemployment and social exclusion through the development of micro-enterprises.

Both institutions target the most vulnerable, otherwise non-bankable populations. The CEB has cooperated with them to include people with migrant backgrounds in the labour market (see Case Studies 3 and 4).

A major issue in some countries in this group is dealing with a large influx of refugees and asylum seekers (see Chapter 4). Across the EU, regular border controls are the exclusive responsibility of member states. In the recent geopolitical crises some countries in this group, namely Greece and Italy, have faced more pressure given the massive surge in refugees and asylum seekers, and the trend is expected to continue. In 2014, Italy saw 277% more irregular border crossings than in 2013, representing 60% of the total number of irregular border crossings in the EU. A steady rise was also registered in Greece, with a 153% increase in the number of irregular border crossings in 2014 compared to 2013, representing 19% of the total number of irregular border crossings in the EU. In May 2015, the EC concluded that the situation in these two countries met the criteria for activating Article 78(3) of the Treaty on the

Functioning of the European Union (TFEU)²³ that provides a legal basis for dealing with emergency situations at external borders. Malta, another country in this group which has a similar geographic situation to Italy and Greece and has faced similar situations in the past, is also under close monitoring by the EC.²⁴

IV.Countries with immigrant population shaped by border changes and/or by national minorities

A key issue faced by some countries in this group is illegal border crossing. As migrants head towards countries where they have historical or cultural bonds or where larger groups from the same country of origin have already settled and have sent back positive information (see Chapter 4), the Western Balkans has been a key transit region (see Figure 5.1). The recent route from Greece to Hungary has been a matter of concern and polarised public debate on security. According to AIDA (2015), in the first half of 2015, Serbia and "the former Yugoslav Republic of Macedonia" received 45,000 asylum seekers, accounting for an almost nine-fold increase compared to the same period in 2014.

Some countries in this group have to address the protracted situation of displaced persons following the Yugoslav wars of the 1990s. Between 1991 and 1995, these conflicts displaced more than two million people, many of whom moved from previously mixed areas into locations that were populated by people of the same ethnicity. The 1999 Kosovo conflict led to renewed mass displacements in the region. In 2008, for example, the UNHCR included Serbia among the five countries in the world with a protracted refugee situation: with more than 86,000 refugees from Croatia and Bosnia and Herzegovina, and some 200,000 IDPs from Kosovo, Serbia was the first country in Europe for the number of refugees and IDPs.²⁵

Georgia is also a country in this group that needs to address the situation of IDPs: most IDPs were displaced in the early 1990s as a result of conflicts in Abkhazia and South Ossetia, while a smaller number were displaced during conflict with the Russian Federation over South Ossetia in August 2008. The estimates from the Internal Displacement Monitoring Centre (IDMC) show that there were up to 232,700²⁶ IDPs in the country as at December 2014, and the government reported in the same month that it had registered 262,704 people as IDPs.

Another concern in many of these countries is that immigrants are an ageing group, implying the need for access to adequate healthcare.

V. Emerging destinations with small immigrant populations

In all three countries in this group, the foreign born represent less than 2% of the population. As a result, according to the OECD, reliable information on many integration outcomes is not available (see Table 5.2). This proportion of foreign born has nevertheless more than doubled since the beginning of the 2000s, driven by labour immigration or the return of former emigrants' offspring.

One particular situation is in Turkey, host to almost two million Syrian refugees. These persons are fleeing in large numbers to Greece, through the Eastern Mediterranean route (see Chapter 4).

²³ Article 78(3) states that "in the event of one or more member states being confronted by an emergency situation characterised by a sudden inflow of nationals of third countries, the Council, on a proposal from the Commission, may adopt provisional measures for the benefit of the member state(s) concerned. It shall act after consulting the European Parliament".

²⁴ Source: EC (2015), First measures under the European Agenda on Migration: Questions and Answers, http://europa.eu/rapid/press-release_MEMO-15-5038_en.htm

²⁵OSCE (2011), Factsheet on Refugees and Displaced Persons: November 2010, 7 March 2011.

²⁶ The IDMC estimate of 232,700 internally displaced is arrived at by: (1) deducting from the official government figure of 262,704 at least 45,000 IDPs who have spontaneously returned to Abkhazia (UNHCR, 31 July 2009); and (2) adding: some 5,000 IDPs still displaced within South Ossetia as a result of the 1991-1992 conflict (UN HRC, 14 January 2010) and at least 10,000 IDPs in South Ossetia displaced due to the 2008 conflict (United Nations Inter-agency Humanitarian Assessment Mission to South Ossetia, 2008). Source: IDMC, Georgia IDP Figures Analysis, http://www.internal-displacement.org/europe-the-caucasus-and-central-asia/georgia/figures-analysis, accessed on 19 October 2015.



Figure 5.1 Key transit routes in the Western Balkans

The analysis so far has shown that all CEB member states are hosting migrants, either as final destinations or as transit routes. Some countries however have large shares and/or inflows of migrants and face more acute integration issues while others host populations with a migrant background that tend to perform rather well. These differences in migratory pressures and integration needs are generally a result of the countries' history as destinations for migrants, the profile of the migrants they have attracted, their socio-economic outcomes and the duration of their residence. Differences in integration needs are also a consequence of the level of development of the receiving societies and the effectiveness of their integration policies, whether general and targeted. Global geopolitical events also affect the scale and profile of migration. War and persecution in Syria, Eritrea and other conflict-ridden zones, for example, have led to unprecedented inflows of refugees and asylum seekers, creating significant pressures on Europe's Southern border and transit countries. The first two Parts of this publication describe these trends and projections in migratory flows and how CEB member countries are affected from a social standpoint, grouping countries with similar characteristics and integration needs and concerns.

As the development Bank with a social vocation in Europe, the CEB has helped its member countries deal with migratory pressures and integration needs since its origins. In fact, the Bank was established in 1956 as the "Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe" and one of its statutory priorities is aid to refugees, migrants, displaced persons and victims of natural or ecological disasters. The publication continues with Part III, where the Bank's diverse experience and social value in financing projects in the field of migration and migrant integration are presented following the needs analysis in Chapter 5. Part III thus shows the importance of the Bank's activities in this field during these uncertain times and the Bank's continuous commitment to helping countries and populations in need.



Box 7: The CEB's cross-sector approach to migration and migrant integration

"Aid to refugees, migrants and displaced persons" is one of the CEB's statutory priorities.

Article 2 of the Bank's Articles of Agreement states:

"The primary purpose of the [Fund]/Bank is to help in solving the social problems with which European countries are or may be faced as a result of the presence of refugees, displaced persons or migrants consequent upon movements of refugees or other forced movements of populations and as a result of the presence of victims of natural or ecological disasters. The investment projects to which the [Fund]/Bank contributes may be intended either to help such people in the country in which they find themselves or to enable them to return to their countries of origin when the conditions for return are met or, where applicable, to settle in another host country."

As a social development bank and a policy taker, the CEB assists its member countries upon request with "emergency projects" and longer term "integration projects", which often imply the integration of settled migrants in receiving countries or the management of labour movements. In contrast, the CEB does not play an active role in any short-term yet very important measures concerning immigration and border management.

Migration is a multifaceted and complex phenomenon that requires various responses. For the CEB, migration and migrant integration are cross-sector issues, going beyond post-crisis/emergency assistance and covering several of the Bank's sectors of action.

On the one hand, the CEB finances projects that specifically target refugees, migrants and displaced persons. In this case, CEB financing is provided under the sector of "Aid to refugees, migrants and displaces persons" and aims at improving the living conditions of the targeted populations through projects such as:

- construction and repair of accommodation structures, e.g. reception centres, shelter and housing facilities
- programmes and facilities for preventive and curative medicine
- programmes and facilities for education and vocational training
- basic infrastructure and equipment necessary to meet the immediate needs of populations facing emergency situations.

On the other hand, the CEB also reacts to migratory pressures through projects in its other sectors of action such as "housing for low-income persons", "improving living conditions in urban and rural areas", "education and vocational training", "health", "creation and preservation of viable jobs" and "protection of the environment". While the latter are not explicitly labelled as projects in favour of refugees, migrants and displaced persons, their added value is fully or partially based on their social impact on migrants.

Chapter 6: Assistance to date

This chapter provides an overview of the CEB's historic role and experience in financing projects in the field of migration since its creation in 1956. In line with the CEB's cross-sector approach to addressing migration and migrant integration issues, analysis of the portfolio covers projects financed in the sector of action "Aid to refugees, migrants and displaced persons", but also includes projects (or subprojects within larger multi-project programmes) targeted to migrant populations, but financed within other CEB sectors (see Box 7). The diverse nature of CEB investments in the migration field is discussed from both a geographic and a sectoral standpoint and is illustrated in the Case Studies presented in the final section of this chapter. This Chapter thus showcases the CEB's active role in both "emergency projects", financed in the case of crisis situations (such as refugee sheltering and post-conflict assistance), and "integration projects", aimed at the social inclusion of migrants and other vulnerable populations.

6.1 A historical perspective²⁷

Since its creation in 1956, the CEB's history has been very largely associated with that of Europe. The separation of Europe at the end of the Second World War and the beginning of the Cold War, which led millions of people to seek refuge in the West was at the very origin of the institution's creation. The settlement of the conflict and the new borders drawn at the Yalta and Potsdam conferences in 1945 led to substantial movements of population. "National refugees" i.e. persons who became refugees in their own countries for political or geographical reasons, did not receive any aid from the United Nations or from the International Refugee Organisation.

The Cold War context and the "Iron Curtain" also added to the migratory pressures in Europe, while the partition of Germany in 1949 triggered significant migratory movements from the East to the West of the country. Additionally, the Council of Europe's member states faced the question of natural over-population, essentially in Italy and in Greece, with high birth rates and endemic unemployment. These over-populations led to an increase in the number of homeless, jobless and often unskilled persons, forced to leave their countries, becoming migrant workers and abandoning their culture, family and friends to settle in highly industrialised countries in need of manpower. The Council of Europe's member states ambitioned to improve their situation, but also to avoid the political and social instability that such a precarious situation could trigger.

Hence, in June 1951, the Council of Europe set up an Expert Committee which recommended providing the refugees with a home and employment on the national territory, encouraging migrations between European states with the objective of achieving a more balanced distribution of populations in such states, and facilitating emigration overseas, insofar as this still proved necessary. In December 1953, the Council of Europe appointed a Special Representative for these questions, Pierre Schneiter, former French Health Minister and later President of the French National Assembly, who presented a comprehensive programme of action which stressed the need to coordinate international aid in order to take care of new immigrants in the best possible conditions, and the need to facilitate vocational training in order to enable the populations to emigrate more easily, not only within Europe but also overseas. This programme recommended the creation of a European body to concretise these ideas and the creation of a Fund to extend loans for the purpose of settling the national refugees and absorbing the excess populations. On 16 April 1956, a "partial agreement" on the "Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe" was signed by eight (Belgium, France, Greece, Germany, Iceland, Italy, Luxembourg and Turkey) of the then 15 Council of Europe members.

²⁷ Source: Bussière, E. and Willaert, E. (2006), Council of Europe Development Bank 1956-2006, October 2006

From the mid-1950s to the early 1970s: dealing with a divided Europe

Providing assistance to populations forced to flee from regions affected by political or economic upheavals and to those driven from their homes by natural disasters was the first mandatory priority of the Resettlement Fund. Beyond handling such emergency situations, the Fund also supported policies to facilitate the economic and social integration of the populations concerned. During the first years of its activity, the Fund focused its loans (mostly of small amounts) on a small number of countries (Germany, Italy, Greece and Turkey). During this period, the integration of refugees and migrant workers in host areas essentially involved the (re)construction of housing.

The 1970s and 1980s: greater solidarity towards South and South-Eastern Europe

During the 1970s and 1980s, the Fund focused its action on refugees and migrant workers in South and South-Eastern Europe (Cyprus, Italy, Malta, Portugal, Spain and Turkey) with substantial investments in housing, schools, hospitals, water supply, local roads, infrastructure in rural areas. The Fund also financed the construction of vocational training centres for immigrants and education centres for their children in France and Italy.

In the 1980s, the Fund undertook its first operations in Yugoslavia (associate member of the Fund as of 1986) aimed at facilitating the resettlement of returning migrants, estimated at over 500,000 between the mid-1970s and the mid-1980s. The aid provided to this "non-aligned, developing Mediterranean country" was a precursor of the direction the Fund would be taking following the events which started in 1989 in Central and Eastern Europe. The fall of the Berlin Wall launched new movements of refugees and migrants, in particular towards Germany and Turkey. In 1989, the Fund contributed to providing social housing to some 720,000 migrants in Germany and to some 300,000 refugees in Turkey coming from Bulgaria (a member since 1994). In 1990, the Fund helped integrate 100,000 refugees of Greek origin returning from the USSR to Greece, by extending loans for the construction of transit villages.

Since the 1990s: increasing focus on Eastern Europe in a reunited Europe

The reunification of the European continent also prompted the Fund's transformation into a Development Bank. In order to better reflect the institution's social mandate, the name "Council of Europe Social Development Fund" came into general usage in the late 1980s. In 1999, the institution took the new official name of "Council of Europe Development Bank" (CEB). The accession of the Central and Eastern European countries to the CEB in the late 1990s and the early 2000s shifted the Bank's geographical focus to the East from the 2000s²⁹.

In the Western Balkans, the CEB has participated in the reconstruction of housing and war-damaged infrastructure and helped reintegrate thousands of refugees and displaced persons in the region following the Yugoslav wars of the 1990s (see Chapter 5). Since 2010, the CEB has been involved in the so-called "Regional Housing Programme", to provide some 74,000 refugees and displaced persons with durable housing solutions in Bosnia and Herzegovina, Croatia, Montenegro and Serbia (see Box 8). At the same time, the CEB has continued to provide loans for projects assisting migrants in their social and economic integration via housing programmes, microcredits, access to education and vocational training programmes in Western, Northern and Southern European countries (e.g. Belgium, Finland, France, Germany, Italy and Spain). Last but not least, at a time when Europe is faced with a massive influx of refugees, the CEB has launched its new Migrant and Refugee Fund (see Box 3) to finance transit and reception centres in affected countries.

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²⁸ Source: Annual report 1985, p.14

²⁹ In 2005, these countries officially became part of the Bank's "target countries" with the objective of receiving 50% of CEB lending (while representing 17% of the Bank's subscribed capital) in order to advance their transition to market economies, to upgrade/build infrastructure and to help them integrate into European institutions.

These initiatives, along with the expertise acquired, reflect how the CEB, throughout time, has positioned itself in this "niche" sector. Today, the CEB remains committed to its statutory priority and strives to foster social convergence among its 41 member states, both in times of crisis and for reaching longer term socio-economic integration.

6.2 Amounts approved and disbursed

With the roots of the Bank's financing in favour of refugees, migrants and displaced persons dating back to 1956, the total volume of projects approved in this field amounts to ≤ 3.1 billion³⁰, representing 6% of all loans approved over the period 1956-2015.

- Between 1956 and 1999, the CEB approved loans totalling € 2.1 billion and disbursed € 1.5 billion, representing 10% of total loans approved and 11% of total loans disbursed over the period.
- Between 2000 and 2015, the CEB approved loans totalling € 1 billion and disbursed € 1 billion. Relative to its total lending, CEB loans to this sector averaged 4%.

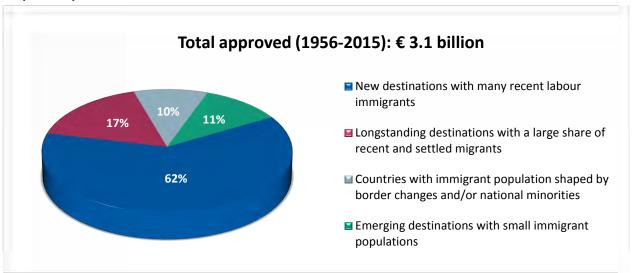
These figures suggest that CEB lending in favour of refugees, migrants and displaced persons generally reflects demand variations for such projects, based on needs and requests from the Bank's member countries. Analysis of the current refugee crisis and projected migratory flows across CEB countries of operation in Part II implies that demand for CEB support in this "niche" sector is expected to grow, with the Bank's cross-sector expertise likely to play an increasingly important role in helping countries address migratory pressures and integration needs (see section 5 of this Chapter).

6.3 Geographic portfolio profile

The geographic distribution of the CEB's portfolio follows the classification of countries presented in Chapter 5. The countries for which CEB financing was approved are indicated in brackets.

From a geographic perspective, CEB lending to refugees, migrants and displaced persons was concentrated in the group of countries called **new destinations with many recent labour immigrants** (Cyprus, Greece, Italy, Malta, Portugal and Spain) with € 1.9 billion approved since 1956, representing 62% of the total portfolio (see Figure 6.1).

Figure 6.1: Geographic distribution of CEB lending in favour of refugees, migrants and displaced persons



³⁰ This amount covers: i) projects approved under the sector "Aid of refugees, displaced persons and migrants", and ii) projects with a migrant component under the sectors "Housing for low-income persons", "Vocational training" and "Creation and preservation of viable jobs".

The remaining distribution was the following:

- Projects in longstanding destinations with a large share of recent and settled migrants (Belgium, Germany, France and Netherlands) accounted for €517 million or 17% of the total approved since 1956.
- € 340 million or 11% of the total were financed in **emerging destinations with small immigrant populations** (Turkey).
- Projects were also financed for €313 million or 10% of the total in countries with immigrant population shaped by border changes and/or national minorities (Bosnia and Herzegovina, Croatia, Hungary, Lithuania, Republic of Moldova, Serbia and ex-Yugoslavia).
- Projects with migrant components have also been approved in destinations with significant recent and humanitarian migration (Finland, see Case Study 3) but at the time of writing, the exact volumes in favour of migrant populations were still to be identified based on actual disbursements.

At country level, the Bank's largest borrowers in this field were Spain (21% of total loans approved), Cyprus (20%), Germany (13%), Greece (12%) and Turkey (11%). These countries represented more than 75% of the CEB's loan portfolio in this sector since 1956.

6.4 Grant assistance

In addition to the substantial volumes lent, the CEB has provided considerable grant assistance to refugees, migrants and displaced persons. Since 1995, this assistance has totalled € 32 million.

Grant resources can be made available through the CEB's fiduciary accounts in order to subsidise interest rates, to provide loan guarantees and/or to finance technical assistance and/or part of the investment costs.

This blending of loans and grants can facilitate the preparation and implementation of projects (via technical assistance), improve the economic viability of a given project (via interest rate subsidies, loan guarantees and/or investment grants) and ensure greater social impact.

On a much smaller scale, the Bank can also make grant contributions under the CEB's statutory priorities to provide emergency aid to refugees, migrants, displaced persons and victims of natural or ecological disasters, and other particularly vulnerable populations.

Grants can be allocated via the CEB's Social Dividend Account (SDA), the Migrant and Refugee Fund (MRF, see Box 3), the Spanish Social Cohesion Account (SCA), the Norway Trust Account for the Western Balkans (NTA) and the CEB's consultancy budget.

Grant assistance benefitting refugees, migrants and displaced persons has been allocated to projects implemented in the following CEB member countries:

- Projects for refugees and displaced populations have received interest rate subsidies from the SDA totalling € 18 million in Bosnia and Herzegovina, Croatia, Lithuania, the Republic of Moldova and Serbia. These projects involved the (re)construction and provision of housing in the above-mentioned countries and the rehabilitation of war-damaged schools and healthcare facilities in Croatia.
- Other projects in the Western Balkans have benefitted from grants totalling € 1 million, allocated from the NTA and SCA, to finance technical assistance and/or part of the investment costs. A number of grant-funded activities by the NTA have also assisted the beneficiary countries in their stabilisation process and institution building at national and local levels.

- In response to the exceptional refugee crisis in Europe, the CEB has provided a € 2 million loan guarantee from the SDA to finance the creation of reception centres for asylum seekers arriving on the island of Lesbos in Greece.
- In addition, the CEB provided € 11 million in the form of grant contributions from the SDA in favour of grant projects for refugee, displaced and Roma populations in the Western Balkans and for displaced persons in Georgia. These projects were implemented by UNHCR, UNICEF and UNDP and mainly involved humanitarian aid, the reconstruction of damaged infrastructure (following the conflicts in the Western Balkans in the 1990s and in Georgia in August 2008), and the provision of micro-loans benefitting refugee and displaced populations.

Furthermore, the **Regional Housing Programme** (see Box 8), administered by the CEB, provides a telling example with respect to international assistance and commitment by contributing to the sustainable resettlement of refugees and displaced persons in the Western Balkans (see Chapter 5).

Box 8: The Regional Housing Programme

Since 2010, the CEB has been actively involved in a joint initiative, called The "Joint Regional Programme on Durable Solutions for Refugees and Displaced Persons" known as the "Regional Housing Programme" (RHP), whose purpose is to provide some 74,000 refugees and displaced persons (or 27,000 households) with durable housing solutions in four Partner Countries: Bosnia and Herzegovina, Croatia, Montenegro and Serbia.

The aim of the programme, which is an integral part of the "Sarajevo Process on refugees and displaced persons", is to contribute to resolving the situation of the most vulnerable refugees and displaced persons following the 1991-1995 conflicts on the territory of former Yugoslavia, including internally displaced persons in Montenegro from 1999.

The RHP is supported by the international community, including the European Union, the United States of America, the UNHCR, the OSCE and the CEB. The total cost of the RHP is estimated at € 584 million. By June 2015, the international community had pledged € 268 million, including € 230 million pledged by the European Union.

The CEB's main role is to manage the multi-donor RHP Fund and other related accounts (with contributions totalling € 175 million at mid-2015) and to assist the Partner Countries in preparing and implementing their housing projects. The CEB also monitors the use of grants disbursed from the RHP Fund, facilitates coordination among stakeholders and manages the technical assistance financed by the European Union (see the CEB's Regional Housing Programme webpage).

The housing solutions to be provided include:

- Provision of flats and houses through building, reconstruction, renovation or purchase;
- Provision of construction materials;
- Accommodation in social welfare institutions.

Refugees and internally displaced persons will be provided with the choice of either: voluntary return and reintegration in their place of origin, or integration in their current place of residence.

2014 marked an important turning point in the RHP. After two years of intense preparatory work, the Partner Countries delivered housing solutions to beneficiaries for the first time. An important number of additional housing units will be delivered to RHP beneficiaries in the second half of 2015, as the implementing structures set up by the Partner Countries are now fully operational. By end-2015, the Partner Countries estimate that the number of homes delivered should reach almost 380. The number of homes delivered annually should further increase in the coming years. By end-2018, the number of beneficiary families who have been provided with a home should be over 6,600 (estimate as at May 2015)³¹.

The RHP is an ambitious initiative in terms of its size and regional scope. The Programme will not only enable tens of thousands of people to live in dignity at last, but, by fostering reconciliation between the Partner Countries, it will also contribute to peace and prosperity in the region.

Source: RHP Highlights 2014/2015, June 2015

³¹ It is important to note that these figures only reflect the sub-projects approved until mid-2015. Any future approvals will increase the number of housing units to be delivered. Moreover, the final results will depend on how much further funding will be made available by the Donors.

6.5 Sectoral portfolio profile

By virtue of its mandate, the CEB seeks, first, to respond to emergency situations (described in Case Study 1) and secondly, to work towards the longer term objective of promoting the social inclusion of migrants and other vulnerable populations (presented in Case Studies 2, 3 and 4). While the CEB's emergency assistance focuses mainly on accommodation facilities, in the longer term, the CEB supports access to housing, schools at all levels, healthcare, training and microcredit to help those entitled to stay to integrate as effectively and quickly as possible. Depending on the type of assistance needed, the CEB provides loans and/or grants.

In order to demonstrate the diversity of CEB investments and analyse their social value, this section presents four case studies reflecting the various types of investment areas and the various groups of beneficiaries eligible for CEB financing:

Case Study 1: Emergency assistance

Case Study 2: Integration through housing

A. Resettlement of refugees and displaced persons

B. Housing for migrants

Case Study 3: Access to education and healthcare infrastructure

Case Study 4: Integration into labour markets

Taking into consideration the priority given to social impact within CEB projects, the Case Studies mainly focus on the social effects of the projects, i.e. direct effects on the end-beneficiaries targeted in the projects. The result assessment focuses on the immediate effects generated by the projects, such as the number of dwellings or schools built/rehabilitated, the number of jobs created/preserved and the number of end-beneficiaries. Social effects are based on actual disbursements. These effects, taken from in-house operational documents, are provided by the borrower within the framework of regular monitoring of each project financed by the CEB. Upon completion, the borrower details the use of CEB funds and compliance with the pre-approved objectives, and provides information on the material and social results. The broader social outcomes of some of these projects have been assessed by the CEB's Evaluation Department.

For each of the projects presented below, the year of its approval is indicated in brackets.

The Case Studies make no distinction between projects directly targeting populations with a migrant background and projects more broadly targeted to socio-economically disadvantaged, vulnerable or diverse populations.

Case study 1. Emergency assistance

RECEPTION AND ACCOMODATION OF ASYLUM SEEKERS IN GREECE (2015)

Objective: (1) the creation of two Open Accommodation Centres (OACs): one for about 60 asylum and subsidiary protection seekers (as per relevant international conventions) awaiting screening and registration; and one for 40 asylum-seeking unaccompanied minors (Component A). (2) the provision of administrative and support services to the asylum seekers in the OACs (Component B)

Borrower: the North Aegean Region

Beneficiaries: asylum and subsidiary protection seekers (AIPs) and asylum-seeking unaccompanied minors (UAMs), with priority given to the most vulnerable groups

CEB loan: € 2 million, covering 67% of the total cost of € 3 million

CEB grant support: € 2 million in the form of loan guarantee from the SDA

Social effects:

Fuelled by on-going conflicts and political instability in North Africa and the Middle East, migrant arrivals in Greece across the Mediterranean have reached unprecedented levels since the beginning of 2015. Located in the North-Eastern Aegean sea and separated from the neighbouring Turkish coastline by a ten-mile water channel, the island of Lesbos has become one of the main entry points into the EU for migrants fleeing war and poverty. About 75% of these migrants are estimated to be potential asylum seekers, primarily from Syria.

The current number of accommodation facilities for asylum seekers in Greece is extremely limited, with a total capacity of about 1,100 places on the mainland, but none on the Greek islands where the migratory pressure is the most hard-felt. Initiated by the Greek Region of North Aegean, the project (approved in October 2015) aims at creating two open accommodation centres offering 100 places for asylum seekers, including 40 for unaccompanied minors, on the island of Lesbos. The project will include capital investments (reconversion of existing buildings, construction of prefabricated units, connection to the utilities, etc.) and soft expenditure needed to ensure the functioning of the facilities during their first two years of operation.

The CEB's loan is intended to bridge EU Funds that will be used by the Region to finance the envisaged capital investments. Given the limited public financial resources available at local and state levels, the mobilisation of funding to cover the project's cash flow gaps is considered critical to enable the Region to swiftly meet the planned capital investment obligations and allow for an expeditious implementation of the project. The CEB's funding is expected to have an important catalytic role value in that it should allow the North Aegean Region to leverage additional funding from other EU financial instruments to deliver the expected project outcomes and ensure the sustainability of the investments.

These funds will thus respond effectively to migration pressures on the island including accommodation, provision of basic needs, healthcare, legal and psychological support. The project will contribute to alleviating the critical situation of asylum seekers fleeing war, persecution and inhuman treatment in their home countries, and facing a high risk of homelessness, destitution and social marginalisation upon their arrival in Europe.

Case study 2. Integration through housing A. Resettlement of refugees and displaced persons

HOUSING FOR REFUGEES AND DISPLACED PERSONS IN BOSNIA AND HERZEGOVINA (2004, 2013)

Objective: the reconstruction of the housing stock damaged during the war

Borrower: the Ministry of Finance and Treasury

Beneficiaries: displaced persons living in temporary accommodation (collective centres or alternative housing)

CEB loan:

- Approved in 2004, € 8 million, covering 30% of the total cost of € 27 million
- Approved in 2013, € 60 million, covering 58% of the total cost of € 104 million

CEB grant support:

- € 1.9 million allocated in the form of interest-rate subsidies from the SDA (1st project)
- € 135,000 allocated for technical assistance from the NTA and the SCA (2nd project)
- € 2 million to be allocated in the form of interest-rate subsidies from the SDA (2nd project)

Additional technical assistance totalling € 1.2 million for the implementation phase of the second project has been sourced from the EU's Western Balkans Investment Framework facility.

The first project was implemented between 2004 and 2010. The planned implementation period for the second project is 2013-2017.

Social effects:

The first project provided otherwise unavailable funds to start solving the situation of the most vulnerable refugees and displaced persons in Bosnia and Herzegovina. By providing direct funding for this project, the CEB has attained much more than offering durable solutions through the provision of reconstructed 1,100 dwellings and return support to 4,500 persons in transitory situations. In effect, the project also contributed to mitigating the dependency and victim syndrome that these persons had developed, supporting their reinsertion in their community of origin, and strengthening the stabilisation process.

With a greater loan amount, the second project seeks to build on the lessons learned from the previous one. The project should provide at least 2,600 new or refurbished public rental housing units for at least 7,200 internally displaced persons still living in collective centres and alternative accommodation throughout the country. In addition to shelter, the project will address other relevant issues through soft measures since those beneficiaries who are physically able will benefit from vocational training while, in the case of the handicapped, furniture and medical equipment will be supplied.

HOUSING FOR IDPs IN CROATIA (2000, 2003)

Objective: the reconstruction of damaged houses and basic infrastructure (Component 1); the provision of alternative accommodation for temporary users and repossession of property by rightful owners (Component 2) for the return of internally displaced persons (IDPs) in Croatia

Borrower: the Ministry of Finance

Beneficiaries: IDPs of either Croatian or Serbian origin

CEB loan:

- Approved in 2000, HRK 232 million (equiv. to € 30.4 million), covering 50% of the total cost of HRK 464 million
- Approved in 2003, HRK 293 million (equiv. to € 38.6 million), covering 50% of the total cost of HRK 586 million

CEB grant support:

- € 1.3 million allocated in the form of interest-rate subsidies from the SDA (1st project)
- € 1.5 million allocated in the form of interest-rate subsidies from the SDA (2nd project)

Social effects:

Within the first project, around 1,100 war-damaged or destroyed housing units were rehabilitated, an additional 665 dwellings were purchased and 290 sets of basic construction material were provided to temporary user households to build their dwellings, thus benefitting more than 8,000 persons throughout Croatia. Moreover, the first project also helped rehabilitate basic infrastructure and connections to utilities (e.g. water supply, sewerage systems, waste disposal, electrification, roads, etc.) in 27 war-affected municipalities.

Within the second project, around 4,385 alternative housing units were made available through the purchase of 1,960 housing units, the reconstruction of 808 dwellings, the construction of 1,200 new units and the provision of 417 sets of building material for self-construction. The total number of beneficiaries from alternative accommodation reached more than 18,300, mostly of Croatian origin. The total number of repossessed properties reached almost 4,000, benefitting an estimated population of around 12,000 persons of Serbian origin.

SOCIAL RENTAL HOUSING IN THE REPUBLIC OF MOLDOVA (2006)

Objective: the development of the rental housing stock in favour of socially-vulnerable families

Borrower: the Ministry of Finance

Beneficiaries: low-income and vulnerable households, including Transnistrian IDPs

CEB loan: € 4.9 million, covering 64% of the total cost of € 7.6 million

CEB grant support:

- € 1 million allocated in the form of interest-rate subsidies from the SDA
- € 67,000 allocated for technical assistance from the CEB's consultancy budget

Social effects:

Implemented between 2006 and 2013, the project allowed for the provision of 250 dwellings in 4 buildings accommodating some 800 persons. It represented the first social housing project in the Republic of Moldova and succeeded in establishing a new model of partnership between the Government and municipalities. Moreover, it contributed to providing housing solutions to Transnistrian IDPs (36% of the project's beneficiaries) in Chisinau, a pending issue since 1992.

Case study 2. Integration through housing B. Housing for migrants

SOCIAL RENTAL HOUSING IN GERMANY (2009, 2013)

Objective: the construction and rehabilitation of social rental dwellings in North-Rhine Westphalia

Borrower: NRW.Bank

Beneficiaries: vulnerable households with a migrant background, persons with disabilities, elderly persons and families in financial distress

CEB loan:

Approved in 2009, € 110 million, covering 28% of the total cost of € 395 million (1st phase)

Approved in 2013, € 100 million, covering 24% of the total cost of € 425 million (2nd phase)

Social effects:

With nearly 18 million inhabitants, including 4.1 million (or 22% of the population) with an immigrant background, North-Rhine Westphalia (NRW) is the most densely populated Federal State in Germany. Implemented between 2009 and 2011, the first phase of this programme provided for the construction of 2,259 subsidised rental dwellings to vulnerable households on low incomes that could not secure themselves adequate accommodation and needed public support. At the time of writing, the second phase has allowed for the provision of 1,413 affordable dwellings (corresponding to €50 million disbursed) within public rent-controlled schemes. The programme has also covered investments in barrier-free and more energy-efficient dwellings designed for the elderly and disabled in the existing social housing stock. This programme has thus ensured a continued provision of affordable dwellings for the population in North-Rhine Westphalia, counteracting the declining housing supply for low-income households. It has also helped stabilise social hotspots, integrate migrants and avoid segregation.

SOCIAL INTEGRATION THROUGH HOUSING IN FRANCE (2015)

Objective: the rehabilitation and retrofitting of Adoma's housing stock

Borrower: Adoma

Beneficiaries: immigrant workers, the homeless, asylum seekers and vulnerable households in hardship

CEB loan: € 100 million, covering 33% of the total cost of € 307 million

The planned implementation period for the project is 2015-2021.

Social effects:

Social integration through housing is a public-interest mission fostering social cohesion. The programme will improve access and housing conditions for people who have difficulty in gaining access to ordinary housing. Adoma is the leading landlord for first-level social housing in France and a major housing provider for those with the greatest difficulty in finding adequate accommodation: young people entering the job market, job-seekers and single workers on low incomes, individuals on minimum social benefits, single-parent families and retired immigrant workers. Adoma's housing stock includes hostels for immigrant workers, temporary furnished social housing, boarding houses, reception centres for asylum-seekers, emergency and regular accommodation centres, representing a total of 70,000 dwellings.

The programme financed by the CEB will focus on four areas:

- Providing appropriate services to help retired immigrant workers to stay in their homes
- Rehabilitating and retrofitting housing for people in hardship
- Developing suitable housing for young people in insecure employment in marginalised areas
- Expanding accommodation for asylum seekers, the homeless and travellers.

Case study 3. Access to education and healthcare infrastructure

EDUCATIONAL FACILITIES IN FINLAND (2013)

Objective: the construction of 15 new and supplementary buildings, and the renovation and retrofitting of 86 existing facilities (covering around 25% of all educational premises in Helsinki)

Borrower: the City of Helsinki

Beneficiaries: pupils and students (including refugees and immigrants) **CEB loan**: € 110 million, covering 37% of the total cost of € 294 million

Social effects:

The Programme will contribute to the implementation of the Investment Plan of the City of Helsinki (2013-2016) responding to the need to improve educational infrastructure and to provide higher standards of education services. The programme is expected to play a role in preventing social exclusion.

The expected social effects include:

- improved and modernised studying conditions for 14,700 pupils, aged 6-19 (representing around 20% of all pupils and students in Helsinki area)
- response to demographic and immigration trends leading to an increase in the number of pupils enrolled at all level educational levels
- innovative environment that stimulates and improves learning results
- social integration of immigrants and refugees, as all schools follow the procedures to allow integration of foreign cultures in Finnish society.

THE SOCIAL-LABOUR INTEGRATION OF MIGRANTS AND OTHER VULNERABLE POPULATIONS IN SPAIN (2012)

Objective: improved access to education and health services for excluded social groups and enhanced employability and labour insertion capacity for people with particular difficulties in finding a job, in order to facilitate their social integration

Borrower: CaixaBank (for on-lending to La Caixa Obra Social)

Beneficiaries: vulnerable and marginalised population groups, including immigrants, victims of domestic violence, the elderly and people with disabilities

CEB loan: € 100 million, covering 22% of the total cost of € 450 million

Social effects:

La Caixa Obra Social developed social programmes and implemented them throughout Spain either directly through its Foundation or in co-operation with partner organisations and institutions, including local and regional administrations. Between 2012 and 2014, the CEB partially financed eligible social programmes based on its criteria for the "aid to refugees, migrants and displaced persons" (88% of the total) and the "creation and preservation of viable jobs" (12% of the total) sectors of action.

The co-financed programmes consisted of the following components:

- Component A (39% of the total): Education and Integration into Work, targeting people at risk of social exclusion, such as children in vulnerable situations, or people at risk of marginalisation or already suffering from it, such as those aged over 45, immigrants, women victims of violence and inmates serving the last phase of their sentences.
- Component B (15% of the total): Improved Access to Healthcare Services, targeting elderly dependent persons, patients suffering from serious illnesses, as well as young people and educational, social and health centre professionals.
- Component C (46% of the total): Poverty Reduction and Social Inclusion, targeting newly created social companies, victims of gender-based violence (together with the general public) and, in the case of intercultural community actions, infants, young persons and families.

Case study 4. Integration into labour markets

FINANCIAL AND SOCIAL INCLUSION OF VULNERABLE GROUPS IN ITALY (2013)

Objective: business lending to micro-firms, mostly of migrant origin and excluded from traditional banking channels, for the purpose of creating jobs and helping financial inclusion

Borrower: PerMicro

Beneficiaries: small entrepreneurs from socially vulnerable backgrounds (mostly of migrant origin)

CEB loan: € 6 million, covering 50% of the total cost of € 12 million

Social effects:

Set up in Turin in 2007, PerMicro is a non-bank financial institution in Italy that contributes to the financial inclusion of the most vulnerable groups in society, especially immigrants, by delivering microcredits and doing so in a financially sound manner and on a self-sustaining basis. PerMicro targets persons on low incomes, resident immigrants and ethnic minorities who have limited or no access to the formal banking system due to their low income levels, ethnic backgrounds or origins.

The project is contributing to job creation in Italy through the provision of microcredits to entrepreneurs for the start-up or development of their enterprises ("business microcredits"). With this project, PerMicro is mainly targeting aspiring entrepreneurs operating in the geographic areas reached by its 12 branch offices in 10 Italian regions. Furthermore, this project is supporting an ambitious and highly social initiative to enhance the access to credit for vulnerable groups and, in so doing, the transition of clients from the grey to the formal economy. As at June 2015, PerMicro had financed 233 micro-firms with the first tranche of the CEB loan (€ 2.85 million disbursed in June 2014). The second tranche of € 3.15 million was disbursed in September 2015 and the project is expected to be completed by mid-2016.

FINANCIAL, SOCIAL AND FAMILY MICROCREDITS IN SPAIN (2008, 2009, 2011)

Objective: job creation and self-employment via access to microcredits for vulnerable persons or families with limited or no access to the formal banking sector

Borrower: Nuevo MicroBank

Beneficiaries: micro-firms and vulnerable individuals

CEB loan:

- Approved in 2008, € 30 million, covering 50% of the total cost of € 60 million
- Approved in 2009, € 50 million, covering 50% of the total cost of € 100 million
- Approved in 2011, € 100 million, covering 50% of the total cost of € 200 million

Social effects:

The social and economic impact of the projects is wider than just the direct job creation element as it includes the benefits of improving access to credit for hitherto excluded target groups, such as immigrants or disabled persons, by providing them with means to meet their essential needs and to improve their standard of living and security. Within the three CEB-financed projects, more than 38,000 microcredits were granted between 2008 and 2012, 15,000 jobs were created and 26,500 jobs were preserved. More than 5,200 microcredits totalling € 15 million went to entrepreneurs whose country of origin was not Spain. Financial and social microcredits went to self-employed or micro-business entrepreneurs to expand an already existing business or launch a new one. Most of the supported businesses were in the service sector (such as catering, health and beauty-related services, services to companies or construction). Some of the microcredits were for family assistance to meet needs arising from one-off or unforeseen situations.

Chapter 7: Avenues for CEB action in a time of uncertainty

The objective of this final chapter is to reflect on the CEB's potential avenues for action in the field of migration and migrant integration, taking into account the projected migratory flows and integration needs across CEB countries of operation, that are classified according to their experience as destinations for migrants (analysed in Parts I and II), and the Bank's scope of action and experience of almost six decades in this field (described in Part III).

7.1 Helping countries deal with migratory pressures in a time of uncertainty

The first two Parts of this publication showed that the context in which migration happens is constantly evolving and there has been a change in the sort of people who are migrating and where migrants come from. Moreover, over the coming decades, migratory pressures across Europe are expected to increase. In all EU countries that currently experience a net outflow, for example, the trend is likely to taper off or reverse. Economic asymmetries are likely to remain a key driver, with large-scale refugee movements having a profound impact on some countries. In the future, migrants are also increasingly likely to be pushed by natural disasters, some of which may be the result of climate change. Migration is likely to become an important demographic factor for countries that send/receive large numbers of economic migrants or in those that are affected by refugee flows. In this sense, managing migration has important socio-economic implications, with migration and integration policies – an analysis beyond the scope of this study – playing a key role in dealing with migration-related uncertainties. Creating institutions, equal opportunities and a tolerant environment are some key ways of integrating migrants in host societies.

One important area of uncertainty concerns the (sudden) flows of asylum seekers and refugees. The statistics on asylum seekers are presented differently from those on the rest of migrants. The drivers of moves are different, data are collected and presented differently and implications on integration needs are also specific. Humanitarian migration and irregular border crossing have become a major concern in the EU. Geopolitical conflicts have already led to an unprecedented increase in refugees, asylum seekers and unaccompanied minors in many countries as well as to major and recurrent human tragedies. This trend is likely to continue and requires immediate and longer-term measures. The situation is further complicated by the blurred distinction between humanitarian and economic migrants since many asylum seekers migrate also for economic and/or family reasons.

Other areas of uncertainty are public perceptions and the behaviour of migrants themselves. Migrants are more mobile than natives and more likely to move on when circumstances change, although it is impossible to predict how many will do so.

In the face of such trends and uncertainties, the CEB will be adapting its action in the field of migration. As a policy taker, the CEB is closely following these changes and will be analysing their operational implications as the Bank's role grows increasingly important. The CEB intends to continue its action in the field of migration and migrant integration and stands ready to respond to the requests of its member countries.

7.2 Responding to integration needs across all CEB member states

All CEB member countries host foreign-born populations, with some countries having a longstanding history of being destinations for migrants, others recently becoming destinations and net emigration countries being at the same time transit or emerging destinations. In Chapter 5, CEB member states were grouped in five clusters according to their experience as hosts. These groups differ in terms of the types of migrants they have attracted, their socio-economic outcomes and the duration of their residence, translating into particular sets of integration needs and concerns.

Chapter 2 identified the complex process of migrant integration, showing that the foreign-born generally perform worse than the native-born. The gaps are particularly large in job skills, relative poverty and household overcrowding. Migrant integration implies education, labour, housing, spatial and social inclusion. These are all interrelated aspects, with failure in one area leading to negative

implications for the rest. Successful integration of migrants and their active participation in economic and national life through appropriate social policies and effective access to education, labour markets, housing and public services, are key components of a comprehensive approach to an inclusive society. Better migrant integration however is an objective yet to be achieved across most destination countries.

The needs assessment in Chapter 5 showed that whereas many integration challenges are shared across all CEB countries, others concern only certain groups of countries whose immigrant populations share similar characteristics. But even within these groups of countries, there is relatively wide divergence, with some countries showing better integration outcomes in spite of similar circumstances. The responses to migrant integration needs are thus not only region- but also country-specific, largely depending on relative location, legacies from the past, public perceptions, labour market requirements and impact of the financial and economic crisis. These realities together with the latest large inflows of refugees and asylum seekers – a group with particular needs – provide new impetus for the CEB to strengthen its historic role in helping countries address migrant integration challenges.

7.3 The role ahead

In the context of this renewed importance of the Bank's original mandate, the CEB has strengthened its action to address the socio-economic difficulties of refugees and migrants. In response to the current refugee crisis, the newly created grant-based Migrant and Refugee Fund (see Box 3 in Chapter 4) will provide emergency assistance to CEB member countries receiving large numbers of migrants and refugees. In this respect, the CEB has started engaging with its member states to identify projects and raise additional resources for the Fund. The Bank will also be cooperating with organisations working to address the crisis within this and other initiatives, in particular with the Council of Europe, the European Union, the International Organization for Migration and other United Nations agencies. The Bank is also liaising with other financial institutions, such as the European Investment Bank (EIB) which is also a contributor to the Fund, as well as relevant non-governmental organisations. In addition, the CEB's loan instruments will be available to support CEB member countries.

In the longer term, the CEB will continue to provide financing for integration projects with a migrant component, targeted to vulnerable populations. In particular, the CEB will continue to finance social investment projects aimed at improving living conditions and strengthening the social inclusion of the most vulnerable groups, including those with a migrant background. To this end, the Bank will continue to provide financing for local infrastructure, decent and affordable housing, skills development and job creation, while following a more localised approach and combining hard and soft investments. Specially designed legal support services, publications in different languages, social and counselling services, education support programmes, health information and screening programmes together with measures to enhance access to the labour market are some examples of "soft" measures that will need to be expanded and developed to meet the needs of migrants in the long-term. The healthcare component within such projects will also need to be taken into account.

Integrating immigrants into society is vital for promoting the social cohesion and economic growth of host countries and the ability of migrants to become self-reliant and productive citizens. Successful integration of migrants and their active participation in economic and national life through appropriate social policies and effective access to education, labour markets, housing and public services, are key components of the comprehensive approach to an inclusive society.

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GLOSSARY: KEY MIGRATION TERMS

Asylum seeker

A person who seeks safety from persecution or serious harm in a country other than their own and awaits a decision on their application for refugee status under relevant international and national instruments. In case of a negative decision, the person must leave the country and may be expelled, as may any non-national in an irregular or unlawful situation, unless permission to stay is provided on humanitarian or other related grounds. See also "Refugee".

Circular migration

The fluid movement of people between countries, including temporary or long-term movement, which may be beneficial to all involved if it occurs voluntarily and is linked to the labour needs of countries of origin and destination. See also "Economic/labour migration".

Displaced person

A person who flees his or her State or community due to fear or dangers for reasons other than those which would make him or her a refugee. A displaced person is often forced to flee because of internal conflict or natural or man-made disasters. See also "Environmental migrant", "Internally displaced persons" and "Refugee".

Economic/labour migration

The movement of persons from one state to another, or within their own country of residence, for the purpose of employment.

Environmental migrant

Persons or groups of persons who, predominantly for reasons of sudden or progressive changes in the environment that adversely affect their lives or living conditions, are obliged to leave their habitual homes, or choose to do so, either temporarily or permanently, and who move within their country or abroad.

Family reunification

Process whereby family members separated through forced or voluntary migration regroup in a country other than the one of their origin.

Forced migration

A migratory movement in which an element of coercion exists, including threats to life and livelihood, whether arising from natural or man-made causes (for example, movements of refugees and internally displaced persons as well as people displaced by natural or environmental disasters, chemical or nuclear disasters, famine, or development projects).

Internally displaced persons

Persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflicts, situations of generalised violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognised state border. (Guiding Principles on Internal Displacement, UN Doc E/CN.4/1998/53/Add.2.).

Irregular migration

Movement that takes place outside the regulatory norms of sending, transit and receiving countries. There is no clear or universally accepted definition of irregular migration. From the perspective of destination countries, it is entry, stay or work in a country without the necessary authorisation or documents required under immigration regulations. From the perspective of sending countries, the irregularity is, for example, seen in cases in which a person crosses an international boundary without a valid passport or travel document or does not fulfil the administrative requirements for leaving the country. See also "Undocumented migrant". The term "illegal migration" is generally restricted to the smuggling of migrants and trafficking in persons.

Net migration

Difference between the number of persons entering the territory of a State and the number of persons who leave the territory in the same period. This balance is called net immigration when arrivals exceed departures, and net emigration when departures exceed arrivals.

Orderly migration

The movement of a person from his or her usual place of residence to a new place of residence, in keeping with the laws and regulations governing exit of the country of origin and travel, transit and entry into the destination or host country.

Reception/holding centre

A facility lodging asylum-seekers or migrants in an irregular situation on arrival in a receiving country, while their status is determined.

Refugee

A person who, "owing to a well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group or political opinions, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country. (Art. 1(A) (2), Convention relating to the Status of Refugees, 80 International Migration Law Art. 1A(2), 1951 as modified by the 1967 Protocol).

In addition to the refugee definition in the 1951 Refugee Convention, Art. 1(2), 1969 Organization of African Unity (OAU) Convention defines a refugee as any person compelled to leave his or her country "owing to external aggression, occupation, foreign domination or events seriously disturbing public order in either part or the whole of his country or origin or nationality." Similarly, the 1984 Cartagena Declaration states that refugees also include persons who flee their country "because their lives, security or freedom have been threatened by generalised violence, foreign aggression, internal conflicts, massive violations of human rights or other circumstances which have seriously disturbed public order."

Resettlement

The relocation and integration of people (such as refugees, internally displaced persons) into another geographical area and environment, usually in a third country. In the refugee context, the transfer of refugees from the country in which they have sought refuge to another State that has agreed to admit them. The refugees will usually be granted asylum or some other form of long-term resident rights and, in many cases, will have the opportunity to become naturalised.

Return

Refers broadly to the act or process of going back. This could be within the territorial boundaries of a country, as in the case of returning internally displaced persons and demobilised combatants, or from a host country (transit or destination) to the country of origin, as in the case of refugees, asylum seekers and qualified nationals. Return can be voluntary, forced, assisted or spontaneous. Return can also be described with regards to who is participating in the return, such as repatriation (for refugees).

Third-country national

Any person who is not a citizen of the Union within the meaning of *Article 17(1)* of the *Treaty* establishing the European Community, including stateless persons.

Unaccompanied minors

Persons under the age of majority in a country other than that of their nationality who are not accompanied by a parent, guardian, or other adult who by law or custom is responsible for them.

Unaccompanied children present special challenges for border control officials, because detention and other practices applied to undocumented adult non-nationals may not be appropriate for children.

Undocumented migrant

A non-national who enters or stays in a country without the appropriate documentation. This includes, among others: a person (a) who has no legal documentation to enter a country but manages to enter clandestinely, (b) who enters or stays using fraudulent documentation, (c) who, after entering using legal documentation, has stayed beyond the time authorised or otherwise violated the terms of entry and remained without authorisation.



