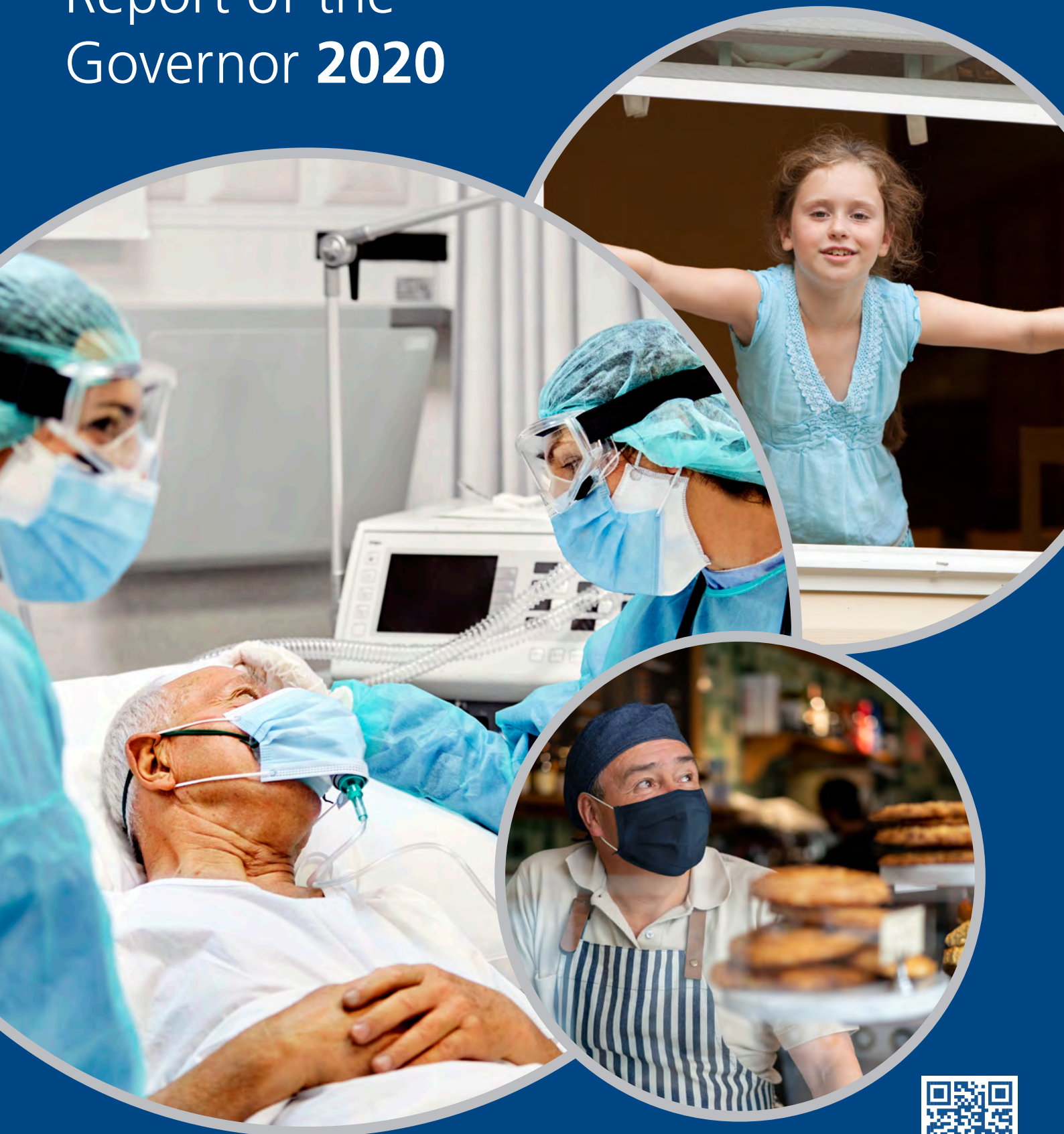
CEB

COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

Report of the Governor **2020**



About the CEB

The Council of Europe Development Bank (CEB) is a multilateral financial institution with a social mandate.

Founded by eight member states of the Council of Europe in 1956 in order to bring solutions to the problems of refugees, it is the oldest multilateral development institution in Europe.

The CEB is based on a Partial Agreement among member states of the Council of Europe, but has a separate legal personality and is financially independent from the Council of Europe. The Bank supports the principles and values of the Council of Europe, which stands for the defence and promotion of human rights, democracy, and the rule of law.

Projects

The CEB invests in social projects that promote inclusive growth and provide support for the most vulnerable populations across Europe while fostering environmental sustainability.

The CEB provides loans and guarantees to its 42 member states to finance projects meeting a certain number of criteria. Potential borrowers include governments, local or regional authorities, and financial institutions. Loan applications are rigorously reviewed and associated projects are designed and implemented according to national sectoral policies, when applicable.

In addition, the Bank uses donor funds to support projects which are in need of technical assistance and/or investment grant financing and which have a positive impact on those that are most in need. Member states of the CEB, non-member states, as well as the European Union contribute to CEB trust funds.

Resources

The CEB raises the funds for its financing on the international capital markets. It also receives resources entrusted to it by various member and non-member donors.

Thanks to its excellent credit rating (AAA with Standard & Poor's outlook stable, AA+ with Fitch Ratings, outlook stable, and Aa1 with Moody's, outlook stable), the Bank raises its funds on competitive terms, thus enabling its borrowers to significantly reduce the cost of the loans they take out to finance social projects.





Table of contents

2 About the CEB

4 2020 at a Glance

5 Message from the Governor

6 In Brief: CEB's Response to COVID-19

8 New CEB member state: Andorra

9 Support for the 2030 Agenda for Sustainable Development

10 Projects approved in 2020
12 CEB's lines of action
13 Inclusive growth
23 Support for vulnerable groups
26 Environmental sustainability

30 CEB Delivers: Projects Completed in 2020

32 Rewarding Best and Innovative Practice in Social Cohesion

34 Advancing Social Sector Knowledge

36 Partnerships and Donors
37 Partnerships
38 Donors

46 Financial Activities in 2020
47 Treasury portfolios
47 Derivatives
48 Funding in 2020

50 Governance and Human Resources
51 Governing structure
52 Organisation chart
53 Compliance
54 Internal Audit
54 Evaluation
55 Sustainability
56 Human Resources

58 Appendices: 2020 Projects and Loans

66 Notes for the reader

2020 at a Glance

Key messages

- Continuous support for medium and long-term investments in social infrastructure to pave the way for Europe's inclusive recovery
- New member state: Andorra
- New trust fund: the Green Social Investment Fund (GSIF), established by the CEB to contribute to its members' transition towards low-carbon and climate resilient economies
- € 106 million in additional contributions to CEB trust funds from the European Union, Norway, the Czech Republic, and from CEB's own resources.



- Swift reaction to member states' strong demand for financing, triggered by the COVID-19 pandemic
- Resilient, agile, and productive workforce, despite the challenges posed by COVID-19.

Key figures at 31 December 2020

- Sound performance, well in excess of targets:

Loans approved:
€ 6 billion
in loans approved, or 51% more than in 2019; half of the loans approved are dedicated to COVID-19 support.

Loans outstanding:
€ 17.4 billion
in loans outstanding, or 13% more than in 2019.

Disbursements:
€ 4.5 billion
in disbursements, or 57% more than in 2019 (swift disbursement).

Funds raised on international capital markets under the Borrowing Authorisation for 2020:
€ 4.5 billion
including the issuance of € 1 billion and USD 500 million as COVID-19 Response Social Inclusion Bonds.



- Standard & Poor's reaffirmed the CEB's credit rating to AAA with a "stable" outlook on 6 July 2020; Fitch Ratings revised the Bank's outlook from "positive" to "stable" while maintaining its AA+ rating on 29 July 2020, while Moody's maintained its Aa1+ rating with a "stable" outlook on 3 July 2020. In addition, Scope Ratings assigned the CEB its first AAA rating with a 'stable' outlook (unsolicited) on 2 October 2020
- 'Advanced' awarded by Vigeo-Eiris, 'Prime' affirmed by ISS ESG, 'Leader' by MSCI ESG and 'Negligible ESG Risk' by Sustainalytics in 2020
- 209 permanent staff - 33 nationalities - 54% women and 46% men.

Message from the Governor



It is my pleasure to report that the CEB turned in a solid performance in 2020. The Bank responded promptly to the COVID-19 pandemic with record financing of € 6 billion, or 51% more than that approved in 2019. 2020 disbursements trailed loan approvals and reached € 4.5 billion, or 57% more than in the previous year. Once again, our funding activity proved very successful: our two social inclusion bond issuances in April and in June 2020 were heavily oversubscribed and enabled us to pass on favourable lending conditions to our members. Also, grant contributions to our trust funds amounted to € 106 million.

Beyond figures, CEB financing has supported urgent health care needs; protected and generated jobs; ensured the continuity of essential public services; and backed medium and long-term investments in social infrastructure that will safeguard social cohesion and generate sustainable economic growth. In other words, the Bank delivered on its social mandate and the personal stories that you can read in this report or watch on our website illustrate that fully.

The Bank's attractiveness and relevance, particularly in times of major social and economic crises, was reaffirmed by Andorra who became the CEB's 42nd member state in May 2020. A first loan for the country's COVID-19 medical expenditures was approved in September 2020. In addition to financing medicines, diagnostic tests and other consumables, the CEB loan has helped Andorra to start its vaccination programme.

In 2020, the Bank launched the CEB Award for Social Cohesion – an open competition with a € 25 000 prize to a project that made a significant contribution to social cohesion in Europe in an innovative and effective way. The initiative will continue into 2021 as the Bank believes that innovative, targeted investments in the social sector are key for Europe's sustainable economic growth. Hence, they need to be publicly acknowledged and widely known, and the CEB Award is a means to ensure that.

Sharing knowledge and strengthening partnerships represented an important part of the Bank's activities in 2020. Through its publications and participation in high-level events and multilateral development banks (MDBs)' working groups, the CEB argued for social development and promoted social sector best practice. This included coordinating with and taking stock of the MDBs' emergency response to the COVID-19 crisis and support for the recovery as well as joining a group of 11 MDBs and the International Monetary Fund (IMF) in launching a first-ever joint report on financing Sustainable Development Goals (SDGs).

The Bank's robust response to 2020 challenges is due to a resilient, 209-person team who worked tirelessly with our members, investors, donors, and our governance bodies since the early days of the COVID-19 pandemic to translate emergency and recovery needs into concrete, effective projects and measures, which will generate more than € 23 billion investments throughout Europe.

CEB's effort to respond to ever-increasing social needs is not new. In 2012 loan approvals stood at € 1.8 billion and disbursements at € 1.6 billion. Today, only nine years later, as we are marking our 65th anniversary, the Bank's project approvals had increased threefold, membership and partnerships expanded, and the social development mandate had grown further in relevance. This did not happen over night but gradually and based on sound financing strategies.

Looking ahead, as the COVID-19 pandemic is exacerbating inequalities in Europe, the CEB will continue to make the case for inclusive development and will support projects and initiatives that promote social and economic inclusion, particularly for vulnerable groups, while advancing decarbonisation and climate resilience in Europe. In brief, the Bank will continue to contribute to a sustainable economy that will work for everyone.

Paris, 2 March 2021
Rolf WENZEL

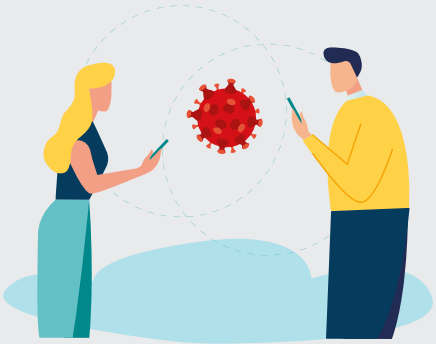


In Brief: CEB's Response to COVID-19

The CEB has:



- adapted its Public Finance Facility (PFF), a financing instrument aimed at national and sub-national public sector partners, to cover
  - Acquisition, under emergency procedures, of medical equipment and consumables
  - Rehabilitation and transformation of spaces, medical units
  - Mobilisation of additional medical expertise
  - Social care and education sector needs.
- engaged with borrowers to continue supporting MSMEs and municipal companies, with a focus on the preservation of jobs and on enabling ongoing municipal investments
- introduced temporary waivers on the proportion of the total cost of projects that may be financed through a CEB loan, and the possibility for the first disbursement tranche to exceed the usual ceiling of 50% of the total loan amount



- issued two COVID-19 Response Social Inclusion Bonds: a € 1 billion 7-year bond (April 2020) and a USD 500 million 3-year bond (June 2020)
- repurposed € 530 million in existing financing agreements to better serve European MSMEs' needs for working capital and investments.

Timely, flexible, and targeted financing to our member states, both during the height of the COVID-19 emergency and on the road to recovery:



- Loans approved:

€ 3.1 billion
18 countries

All that thanks to:

- a resilient team and associated support services, who have been working together with our member states since the early days of the COVID-19 pandemic to translate emergency and recovery needs into projects eligible for CEB financing

- the support of CEB's governance bodies who met virtually more frequently in extraordinary sessions to ensure a timely response to the funding needs.





Marianne Hagen,
State Secretary, Norwegian Ministry of Foreign Affairs, 5 May 2020

"Norway is a proud contributor to the Council of Europe Development Bank. The bank has so far approved timely and efficient loans of € 1.7 billion for the COVID-19 response. This confirms the CEB as a major instrument of solidarity in Europe."

New CEB member state: Andorra

Andorra joined the CEB in May 2020 as the Bank's 42nd member state. This confirms the Bank's attractiveness and the relevance of its social mandate, particularly at times when European solidarity is required to respond to major challenges, such as the COVID-19 pandemic.

In September 2020, the CEB approved its first loan to Andorra: € 12 million to finance up to 90% of the cost associated with COVID-19 medical services, consumables, and equipment, as well as the three-fold increase in the number of intensive care units (up to 35 units). The financing has helped the country to contain the COVID-19 pandemic and to improve the resilience of its healthcare system.

In addition to financing diagnostic tests and other consumables, the CEB loan has helped Andorra to start its vaccination programme, with a supply of 30,000 doses of the Pfizer/BioNTech vaccine purchased from Spain. This first phase of the vaccination programme is aimed at protecting care home residents, health professionals, and frontline workers.

Eric Jover,
Finance Minister and Government Spokesperson

"This agreement will help us fight against COVID-19 and, in addition, will expand the economic resilience of our country while increasing our commitment to multilateralism and to the objectives of the Council of Europe."

Who can join the CEB?

- Any member state of the Council of Europe may become a member of the Bank by addressing a declaration to the Secretary General. A European state which is not a member of the Council of Europe may also become a CEB member state or conclude an association agreement, subject to special conditions.
- International institutions with a European focus may also become members of the Bank or conclude an association agreement.

More information can be found in the CEB's Articles of Agreement, available here: https://coebank.org/en/about/basic-legal-texts/.



Marc Ballestà Alias,
State Secretary for International Financial Matters

"The access to the CEB financing, to cover a part of the COVID-19 health expenses, including the vaccination programme, has been very important for the Government of Andorra and it will ensure the provision of all the needed health resources by our citizens".

Support for the 2030 Agenda for Sustainable Development

As outlined in its Development Plan for 2020 – 2022, the CEB aims to support its member states in meeting their commitments under the 2030 Agenda for Sustainable Development.

In 2020, the Bank screened the projects proposed for financing against a set of ten Sustainable Development Goals (SDGs) that are closest to its mandate:

- SDGs aligned with the Bank's core social mandate: SDGs 1 (No poverty) and 10 (Reduced inequalities)
- SDGs relevant for cross-cutting issues: SDGs 5 (Gender equality) and 13 (Climate action)
- SDGs with project-specific relevance: SDGs 3 (Good health and well-being), 4 (Quality education), 6 (Clean water and sanitation), 8 (Decent work and economic growth), 11 (Sustainable cities and communities), and 16 (Peace, justice, and strong institutions).

The large majority of projects approved in 2020 will contribute to SDGs 10 – Reduce inequalities, 3 – Good health and well-being, and 11 – Sustainable cities and communities. More details on the exact distribution of CEB financing against the selected SDGs are provided in the Bank's Sustainability Report.

LITHUANIA

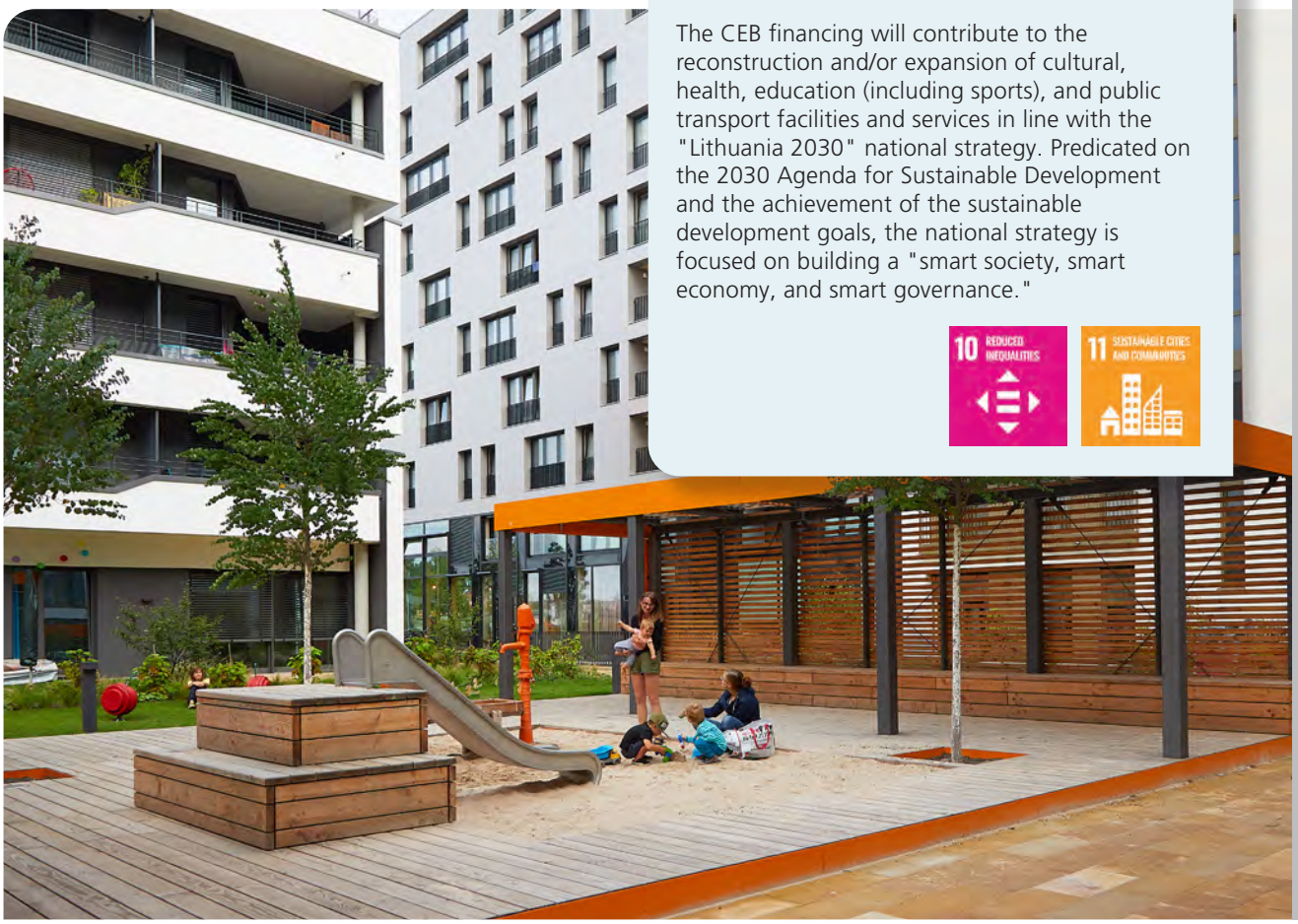
Support for Lithuania's 2030 National Strategy

Loan: € 100 million

Borrower: Government

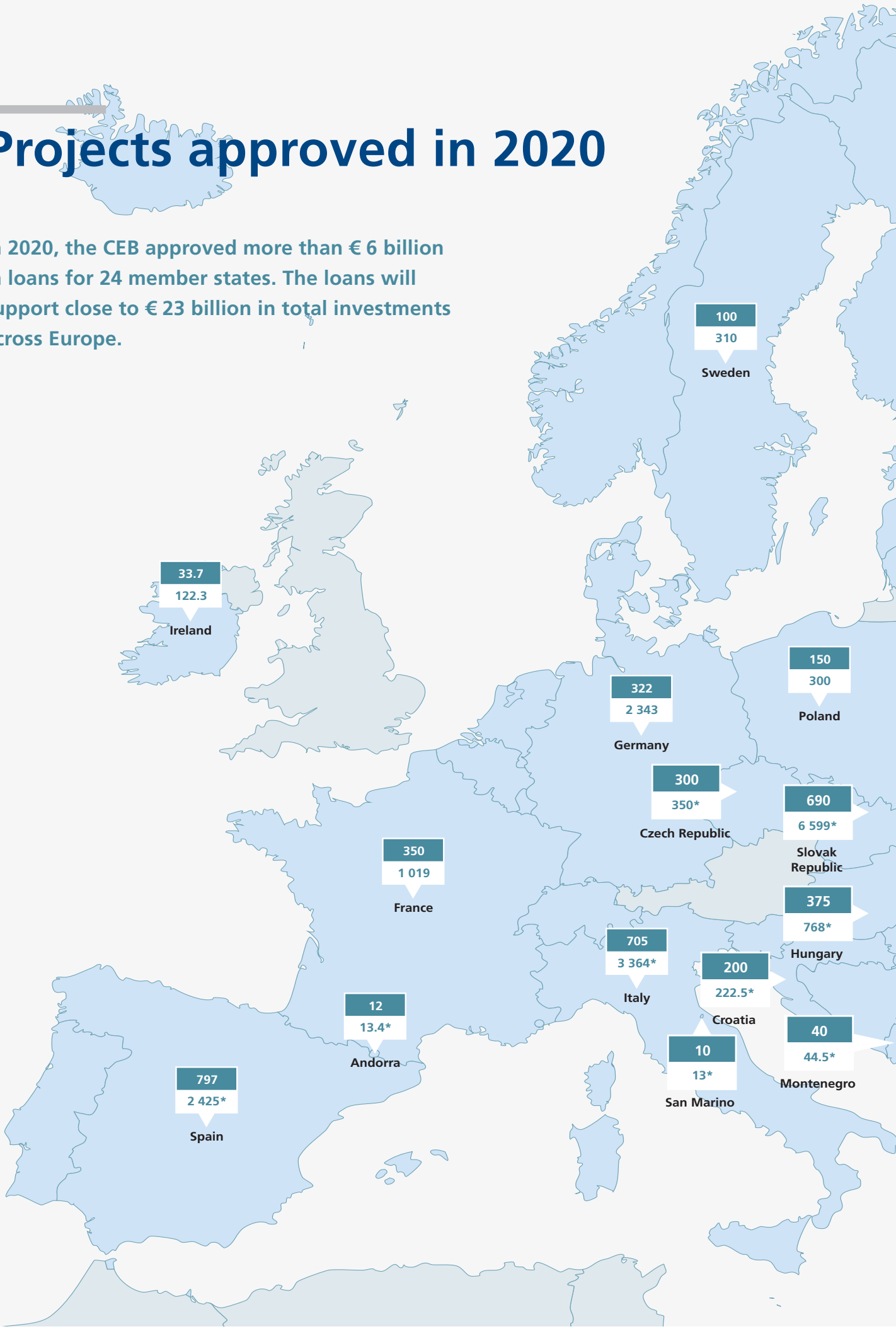
Target beneficiaries: Public and regional entities and municipalities throughout Lithuania and their residents

The CEB financing will contribute to the reconstruction and/or expansion of cultural, health, education (including sports), and public transport facilities and services in line with the "Lithuania 2030" national strategy. Predicated on the 2030 Agenda for Sustainable Development and the achievement of the sustainable development goals, the national strategy is focused on building a "smart society, smart economy, and smart governance."



Projects approved in 2020

In 2020, the CEB approved more than € 6 billion in loans for 24 member states. The loans will support close to € 23 billion in total investments across Europe.



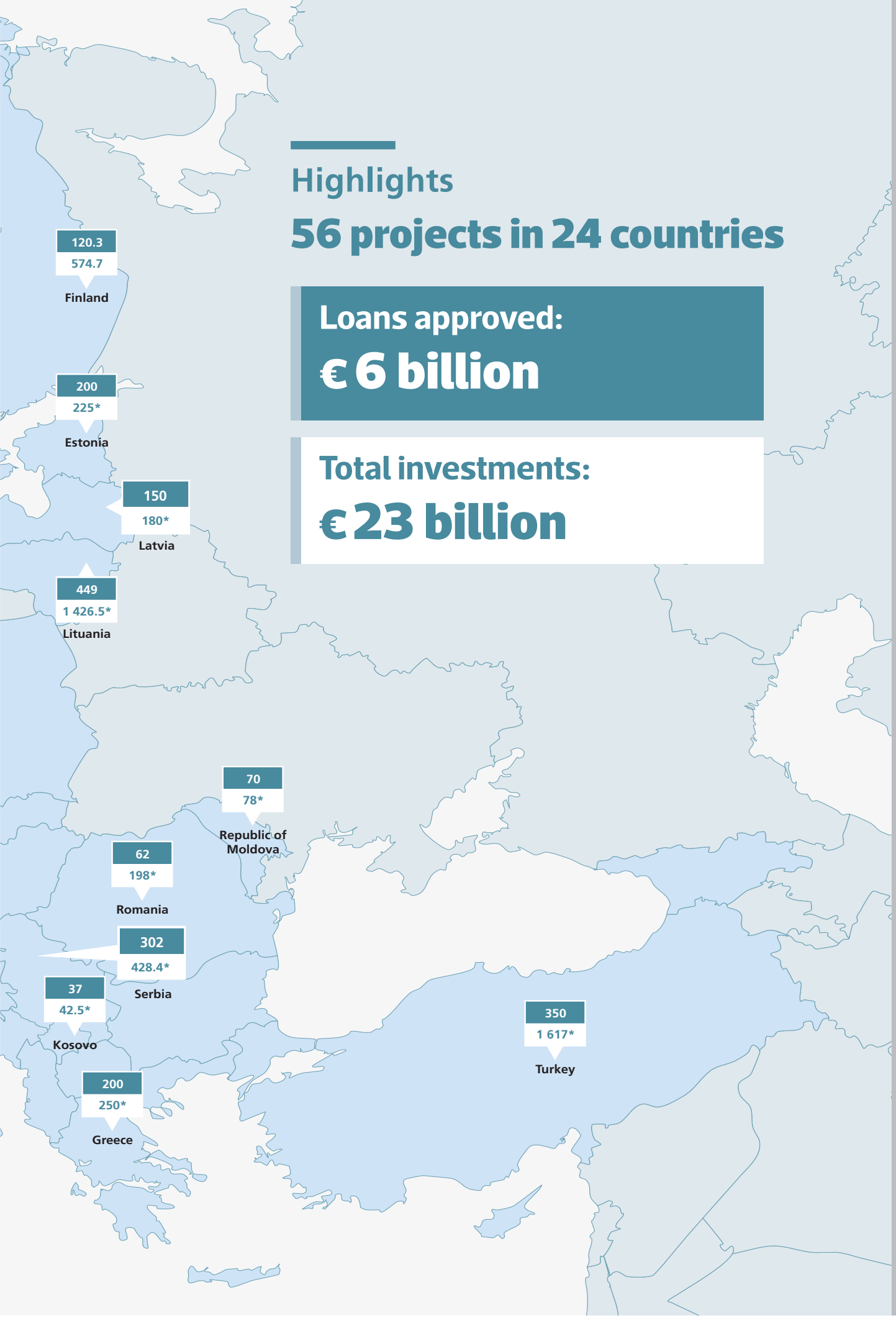
The full list of CEB member countries can be found in the Notes for the reader on last page

Highlights

56 projects in 24 countries

Loans approved:
€ 6 billion

Total investments:
€ 23 billion



* Member states who benefited from COVID-19 support

CEB's lines of action

The Bank's core social mandate is currently defined by actions that promote:

- Inclusive growth
- Support for vulnerable groups
- Environmental sustainability.

The CEB's financing increasingly supports the implementation of flexible, integrated solutions to the social challenges faced by its member countries. Investments in social sector infrastructure and services are thus intertwined with climate change mitigation and adaptation measures and/or with specific actions targeting vulnerable persons. There is therefore a certain degree of overlap between some of the financing approved under Inclusive Growth and that associated with the other two lines of action – Support for Vulnerable Groups and Environmental Sustainability.

ROMANIA

Greening social infrastructure and support for vulnerable groups

Loan: € 47 million

Borrower: Bucharest Sector 6

Target beneficiaries: Residents of Sector 6 Bucharest, including vulnerable groups

CEB financing will contribute to:

- Retrofitting more than 100 multi-family residential buildings and thirteen state schools and kindergarten buildings.
- Construction and retrofitting of eight after-school facilities and kindergartens to 'nearly-zero-energy buildings' standards.
- Construction of 246 social housing, energy efficient units.
- Operation of a food bank and a social canteen for vulnerable groups living in Sector 6, such as elderly persons, single mothers with children, ethnic Roma, and unemployed or people with disabilities.





Inclusive growth

The CEB's investments contribute to Europe's sustainable and inclusive growth. The projects financed under this line of action focus on developing public social infrastructure, creating and maintaining jobs, ensuring access to the labour market, and providing social and affordable housing solutions.

► Swift response to the COVID-19 crisis

In 2020, the CEB approved € 4.9 billion in support of inclusive growth. The majority - € 3.1 billion - represents financing approved in favour of 18 member countries to help them to tackle the COVID-19 pandemic. Specifically, the loans approved in response to COVID-19 have:

- Helped mitigate the spread and consequences of COVID-19 by ensuring medical services and supplies as required, including diagnostic tests and vaccines.
- Increased hospitalisation capacity, with a focus on intensive care units.
- Supported public authorities in ensuring the continuity of essential public services.
- Ensured the financing required for MSMEs to mitigate the economic impact of the pandemic.

SPAIN

Support for COVID-19 emergency responses

Loan: € 200 million

Borrower: Comunidad Autónoma de Madrid

Target beneficiaries: Madrid's 6.7 million inhabitants

Spain has been among the nations hardest hit by the COVID-19 crisis, with the Autonomous Community of Madrid accounting for almost one third of Spain's confirmed cases. The CEB loan was swiftly approved and signed in April 2020. The loan covered health and social services related to COVID-19:

- Hiring of additional medical staff
- Hiring of 400 new COVID-19 hotline operators
- Additional medical and pharmaceutical supplies, such as medicines or diagnostic tests
- Specialist equipment needed for COVID-19 patients such as additional intensive care beds, ventilators, face masks, gloves, and hand sanitiser
- Strengthening of services in care homes for the elderly and persons with disabilities.





CROATIA

Backing extraordinary health care costs and compensating for local revenue losses

Loan: € 200 million

Borrower: Government

Target beneficiaries: Local and national authorities; the community at large

The CEB financing helped the Croatian government and local authorities in their efforts to contain the COVID-19 pandemic and mitigate its negative impact on essential public services by:

- Backing the purchase of COVID-19-related pharmaceutical products, medical supplies, and protective equipment as well as the employment of exceptional and temporary medical staff
- Compensating for the revenue losses registered by the Health Insurance Fund and local authorities. The Health Insurance Fund had thus the resources required to pay medical providers for their services, while local authorities were able to continue providing essential public services.

MONTENEGRO

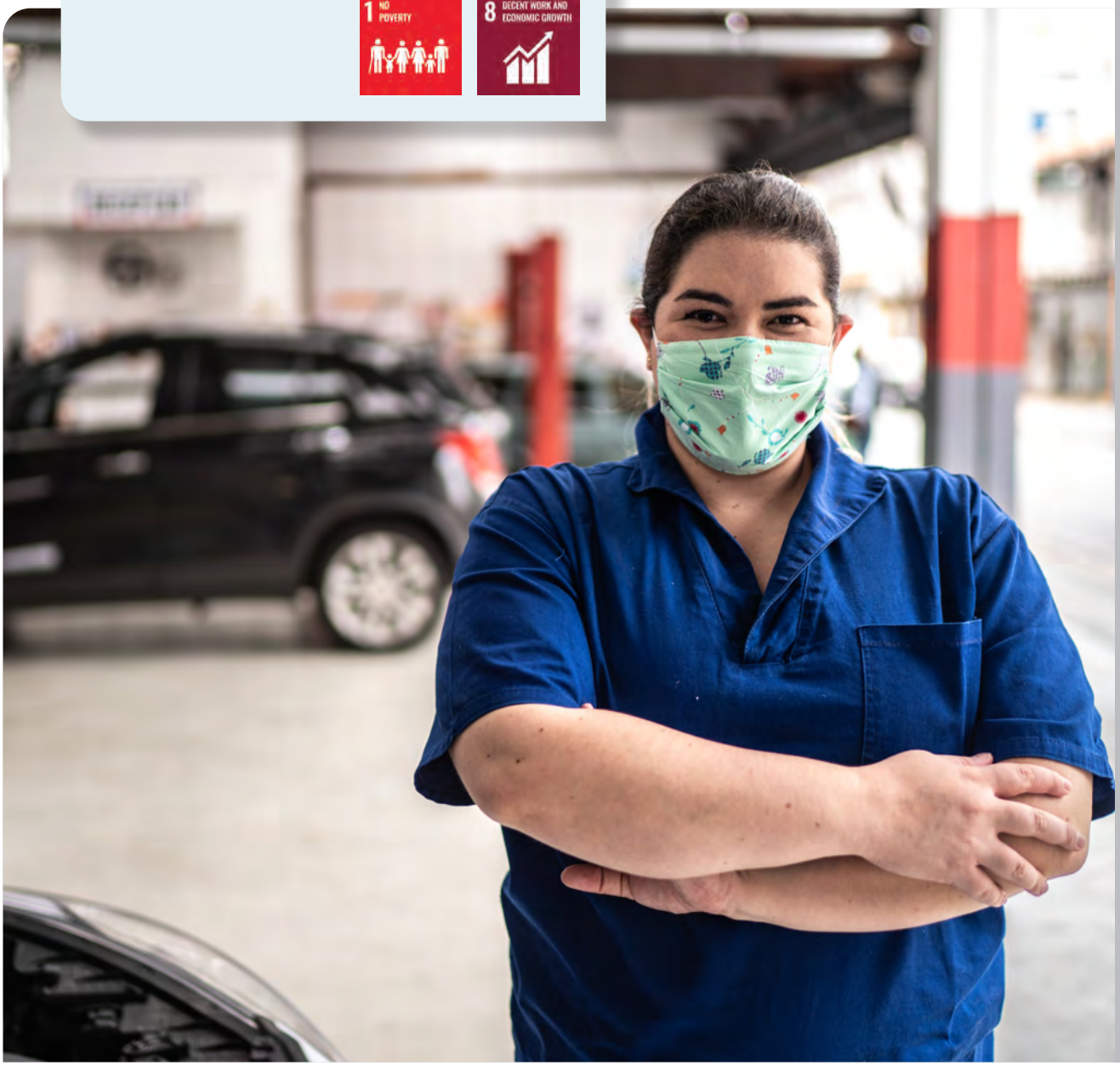
Aid for MSMEs to mitigate the impact of COVID-19

Loan: € 40 million

Borrower: Government

Target beneficiaries: MSMEs

The CEB loan has helped MSMEs in Montenegro to mitigate the economic impact of the COVID-19 pandemic by financing their working capital requirements and investments. The funding was made available by the Investment and Development Fund of Montenegro and some 13 commercial banks.



ESTONIA

Paving the way to recovery

Loan: € 200 million

Borrower: Government

Target beneficiaries: Local and national authorities, businesses, Estonian community at large

The CEB loan to Estonia focused on mitigating the negative effects of the COVID-19 pandemic by:

- Financing COVID-19 research and development, including by equipping a high biosafety level laboratory at the University of Tartu Institute of Biomedicine and Translational Medicine
- Supporting local authorities in their efforts to continue essential public services
- Ensuring grant and working capital programmes for MSMEs impacted by the crisis, through the state-owned Foundation Enterprise Estonia and the Rural Development Foundation
- Backing key investments in local infrastructure such as local road improvements and the extension of high-speed internet access to rural areas



► Financing to advance CEB member states' inclusive recovery

In addition to the financing approved in direct response to the COVID-19 emergency, the CEB continued to support medium and long-term investments in social infrastructure that could safeguard social cohesion as well as generate sustainable employment and economic growth.

- **Improvement of urban and rural infrastructure across sectors:** In 2020, the CEB approved more than € 900 million in support of investments in urban and rural infrastructure. The loans cover a variety of actions such as developing urban and regional public transport, sustainable mobility solutions, water supply and wastewater collection systems, protection against natural and ecological disasters, and cultural heritage.



IRELAND

Sustainable social infrastructure for all

Loan: € 34 million

Borrower: Cork County Council

Target beneficiaries: 60 000 people living in Cork County

The CEB financing will support the County's Social Sustainability Investment Programme (SSIP) for 2019-2029 which aims to maximise the potential for growth while ensuring sustainability. Specifically, the loan will finance up to 52 projects in nine town centres that face socio-economic challenges but play a key role in providing employment and services for their wider rural catchment areas. The investments will:

- Improve living conditions in urban and rural areas, including road networks, and sport and leisure facilities
- Protect and rehabilitate historic and cultural heritage
- Promote environmental protection and energy efficiency projects
- Improve health services
- Protect against natural and ecological disasters



Cllr Mary Linehan Foley,
Mayor of Cork County

"This loan will contribute to ensuring the continued economic and social sustainability of our communities, addressing these locally targeted, but very different challenges. Improvements to our road networks, enhancements to our town centres, flood protection and investment in our heritage and tourism amenities will ensure Cork County continues to be wonderful place to live, work, visit and enjoy for all."



SLOVAK REPUBLIC

Co-financing priority projects under the Partnership Agreement with the EU

Loan: € 300 million

Borrower: Government

Target beneficiaries: Central and local government institutions, self-governing regions, municipalities, etc.

The CEB financing will back priority projects within the Partnership Agreement of the Slovak Republic for the 2014-2020 programming period. In particular, the CEB loan will help to implement social investments in various areas to boost inclusive growth and support environmental protection, including energy efficiency measures, flood protection infrastructure, and wastewater treatment works.

Erika Jurinová,
President of the Žilina Self-Governing Region

"We appreciate the further cooperation with the CEB, which is the most important financing institution for the Žilina Self-Governing Region, so that we could support new investment projects that will help develop the Region. We are pleased that even in tough times, when municipalities and regions have to face a significant revenue loss, we can use a new advantageous financing scheme to carry out investments and projects as scheduled, mainly in the fields of health care, social services and transport, as well as to implement EU funded projects."

POLAND

Employment opportunities with MSMEs

Loan: € 150 million

Borrower: Europejski Fundusz Leasingowy

Target beneficiaries: MSMEs

The CEB loan will contribute to the strengthening of MSME competitiveness and create or maintain employment. The largest share of beneficiaries will be micro and small enterprises, which have less than 50 employees and € 10 million in turnover or total assets.

At least 10% of the funds are dedicated to women entrepreneurs and women-led businesses.







- **Access to affordable financing solutions for MSMEs:** The CEB approved more than € 700 million for MSME financing in 2020, including under COVID-19 specific support. The funding will enable the beneficiaries to start new, or expand, existing businesses by purchasing productive assets and undertaking the construction/expansion of premises. The financing will also support enterprises in developing or implementing innovative technologies and optimising processes, including energy efficiency improvements.

- **Education and vocational training**

  The CEB approved more than € 450 million in 2020 for the construction and rehabilitation of education infrastructure, including sports facilities. The new infrastructure will be energy efficient and climate resilient.

SWEDEN

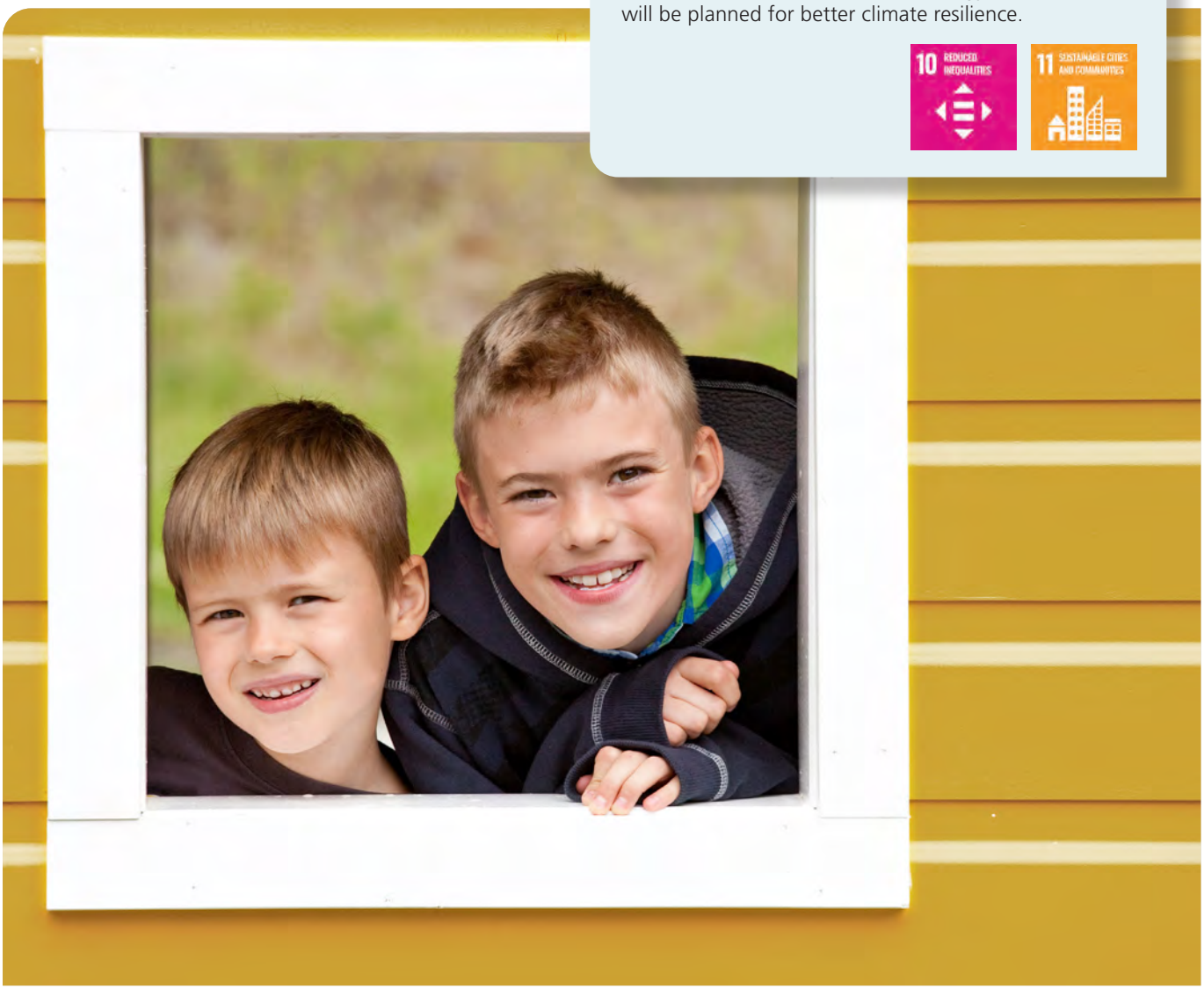
Investing in green education infrastructure for all

Loan: € 100 million

Borrower: City of Uppsala

Target beneficiaries: Pupils and teachers in Uppsala; the community at large

The CEB financing will back the construction of new educational buildings and the renovation, including retrofitting, of existing facilities in Uppsala. The investments will create 4 100 pre-school and primary school places and will thus allow the city to better respond to an increase in overall population, including migrants and refugees. In addition, all new and renovated infrastructures will be energy efficient and will be planned for better climate resilience.





- **Social and affordable housing solutions:** The CEB finances sustainable and affordable housing solutions for vulnerable populations – low-income and/or single-parent families, displaced persons, migrants and refugees, the elderly, persons with disabilities, etc. In 2020, the Bank approved € 184 million in financing for social and affordable housing solutions in Finland, Germany, and Serbia. All the renovation work will include retrofitting and thus advance energy efficiency measures.

GERMANY

Social and affordable housing for Berlin residents

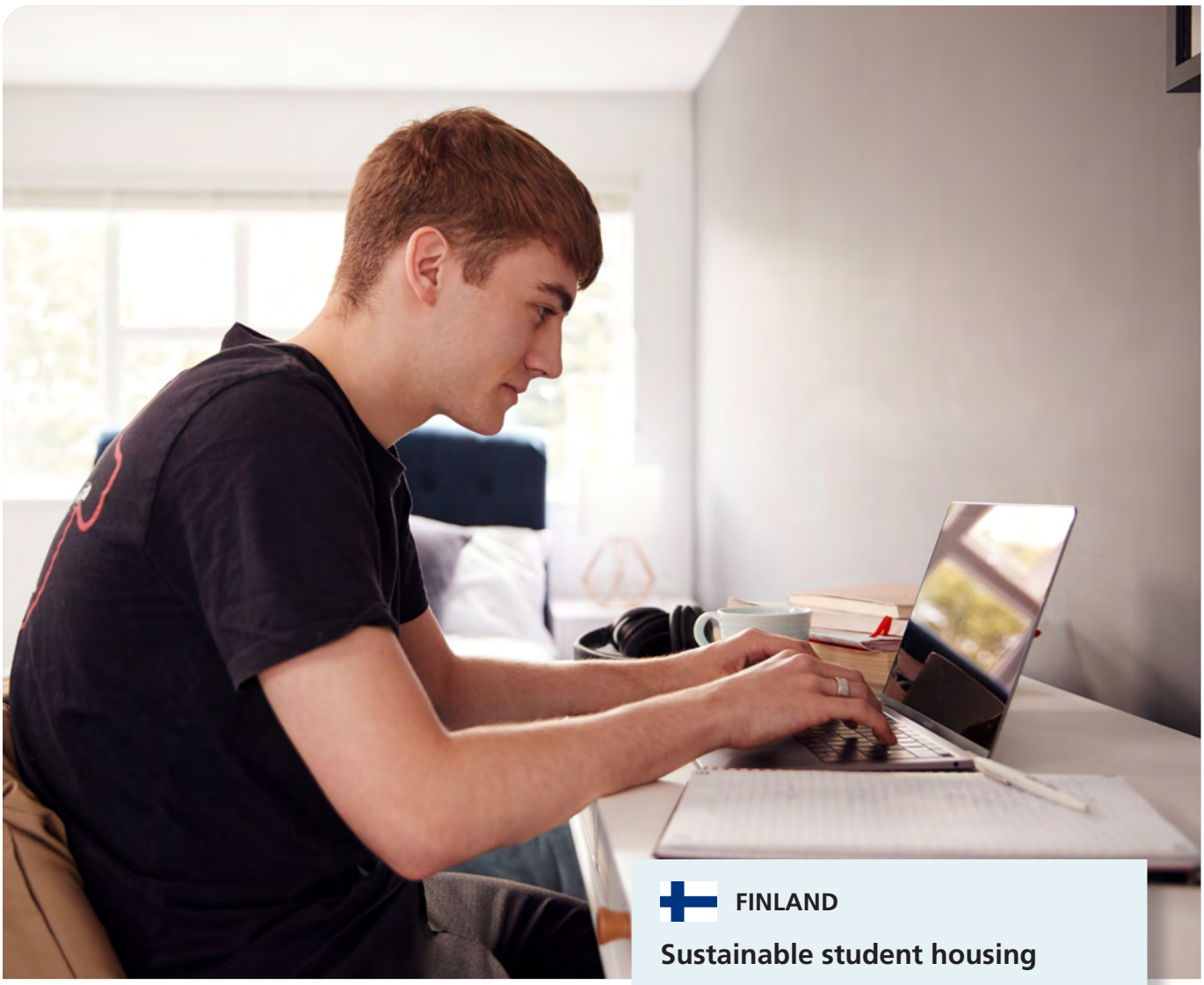
Loan: € 100 million

Borrower: Gewobag Wohnungsbau AG Berlin

Target beneficiaries: 10 000 low-income and vulnerable persons

The CEB will finance the construction and modernisation, including retrofitting, of about 5 400 social and affordable housing units. The loan is expected to benefit some 10 000 housing beneficiaries, predominately low-income households and specific vulnerable population groups, such persons with disabilities, the elderly, students, and migrants, residing in Berlin.





FINLAND

Sustainable student housing

Loan: € 10.3 million

Borrower: Pirkan Opiskelija-asunnot (POAS) - Tampere Region Student Housing Municipal Company

Target beneficiaries: 250 students

The CEB loan will help Tampere meet the growing demand for student housing, by increasing the student housing stock in Tampere and making reasonably priced apartments available for students and working people under 30 years of age. In particular, the CEB will finance some 250 housing units in three locations in Tampere, in the close vicinity of educational institutions. One such location is Jäähallinkaari where 56-housing units should be ready to welcome new tenants in December 2021.

[Highlights]

Loans approved:

€ 4.9 billion

Total investments:

€ 19.7 billion

Support for vulnerable groups

The CEB promotes investments that help to integrate the most vulnerable citizens and nurture a more diverse society. In addition to sustainable infrastructure projects focused on, for instance, housing and education, the CEB supports vulnerable groups' access to finance, through microfinance institutions.

In 2020, the CEB approved € 291 million in loans under this line of action to:

- Construct and rehabilitate social and affordable housing units for low-income households and specific vulnerable population groups such persons with disabilities, the elderly, students, and migrants
- Construct dormitories for students with a specifically vulnerable background, such as a parentless or a single-parent family, refugees and internally displaced persons, and Roma and other minority groups
- Ensure quality social infrastructure and social care services for the elderly and the homeless, for persons with disabilities, and for victims of gender violence.

Loans under this line of action complement activities undertaken with grants from the CEB trust funds. More details are provided in the section on Partnerships and Donors of this report.

SPAIN

Social infrastructure and services for all

Loan: € 50 million

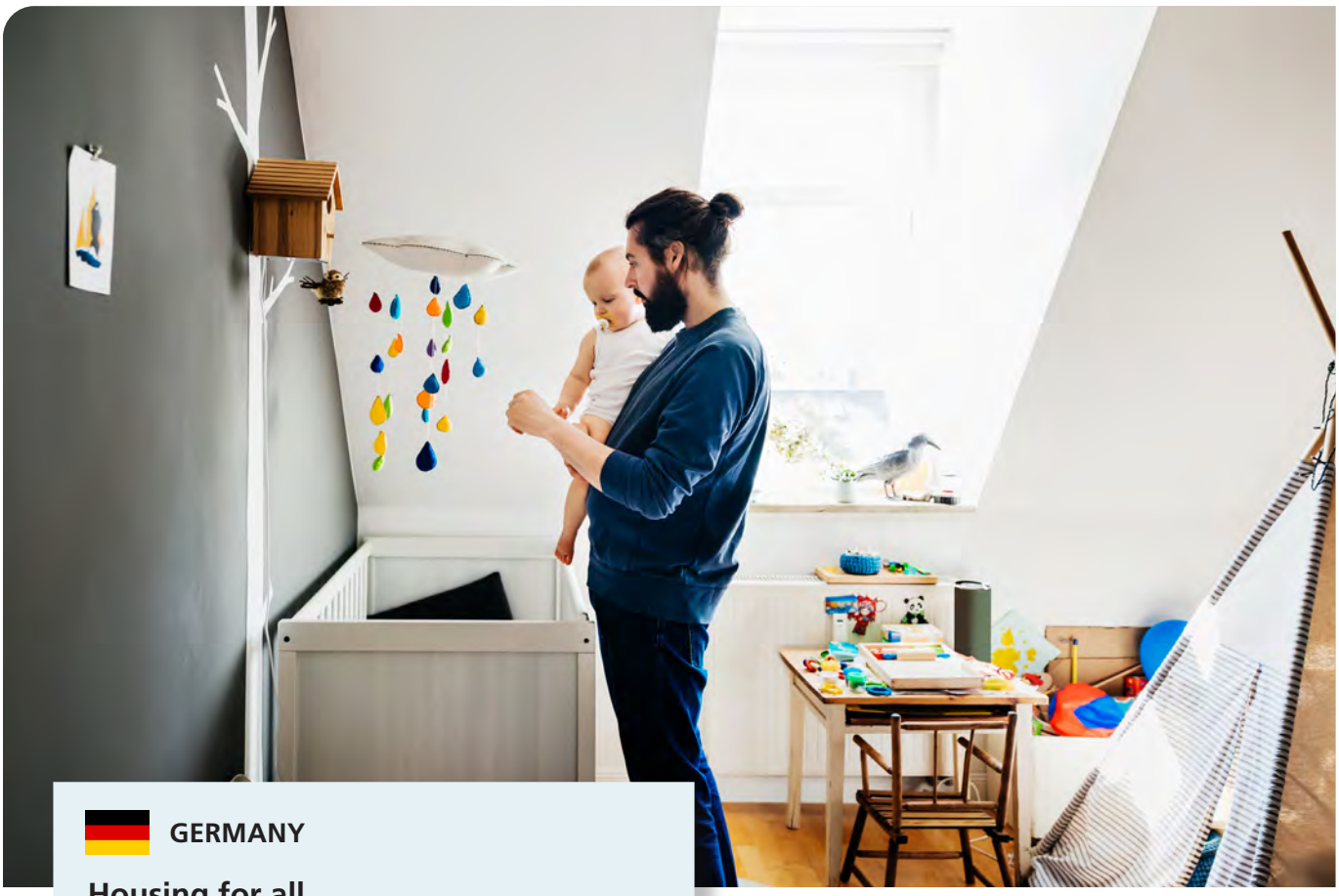
Borrower: Comunidad Foral de Navarra

Target beneficiaries: More than 150 000 vulnerable persons, including the elderly and the homeless, persons with disabilities, and victims of gender violence

The CEB financing will support the Region of Navarra's efforts to:

- Ensure adequate infrastructure (e.g. care homes, day centres) and associated social care services to the elderly and persons with disabilities
- Support victims of gender violence, including by safeguarding temporary accommodation
- Run social canteens for the homeless.





GERMANY

Housing for all

Loan: € 42 million

Borrower: Leipziger Wohnungs- und Baugesellschaft mbH

Target beneficiaries: Low-income households, including young families, single-parent families, persons with disabilities, the elderly, homeless persons, migrants and refugees

The CEB financing will help the City of Leipzig to expand its rental housing capacity through the construction of new social housing units and the renovation of existing housing estates. In addition, the CEB loan will back the construction of nurseries (*crèches*), on the site of the new buildings, for more than 300 children.

The loan adds to a € 58 million agreement signed in December 2019, bringing the CEB financing to Leipziger Wohnungs- und Baugesellschaft to € 100 million.

Marija Pejčinović Burić,
Secretary General of the Council of Europe

"The CEB's support to vulnerable groups fits perfectly within the role of the Council of Europe's mandate to promote human rights, democracy and the rule of law. I believe its role will continue to grow and benefit social cohesion and integration in Europe."

[Highlights]

Loans approved:

€ 291 million

Total investments:

€ 993 million

SERBIA

Access to education for all

Loan: € 32 million

Borrower: Government

Target beneficiaries: Vulnerable and low-income students, including Roma and other minorities

The CEB will contribute to the construction of two student dormitory buildings in the cities of Belgrade and Niš. The new dormitories will comprise a total of 1 400 individual accommodation units. State-financed students throughout Serbia, particularly those from less developed regions and low-income families, will benefit from the new investments. In addition, 10% of all accommodation will be allocated to students of a specifically vulnerable background, such as a parentless or a single-parent family, refugees and internally displaced persons, or Roma and other minority groups.



Environmental sustainability

The CEB finances projects that support climate change mitigation and adaptation as well as other environmental objectives. It also seeks to enhance the integration of climate change considerations in all its project proposals, including by screening all its projects for climate-related physical risks and by reporting their greenhouse gas emissions and any greenhouse gas emission reductions.

In 2020, despite a clear shift of the CEB's portfolio towards projects that responded to COVID-19 emergency needs, the Bank remained committed to progressively aligning its project portfolio with the goals and principles of the Paris Agreement on Climate Change and improving the tracking of green and climate action finance.

The Bank approved € 798 million in loans under this line of action. Out of the 56 approved projects, 21 contribute to climate change mitigation and 11 to increasing climate change resilience, with several having both mitigation and adaptation components. In total, the CEB's financing to climate change mitigation amounted to € 649 million in 2020, while the financing for adaptation measures represented € 149 million.

Specifically, the projects approved under this line of action include:

- Energy efficiency measures, including deep retrofits
- Improvements in public transport quality and environmental sustainability
- Mainstreaming environmental sustainability in cities and regions and thus supporting their green and inclusive recovery from the COVID-19 pandemic.



Kristina Vaskelienė,
Deputy CEO, Public Investment Development Agency (VIPA), Lithuania

"I am very pleased that the Council of Europe Development Bank has approved a loan for the Apartment Building Renovation Fund. Investments in multi-apartment building modernisation bring not only environmental, but also social benefits – reduced heating bills, increased apartment value, and much more comfortable living conditions."

LITHUANIA

Reducing environmental footprint and energy poverty

Loan: € 67.5 million

Borrower: Government

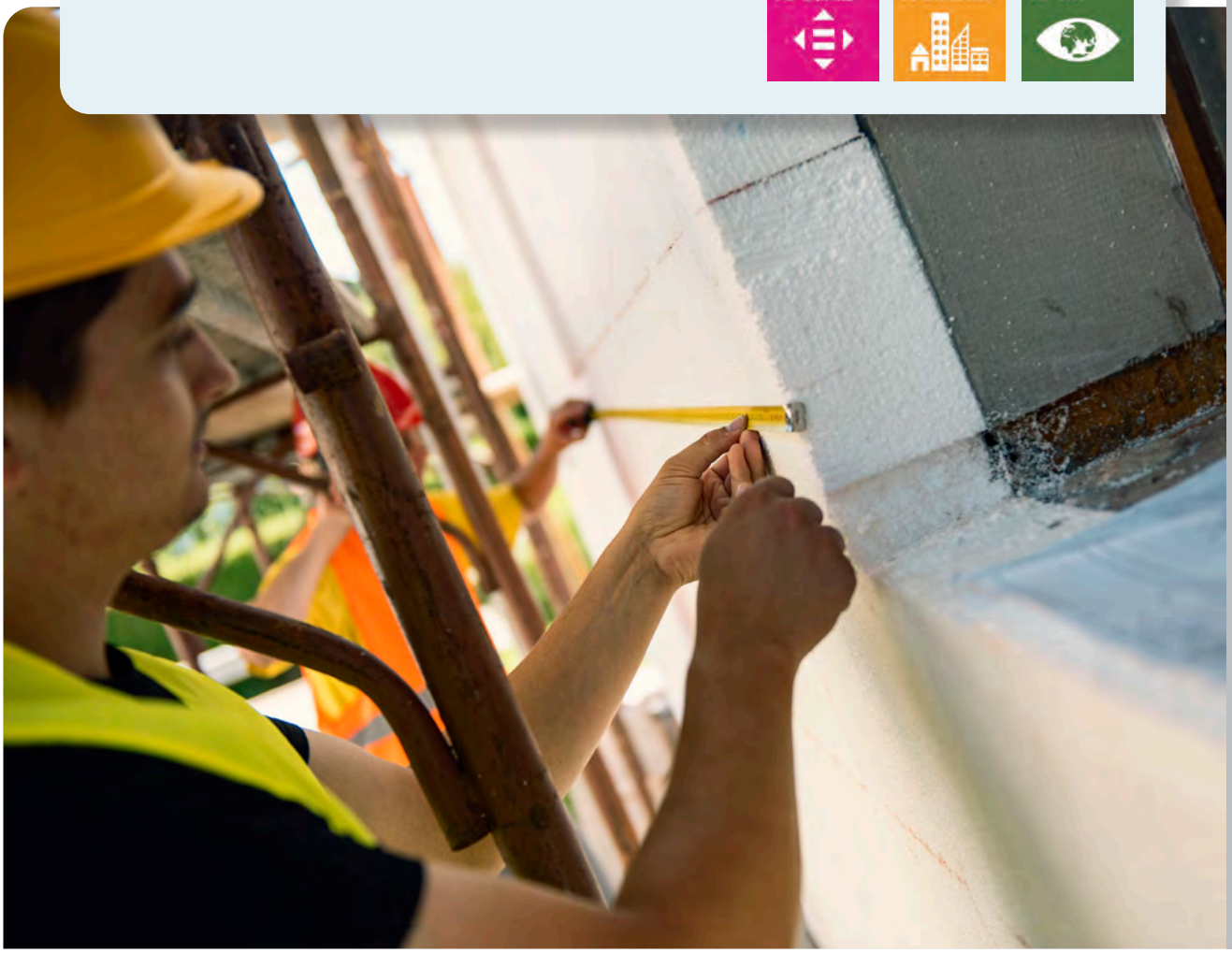
Target beneficiaries: Multi-apartment building residents, particularly low-income persons

The CEB loan will result in:

- Retrofitting of thousands of multi-apartment buildings to energy class B or C
- A 70% reduction in the current energy consumption and thus a significant decrease in the environmental impact of the buildings
- Lower heating costs and consequently better living conditions for the residents, particularly low-income persons.

In addition, the CEB financing will help Lithuania to implement the country's COVID-19 recovery plan while contributing to the achievement of its 2021-2030 energy and climate policy objectives.

The investments will be undertaken through the Apartment Building Renovation Fund (ABRF) – a facility managed by the Public Investment Development Agency (VIPA), which blends European Union, public, and other financial resources. The CEB loan capitalises on a previous agreement, signed in June 2019, and increases the total CEB financing made available for the ABRF to € 167.5 million, or 40% of the total fund resources.



FRANCE

Greening public transport

Loan: € 150 million

Borrower: Nantes Métropole

Target beneficiaries: Residents of Nantes Métropole, or at least 650 000 people

The CEB loan will allow for the purchase of new rolling stock (trams, busway e-buses, buses, and minibuses) to replace outdated existing vehicles and boost the attractiveness of public transport as a means of travel for all users and in particular for socially or economically vulnerable groups, such as the elderly, persons with disabilities, and low-income households. It will result in:

- Public transport based on a mix of low-carbon solutions (including electricity and hydrogen) and hence reduced greenhouse gas emissions
- A public transport system that is regular, easier to access, comfortable, safe, and more efficient.

[Highlights]

Loans approved:

€ 798 million

Total investments:

€ 2.3 billion





ITALY

Support for Milan's green and inclusive recovery from COVID-19

Loan: € 50 million

Borrower: Municipality of Milan

Target beneficiaries: Milan's 1.3 million inhabitants, in particular vulnerable groups such as young pupils and social housing end-users

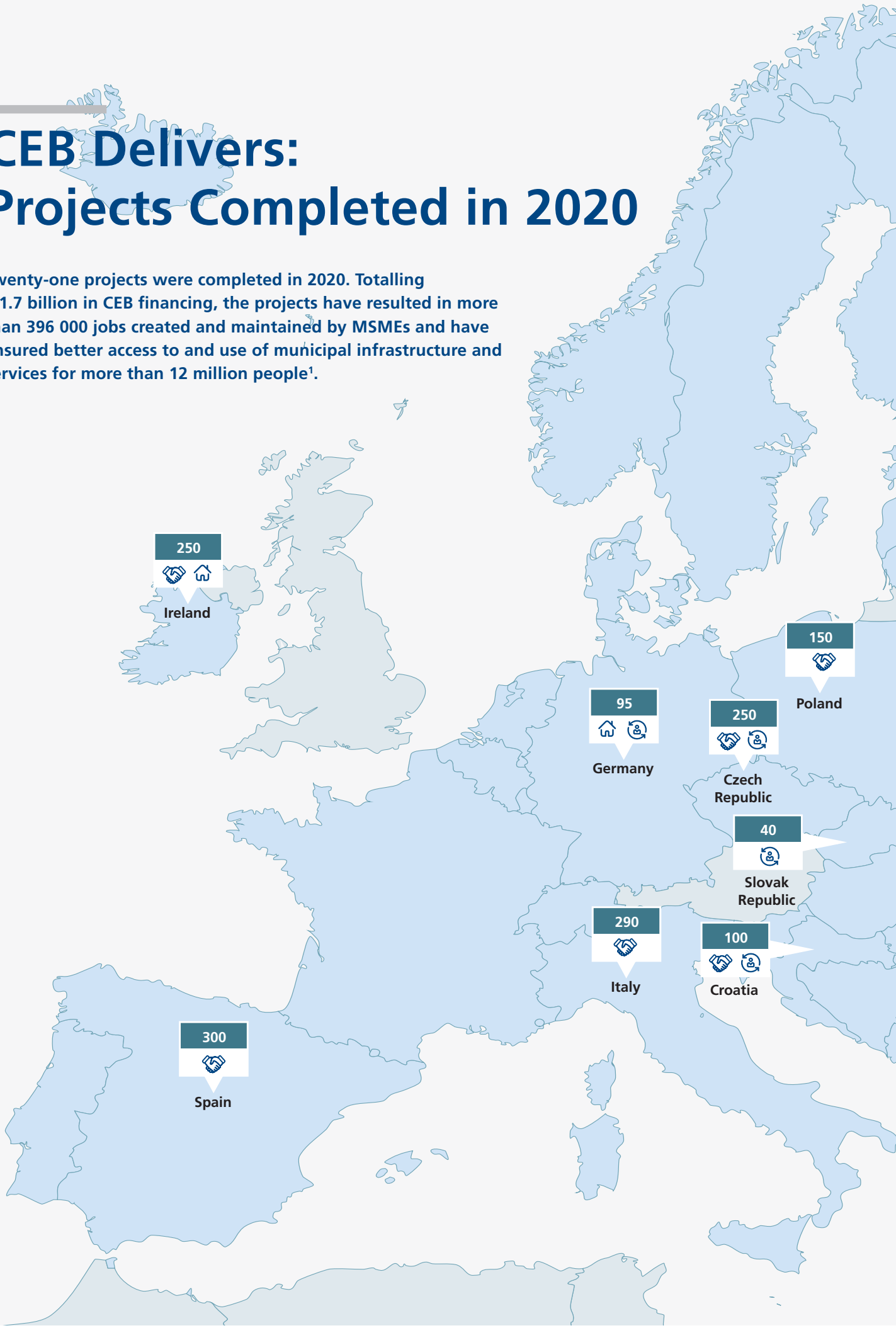
The CEB will contribute to Milan's plan for a green and inclusive recovery from the COVID-19 pandemic by strengthening its resilience to climate change and socio-economic stresses. Specifically, the loan will support key investments in:

- Strengthening the mobility system, supporting active and environmental friendly means of transport, including the conversion of roads into bike lanes
- Regenerating and requalifying public spaces, including the increase in pedestrian areas
- Upgrading safety and accessibility standards in municipal school buildings (i.e. pre-school, kindergartens and primary schools)
- Rehabilitating public and social housing buildings, including energy efficiency measures.

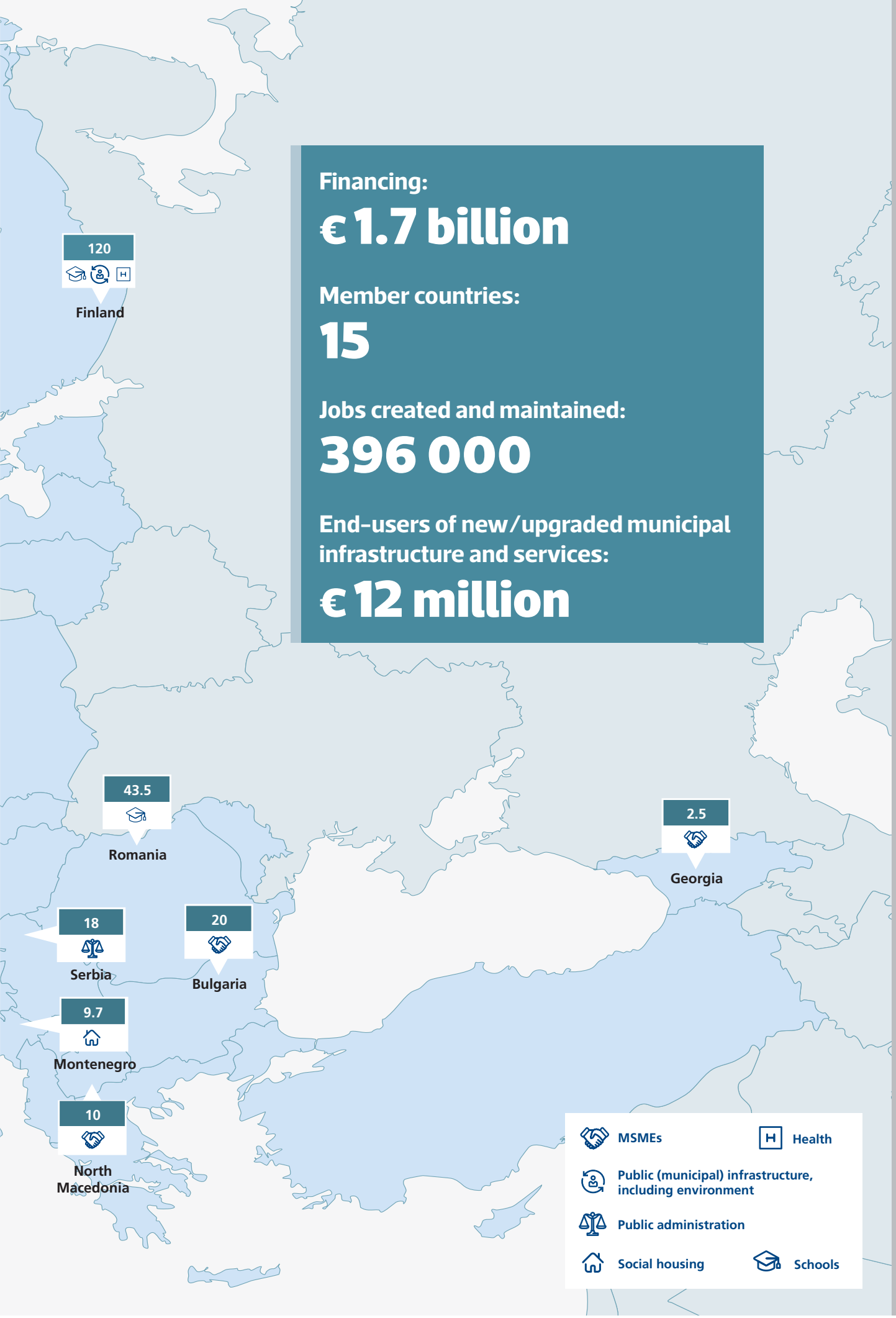


CEB Delivers: Projects Completed in 2020

Twenty-one projects were completed in 2020. Totalling € 1.7 billion in CEB financing, the projects have resulted in more than 396 000 jobs created and maintained by MSMEs and have ensured better access to and use of municipal infrastructure and services for more than 12 million people[1].



[1] Data consolidated on the basis of project completion reports submitted by CEB's borrowers.



Financing:

€1.7 billion

Member countries:

15

Jobs created and maintained:

396 000

End-users of new/upgraded municipal infrastructure and services:

€12 million

Rewarding Best and Innovative Practice in Social Cohesion

In 2020, the Bank launched the CEB Award for Social Cohesion – an open competition with a € 25 000 prize for a project that made a significant contribution to social cohesion in Europe in an innovative and effective way.

The initiative stems from the CEB's social mandate, centered on a belief that the right investments in the social sector can have profoundly positive economic and social impacts on society at large, making sure that no one is left behind.



Snežana Samardžić-Marković,
Director General of Democracy at the Council of Europe and President of the jury

"What tipped the scales in favor of Hedona d.o.o. is its entrepreneurial business model combined with tangible social impact, namely, supporting the inclusion of persons with disabilities. The initiative can easily be replicated in other European countries, which is also something the jury looked at."

Close to 90 applications were received in response to the call launched in January 2020. The winner, Hedona d.o.o. (Croatia), was selected by five independent judges from the fields of social development, social entrepreneurship, academia, and civil society:

- Snežana Samardžić-Marković, Director General of Democracy at the Council of Europe
- Guillaume Capelle, founder of Singa and Calm
- Dominique Lamiot, (then) Chair of the CEB Governing Board
- Eva Maydell, Member of the European Parliament/ President of European Movement International
- Christine Whitehead, Emeritus Professor in Housing Economics, London School of Economics.

Hedona is a social enterprise producing chocolate and confectionary products in Croatia and employing mainly people with disabilities. Recognizing social entrepreneurship as a way to approach existing social problems in an innovative way, the company contributes to combating poverty and increasing the quality of life for persons with disabilities.

More information on the award can be found here: https://award.coebank.org/en/



Alemka Lončar,
Hedona CEO

"Precisely because of the unfortunate situation we all find ourselves in, it is becoming clear how important it is for the survival of society to care for those who are discriminated against in any way in the business world. I thank everyone from the bottom of my heart for choosing us and I am grateful that, with the help of this prize money, we will be able to employ more people with disabilities."



Advancing Social Sector Knowledge

In addition to advising on specific projects, the CEB identifies and promotes sector developments, best practices, and international standards. This helps project stakeholders to review social sector strategies, improve the quality and sustainability of ongoing and future projects, and thus maximise the social and environmental impact of the Bank's financing.

How to 'bounce back better' from the COVID-19 pandemic and build a more inclusive, resilient and sustainable future?



A Technical Brief on **Investing in inclusive resilient sustainable social infrastructure in Europe** illustrates CEB's experience in investing in high-impact social infrastructure that can simultaneously contribute to social inclusion and integration, economic development, and environmental sustainability, including climate action.

The COVID-19 crisis has shown that growing social inequalities and chronic underinvestment in public infrastructure are intertwined in increasing the vulnerability of European societies and economies. Their impacts, combined with climate change and environmental degradation, are weakening the capacity of European economies to "bounce back better" from present and future crises in a sustainable and inclusive way, thus reducing our societies' resilience. The CEB's experience shows that social, economic, and environmental objectives can in fact be mutually reinforcing and that, if properly designed and implemented, social infrastructure can play an important role in supporting an inclusive transition towards a robust, resilient, and sustainable economic recovery.



What are the obstacles for successful development of businesses in European regions?

A Technical Brief on **Credit constraints, regional institutions and the economic performance of MSMEs** presents the results of an empirical analysis "Credit constraints, labour productivity, and the role of regional institutions: Evidence from manufacturing firms in Europe", published in the peer-reviewed Journal of *Regional Science*.

Credit constraints remain a major issue in Europe, especially for small firms, with negative effects on productivity. These effects are mitigated by high-quality local governance. 'Good' regional institutions not only drive firm-level productivity and facilitate access to credit, but also, and in a more indirect way, reduce the negative productivity returns of credit constraints. As a result, the analysis suggests that measures to facilitate access to credit need to be complemented with interventions to improve institutional quality in order to boost the performance of firms in different regions and, with that, support more equal regional development in Europe.

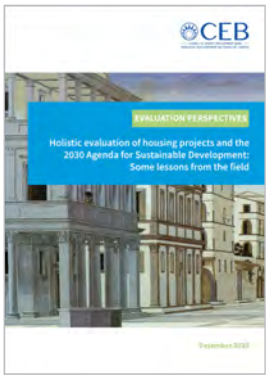


How to make the best use of school buildings and improve learning environments? And what role for public - private cooperation in the development of education infrastructure?

A Thematic Review on **School Design and Learning Environments in the City of Malmö, Sweden** provides an in-depth examination of the links between school design and learning environments, as illustrated by a selection of schools financed by the CEB. The review assesses how the city's vision for schools reflects current international trends in school design, and explores how the selected facilities perform pedagogically, i.e. the way teachers and students utilise the opportunities provided by the building design to maximise student learning. This is part of a series of publications that aim to develop a new approach to investing in education infrastructure, which will be piloted in future CEB-financed projects.

A Technical Brief on **Public Private Partnerships for Schools: Experience from Seine-Saint-Denis, France** presents the French Department's experience in designing, negotiating and implementing public and private partnerships (PPPs) contracts. This case study includes lessons learnt and recommendations for other public or private organisations that might be considering a PPP for the purpose of building and running education infrastructure in Europe.





How to design better social housing projects?

A new publication, released under *Evaluation Perspectives*, entitled **Holistic Evaluation of Housing Projects and the 2030 Agenda for Sustainable Development: Some lessons from the field**, builds upon learning generated by the evaluations of various CEB-funded housing investments targeted to vulnerable groups, making the case for a holistic, socially integrative approach to housing projects.

All CEB publications are available at:
https://coebank.org/en/news-and-publications/ceb-publications/

Partnerships and Donors



Partnerships

Over the years, the CEB has forged partnerships with other international organisations and donors to deliver best on its mandate. In addition to its natural ties with the Council of Europe, which it always strives to enhance, the CEB cooperates with the European Union on specific social projects and programmes and regularly cooperates with other multilateral development banks and several United Nations specialised agencies.

In 2020, the CEB continued to strengthen its cooperation with peer multilateral financial institutions and other international organisations of relevance to the Bank's core activities.

► European Union (EU)

The European Union remained a privileged partner for the CEB and its main donor. The partnership with the EU aims to promote sustainable and inclusive growth in Europe, with a focus on actions that contribute to the social inclusion of the most vulnerable, support employment, education and training, gender equality, and sustainable development. More details on a selection of ongoing projects and initiatives that benefit from EU funding can be found in the "Donors" section.

Going forward, the CEB is set to become an implementing partner under the InvestEU Programme, which is to replace the European Fund for Strategic Investments ("Juncker Plan") from 2021 onwards. The InvestEU Programme will bring together under one roof a multitude of EU financial instruments currently available to support investment in the EU, making funding for investment projects in Europe simpler, more efficient and more flexible.

InvestEU aims at mobilising public and private investment through a € 26 billion total guarantee scheme provided by the EU. The guarantees will back the investment projects of financial partners, including the CEB, and thereby increase their risk-bearing capacity. Thanks to a multiplier effect, the programme is expected to generate investments in total of more than € 400 billion in the period 2021-2027, split along four policy windows: Sustainable infrastructure; Research, Innovation and Digitalisation; SMEs; and Social investment and Skills.

In the course of 2020, the Bank was active and in constant exchange with the European Commission so as to become a key implementing partner under InvestEU, with a focus on the Social Window which represents more than 10% of the programme. Governance and guarantee arrangements are expected to be finalised in 2021.

► Finance in Common Summit: Joint Declaration of All Public Development Banks

In November 2020, at the Finance in Common Summit, the CEB called for more and better social investment as part of an integrated response to the COVID-19 pandemic, the climate emergency, and rising social inequalities.

The summit gathered for the first time more than 450 public development banks seeking to contribute to the recovery and align with sustainable finance principles. As one of the Summit's few Grand Partners, the CEB was represented at high-level to provide insights on how to make the most of public development banks' potential, and organised an event entitled 'Social investment for people, planet, and prosperity.' Noting that the chronic underinvestment in social infrastructure has weakened the resilience of our societies and undermined social cohesion, the speakers stressed the need for social investment to be a central tent of sustainable recovery efforts.

The CEB is the only development bank in Europe with an exclusively social mandate. By signing the Finance in Common Summit's joint declaration, the CEB signaled its willingness to join forces with other public development banks and actively work towards sustainable recovery solutions.

► Cooperation with other multilateral development banks

The CEB is in exchange with other multilateral development banks (MDBs) on an ongoing basis. It participates in over thirty MDBs' working groups and peer networks, which allows the Bank to share knowledge, contribute to joint work and identify opportunities for cooperating with others.

In 2020 this included coordinating and taking stock of the MDBs' emergency response to the COVID-19 pandemic and support for the recovery. The CEB also joined a group of 11 MDBs and the International Monetary Fund (IMF) in launching a first-ever joint report on financing the SDGs.

The joint report, issued in December 2020, highlights collective and individual MDBs efforts to support countries in achieving all 17 of the SDGs. It showcases examples of how their financing directly contributes to advancing SDGs that empower people, protect the planet, foster prosperity for all and develop sustainable quality infrastructure.

The report also emphasizes the critical importance of MDBs partnerships to deliver financing, knowledge and capacity building support for the SDGs. MDBs must continue their efforts to invest in people and human capital, with a deeper focus on inclusion. They intend to deepen their partnerships for the goals, including through knowledge sharing and common reporting on the SDGs.

► A European Social Housing Alliance for France

In 2020, Union sociale pour l'habitat, Caisse des Dépôts et Consignations, acting via its Banque des Territoires unit, the CEB and the European Investment Bank (EIB) set up a partnership to foster access to European financing by social housing bodies in France for long-term investments in social housing. Specifically, the loans provided by the CEB and EIB to Banque des Territoires will fund, as a priority, measures aimed at mitigating climate change, promoting social inclusion, and backing economically or socially vulnerable people in accordance with the European Pillar of Social Rights of the European Union and the revised European Social Charter of the Council of Europe.

The partnership contributes to the implementation of the Recovery Plan for Europe and fits in with the energy efficiency renovations of buildings initiated under European Commission's Green Deal.

Donors

The CEB uses funds raised from donors to support projects for the benefit of vulnerable groups and disadvantaged regions. 28 CEB member states, two non-member states, the United States, the United Kingdom, and the European Union, through the European Commission and the European Investment Bank, have contributed to the CEB's trust funds.

In 2020, the CEB mobilised more than € 106 million in donor funds. The large majority of the funds were made available by the European Union, for projects dedicated to migrants, refugees, and displaced persons in Turkey and the Western Balkans. The European Union thus remains the Bank's largest donor, with € 615 million committed to date.

In recognition of the increased relevance of the EU-CEB cooperation, the two institutions signed a Financial Framework Partnership Agreement (FFPA) in July 2020. The new agreement provides the framework for all EC-CEB contributions, ensuring alignment between the European Commission's general conditions for the use of EU funds and the CEB's specific standards and procedures as an international financial organisation.

As a result,the FFPA will simplify contractual negotiations in connection with concrete funding contributions and will enhance mutual reliance.

► New: the Green Social Investment Fund (GSIF)

In March 2020, the CEB established the GSIF to help accelerate its member countries' transition towards low carbon and climate resilient economies. The Fund will be used to:

- scale up the de-carbonisation and climate proofing of social infrastructure
- make climate action measures more socially affordable and accessible to vulnerable groups.

The fund has been endowed with an initial contribution of € 5 million, allocated from the Bank's annual profit. CEB member countries have also been invited to provide grant contributions to the Fund.

Christian Danielsson,
Director-General for Neighbourhood and Enlargement Negotiations (NEAR), on the signature of the Financial Framework Partnership Agreement:

"The CEB is the social development bank in Europe and represents a key instrument of EU's policy of solidarity. With this new framework agreement the Commission (DG NEAR) and the CEB will be able to play a bigger role in jointly supporting actions with clear social impact in Europe's neighbourhood and in the enlargement countries. Our joint efforts to improve the living situation of people, in particular vulnerable groups, particularly in the COVID-19 recovery phase, is more needed than ever".

► Regional Housing Programme (RHP)

The implementation of the Regional Housing Programme (RHP) continued throughout 2020, albeit at a slower pace due to COVID-19. About 4 500 vulnerable beneficiaries moved into new RHP homes during the year, bringing the total number of refugees and displaced persons served by the RHP to more than 23 400, or almost two-thirds of its target.

In recognition of the programme's progress, a number of donors contributed additional funding to the RHP in 2020. The European Union provided € 1.8 million, Norway € 640 000, Spain € 100 000, and the Czech Republic € 46 000. These new contributions brought the total funding provided by the international community to the RHP to € 291 million.

The Regional Housing Programme is a joint initiative of Bosnia and Herzegovina, Croatia, Montenegro, and Serbia. It provides durable housing solutions for the most vulnerable persons who were displaced during the 1990s conflicts in the Western Balkans. The programme is supported by the international community and managed by the CEB.



A fresh start

Ismet Bajramović and his elderly, dependant parents live in a new RHP home in Slatina, a small village near Jablanica in Bosnia and Herzegovina. During the 1990s conflicts in the region, their previous home was completely destroyed, forcing the family to live in a damp, partially renovated basement for 15 years. In addition to the keys to the new house, the Bajramovićs received a greenhouse from the Catholic Relief Services, thanks to additional support from the U.S. Government. Today, Ismet grows his own vegetables and sells some of the produce to local businesses and neighbours, thus gaining an additional source of income.

► RHP Contributions by Donor

EU	€ 235 million[2]
USA	€ 24 million
Germany	€ 10 million
Norway	€ 7.6 million
Switzerland	€ 6.4 million
Italy	€ 5.0 million
Denmark	€ 1.3 million
Turkey	€ 1.0 million
Luxembourg	€ 500 000
Spain, Czech Republic, Cyprus, Romania, Slovak Republic, and Hungary	€ 567 000

[2] Of which € 1.2 million channeled to the UNHCR

► Migrant and Refugee Fund (MRF)

The MRF is a trust fund set up by the CEB to help its member states address the challenges linked to migrants and refugees. Since its establishment in 2015, twenty-two CEB member states have contributed to the MRF. The CEB and the European Investment Bank (EIB) have also provided funding. To date, the CEB has approved € 27 million in grants. Projects located along the Balkan route account for a large majority of these grants, namely € 22 million.

The COVID-19 pandemic has had a significant impact on the MRF projects. Authorities had to adapt the project activities to changes brought about by the pandemic, as well as postpone or cancel some activities completely. This has led to funds being freed up and partly allocated to other projects. For instance, following a project downsizing in Spain, the Bank was able to approve an additional grant of € 340 000 for an existing project in Serbia which ensures migrant education and training.

Fourteen projects were on-going at the end of 2020. While most of the projects are expected to be completed by the end of 2021, the CEB Administrative Council, in July 2020, approved the extension of the termination date of the Fund, from March 2021 to December 2025. This extension will allow the CEB to mobilise the MRF quickly, should another migrant and refugee crisis arise.

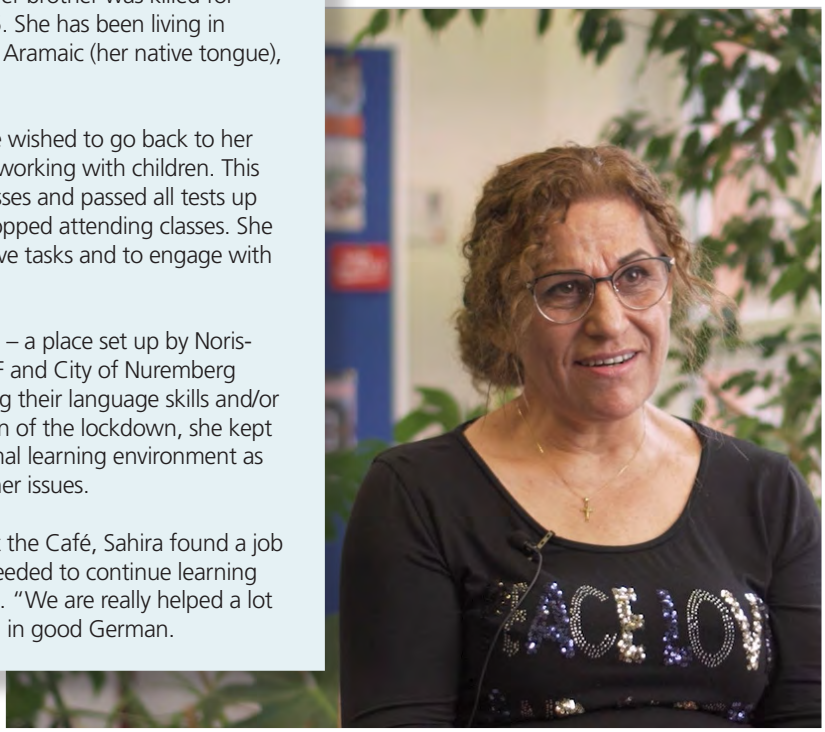
Hands-on integration assistance

Sahira is 54 years old. She fled Mosul, in Iraq, after her brother was killed for religious reasons, and reached Germany in July 2015. She has been living in Nuremberg ever since. She speaks fluent Arabic and Aramaic (her native tongue), a bit of English, and intermediate German.

Back in Mosul, Sahira used to work as a teacher. She wished to go back to her profession, or at least to get a job that would entail working with children. This is why she diligently attended German language classes and passed all tests up to B2, which she failed. She got discouraged and stopped attending classes. She also found it difficult to cope with usual administrative tasks and to engage with standard service providers.

In early 2019, Sahira found out about the LeMi Café – a place set up by Noris-Arbeit (the municipal employment agency) with MRF and City of Nuremberg funding, where people could get help with improving their language skills and/or solving their administrative issues. With the exception of the lockdown, she kept going back to the café as she appreciated the informal learning environment as well as the social workers' direct engagement with her issues.

Thanks to the teachers and social workers present at the Café, Sahira found a job as a daycare worker as well as the self-confidence needed to continue learning German and to deal with her daily life in Nuremberg. "We are really helped a lot here," she said, concluding her 10-minute interview, in good German.



► MRF Contributions by Donor

CEB	€ 8.0 million
Germany	€ 5.0 million
EIB	€ 5.0 million
France	€ 3.0 million
Italy	€ 3.0 million
Spain	€ 1.5 million
Sweden	€ 540 000
Luxembourg	€ 500 000
Norway	€ 500 000
Slovak Republic	€ 300 000
Ireland, Lithuania, Poland, Cyprus, Albania, Hungary, Czech Republic, Malta, Holy See, Bosnia and Herzegovina, San Marino, Iceland, Bulgaria, and Liechtenstein	€ 1.1 million



► EU Facility for Refugees in Turkey

The EU Facility for Refugees in Turkey (FRiT) was established in November 2015 to provide for a joint EU-Turkey coordination mechanism, designed to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner. The Facility manages a total of € 6 billion, mobilised in two tranches, and focuses on humanitarian assistance, education, health, municipal infrastructure, and socio-economic support.[3]

In 2020, the CEB and the Delegation of the European Union to Turkey agreed to partner on a € 90 million health care infrastructure project, to be funded under FRiT. The project, titled Strengthening Healthcare Infrastructure for All (SHIFA), builds on CEB's experience with a € 50 million hospital, also financed under FRiT, that is being built in Kilis, on the Turkey-Syria border.

SHIFA will consist in the construction and renovation of healthcare centres throughout Turkey to improve medical services for Syrian refugees and their host communities. The implementation of the project will start in March 2021 and is expected to take four years. The CEB will manage the EU funding, in close cooperation with the European Union Delegation, while the Ministry of Health in Turkey will implement the infrastructure and supply components.

[3] Details on FRiT are available at: https://ec.europa.eu/neighbourhood-enlargement/news_corner/migration_en

► Spanish Social Cohesion Account (SCA)

The SCA is a trust fund set up by Spain in 2009 and managed by the CEB. The purpose of the account is to finance technical assistance for highly social CEB projects. Spain replenished the account in 2017 with € 2.0 million, bringing its total endowment to € 4.0 million.

In 2020, a € 100 000 grant was approved in favour of the Regional Housing Programme in Croatia. The grant will finance the technical assistance required for the successful implementation of three ongoing RHP projects: construction of a residential building for 21 families in Vukovar; renovation, reconstruction, or construction of up to 25 family houses; and the purchase of up to 38 flats.

This is the third SCA grant approved in favour of the RHP in Croatia since 2018, when the country ceased to be eligible for EU support under the Instrument for Pre-Accession. The support has been essential in ensuring that the RHP projects in Croatia are managed in accordance with EU best practice.

At the end of 2020, the SCA had a balance of about € 1.7 million.



► Slovak Inclusive Growth Account (SIGA)

The SIGA was set up by the Slovak authorities in 2016 to support CEB's actions in favour of inclusive growth and environmental sustainability. The Slovak Republic replenished the account in 2019 with € 2.0 million, bringing its total endowment to € 4.0 million.

In 2020, grant approvals under the SIGA totalled € 249 700. In particular, through the financing approved in 2020, the SIGA will continue to ensure the technical assistance required for the implementation of a post-earthquake housing reconstruction project in Kraljevo, Serbia. The project will result in the construction of adequate compensatory permanent housing for 360 families whose dwellings were severely damaged during a 5.4 on the Richter scale earthquake that hit central Serbia in November 2010. The project is being built in two phases; phase 1 is close to completion. This project has also benefited from EU grant funding via the Western Balkans Investment Framework and from additional technical assistance financed by the CEB from the Spanish Social Cohesion Account.

At the end of 2020, the SIGA had a balance of about € 2.7 million.





► Italian Fund for Innovative Projects (IFIP)

The IFIP was set up by Italy in 2017 and endowed with € 1 million. The IFIP helps the Bank develop innovative social projects. It finances technical assistance for projects located in countries in the Western Balkan region that are eligible for Official Development Assistance (ODA), as well as in Georgia and in the Republic of Moldova.

In 2020, a grant of € 112 500 was approved in favour of a € 30 million programme dedicated to the refurbishment, reconstruction and expansion of various cultural institutions in Serbia. The technical assistance funded by the IFIP grant will help the authorities to further define the feasibility of three investment objectives: the conversion of an administrative area of the National Theatre in Belgrade into a theatre scene; the reconstruction and conversion of the Old Railway Station in Belgrade into a Nikola Tesla museum; and the regeneration of the former Stokehold (Roundhouse) of the Old Belgrade Railway station "Lozionica" into a multi-function cultural centre.

At the end of 2020, the IFIP had a balance of € 873 000.





► Western Balkans Investment Framework (WBIF)

The WBIF is a blending facility established in 2009 as a joint initiative of the European Commission, the CEB, the European Bank for Reconstruction and Development, the European Investment Bank, and several bilateral donors. The Framework provides financing and technical assistance to strategic investments in the energy, environment, social, transport, and digital infrastructure sectors. It also supports private sector development initiatives. The World Bank Group, KfW, and AFD have subsequently joined the Framework.

In 2020, the WBIF Steering Committee approved a € 3 million investment grant for the rehabilitation and modernisation of 80 physical education facilities for primary and secondary schools in North Macedonia. More than 52 000 pupils are expected to benefit from the new facilities by 2023, including children with disabilities. The financing for this investment grant has been made available by WBIF Bilateral Donors, particularly Norway, Sweden, Austria, and Germany.

In addition, the WBIF has approved a € 450 000 technical assistance grant for the development of a new technical university campus in Belgrade and another € 600 000 technical assistance grant for the implementation of a project dedicated to the closure of collective centres in Bosnia and Herzegovina and the provision of alternative accommodation for some 7 200 internally-displaced persons. The funding for the two grants has been made available by the EU.

► Social Dividend Account (SDA)

The SDA was established by the CEB member states in 1996. It is financed mainly by contributions from the member states, through allocations from the Bank's annual profit, which constitute dividends of a social nature. The Account is used to provide loan guarantees, technical assistance, interest subsidies and grant contributions in favor of highly social projects.

In 2020, the Bank approved € 1.9 million in grants from the SDA. The largest grant represents a € 1 million interest-rate subsidy in favour of a € 35 million loan to Kosovo. The financing supports the authorities' efforts to provide health care to those affected by the COVID-19 pandemic, and in particular to the most vulnerable, such as the elderly, persons with chronic conditions, and healthcare workers.

At the end of 2020, the SDA had a balance of € 49.7 million.

[Highlight]

Grants mobilised in 2020

€ 106 million



Support for Albania's post-earthquake reconstruction programme

The 6.4 Richter magnitude earthquake that hit Albania on 26 November 2019, and the more than 1,000 aftershocks that followed, left 51 people dead and thousands injured. The towns of Durrës, Lezhë, Laç as well as the capital Tirana and the village of Kodër-Thumanë were severely damaged. Post-earthquake reconstruction efforts were estimated at close to € 1 billion and the European Commission called for an international donors' conference on 17 February 2020 in Brussels to raise a part of the funding required.

The CEB supported project preparation efforts with a € 500 000 grant from its Social Dividend Account. The grant was signed on the day of the international donors' conference in Brussels. It has allowed the Albanian Development Fund to hire additional expertise for technical studies and to develop the designs for 41 schools and kindergartens and for key infrastructure in Shijak, Durrës, and Vorë.

Financial Activities in 2020



Treasury portfolios

The Bank's balance-sheet assets include four Treasury Portfolios, including one Monetary Portfolio and three Securities Portfolios:

► **The Treasury Monetary Portfolio consists of short-term placements with maturities of up to 1 year.** The strategic objective of this portfolio is to manage day-to-day cash flows in all required currencies. Short-term placements with maturities of up to three months must have a minimum rating of BBB+ at the time of purchase. Short-term placements with maturities between three months and one year must have at least an A- rating at the time of purchase.

At 31 December 2020, the total value of short-term placements in this portfolio amounted to € 1 519 million.

► **The Short-Term Liquidity Securities Portfolio consists of short-term securities with maturities of up to 1 year.** These securities represent an alternative to bank deposits and complement the Treasury Monetary Portfolio in strengthening the Bank's short-term liquidity position.

At the time of purchase, short-term sovereign bonds with maturities of up to three months must have a minimum BBB rating, and short-term securities with maturities between three months and one year must have a minimum A- rating.

At 31 December 2020, the total value of short-term securities in this portfolio amounted to € 1 900 million.

► **The Medium-Term Liquidity Securities Portfolio consists of securities investments with maturities from 1 year up to 15 years.**
The strategic objective of this portfolio is to strengthen the Bank's liquidity position, while achieving a satisfactory return.

Medium-Term Securities must have a minimum rating of A+ at the time of purchase.

At 31 December 2020, the total value of securities in this portfolio amounted to € 1 975 million.

► **The Long-Term Liquidity Securities Portfolio consists of securities investments with maturities from 1 year up to 30 years.**
Securities in this portfolio are required to have a minimum rating of A+ at the time of purchase.

At 31 December 2020, the total value of securities in this portfolio amounted to € 1 703 million.

Derivatives

In accordance with the Financial and Risk Policy adopted by the CEB's Administrative Council, the Bank uses derivatives in order to hedge the market risks resulting from its lending, investment and financing transactions. As an end user, the Bank employs derivatives solely for hedging purposes.

At 31 December 2020, the breakdown of derivatives by type of hedge was 62% for bond issuances, 33% for loans and 5% for securities held by the Bank.

To guard against the risks inherent in these financial instruments, the Bank implements a strict risk management policy, the principles of which are described in Note B to the 2020 financial statements.

To limit credit risk, the Bank has signed collateral agreements with all of its swap counterparties. Thus, at 31 December 2020, all of CEB's swap contracts were collateralised. The residual credit risk, calculated as the amount of positive market value not covered by collateral received, remained marginal.

Funding in 2020

► Debt issuance

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. In 2020, the Bank fully made use of the borrowing authorisation for 2020 of EUR 4.5 billion in full. The amount was raised in fourteen financing operations, including five re-opening transactions of existing issues, with maturities of one year or more. In addition, and for the first time, the CEB issued a USD 1 billion (EUR 0.85 billion) bond in a prefunding operation under the borrowing authorisation for 2021. Excluding the prefunding, the amount raised in 2020 remained unchanged compared to 2019, when it also amounted to EUR 4.5 billion, but consisted of eleven funding operations, including three re-openings of existing issues. The 2020 funding programme fulfilled three main objectives:

- to cover the requirements arising from the Bank's lending activity
- to enable the Bank to honour its debt maturities, and
- to enable the Bank to maintain liquidity at the level set by the Administrative Council.

To ensure the necessary funding to finance its activities, the Bank continues to combine benchmark transactions in major currencies targeting a broad range of institutional investors with debt issues in a given currency or with a more specific structure designed to meet specific investor demands.

In 2020 (excluding prefunding), 48.9% of the funds raised by the Bank were denominated in Euros, 36.64% in US dollars, 7.9% in British pounds, 3.2% in Swedish krone, 1.8% in Norwegian krone and 1.5% in Hong-Kong dollars. These transactions enabled the Bank to diversify the markets in which its activities are financed while at the same time allowing for a broadening of its investor base.

In EUR, five transactions were priced in 2020: a EUR 1 billion ten-year benchmark and a EUR 100 million re-opening maturing in May 2023 in January, the Bank's fourth and at EUR 1 billion the so far largest seven-year Social Inclusion Bond in April and two re-openings, maturing in January 2028 and January 2030, respectively, for EUR 50 million each in October.

In USD, three transactions were priced: A USD 1 billion five-year benchmark in February, a USD 300 million two-year bond in May and the Bank's first Social Inclusion Bond in USD, a USD 500 million three-year transaction in June. As mentioned above, in the context of prefunding one additional USD 1 billion three-year benchmark was issued in October 2020 under the borrowing authorisation for 2021.

In GBP, one transaction was priced: A GBP 300 million seven-year benchmark in January.

As a result, the EUR, USD and GBP markets were the most important ones in terms of funding volumes in 2020.

In other currencies, five transactions were priced: A SEK 1.5 billion three-year transaction in January, two re-openings maturing in February 2024 for NOK 500 million in January and for NOK 375 million in October and two three-year transactions for HKD 200 million and HKD 400 million, respectively.

After taking swaps into account, the total amount of funds borrowed was denominated in euros.

The average maturity of the issues launched under the borrowing authorisation for 2020 was 6.3 years. The table below shows funds raised in their original currencies.

► Debt issued in 2020

Payment date	Maturity date	Currency	Term (in years)	Nominal amount (in millions)	Lead manager(s)
17/01/2020	17/01/2023	SEK	3	1 500	Swedbank
21/01/2020	21/01/2030	EUR	10	1 000	Barc/GS/Nomura/SG
28/01/2020	25/05/2023	EUR	3	100	DB
29/01/2020	26/02/2024	NOK	4	500	Danske
30/01/2020	22/07/2027	GBP	7	300	BoA/NatWest
27/02/2020	27/02/2025	USD	5	1 000	BNPP/BoA/DB/TD
09/04/2020	09/04/2027	EUR	7	1 000	CACIB/Citi/DZ/HSBC
07/05/2020	06/05/2022	USD	2	300	BoA
08/06/2020	08/06/2023	HKD	3	200	HSBC
10/06/2020	10/06/2023	USD	3	500	CACIB/Daiwa/JPM/NatWest
15/09/2020	15/09/2023	HKD	3	400	HSBC
15/10/2020	24/01/2028	EUR	7	50	BoA
16/10/2020	21/01/2030	EUR	9	50	DB
22/10/2020	26/02/2024	NOK	3	375	Swedbank

To be noted the benchmark of USD 1 billion issued in October is part of the 2021 funding programme and as such not presented in the table.

In 2020, in order to ensure the refinancing of the Bank's loans and avoid cash gaps in the coming years, 75.2% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 57.1% in 2019.

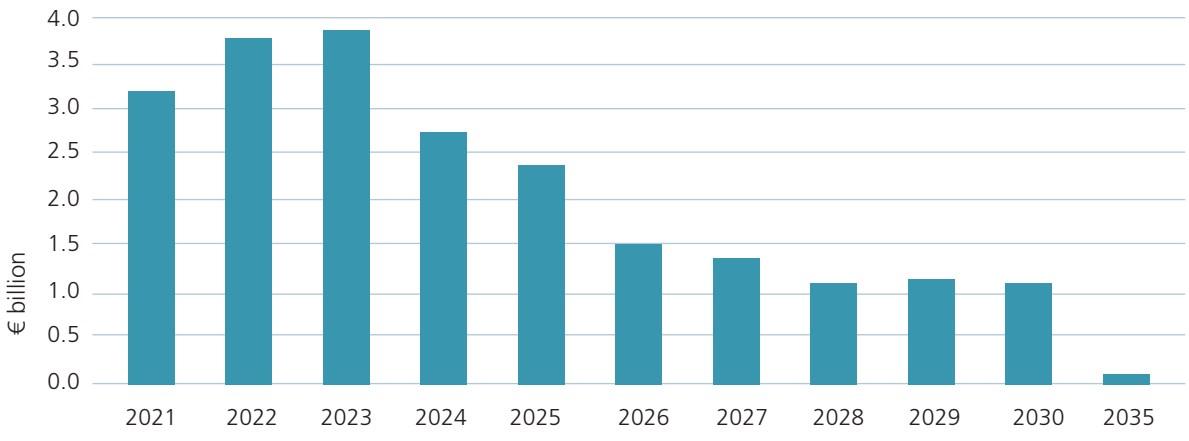
The multi-currency EMTN programme was updated in December 2020 to adapt the legal framework of the Bank's issues to changes in financial market regulations. The Australian and New Zealand Dollar MTN (Australian programme) was last updated in September 2015. The CEB's Euro-Commercial Paper Programme was also updated in December 2020. The CEB's Social Inclusion Bond framework, which is aligned with the ICMA Social Bond Principles, was updated in April 2020 to add the health sector to the list of eligible sectors.

► Trend in debt position

At 31 December 2020, the outstanding debt represented by securities, excluding interest payable, amounted to € 21.9 billion, up from € 20.5 billion at the end of the previous year.

In 2020, the Bank did not repurchase any of its long-term debt and did not make any early repayments. The breakdown of debt by maturity is shown in the graph below.

Long-Term Debt oustanding by maturity as of 31 December 2020



Governance and Human Resources



Governing structure

The Bank is organised, administered and controlled by the following organs: Governing Board, Administrative Council, Governor, and Auditing Board.

► Governing Board

The Governing Board consists of a Chairperson (Marinela Petrova) and one representative from each member state.

The Governing Board sets out the general direction for the Bank's activity, lays down the conditions for Bank membership, decides on capital increases and approves the annual report, the accounts and the Bank's general balance sheet. It elects its own Chairperson and the Chairperson of the Administrative Council and appoints the Governor and the members of the Auditing Board.

► Administrative Council

The Administrative Council consists of a Chairperson (Miglė Tuskienė) and one representative from each member state.

The Administrative Council exercises the powers delegated to it by the Governing Board, including establishing and supervising operational policies and approving investment projects submitted by the governments of the Bank's member states. It also votes on the Bank's operating budget.

► Governor

The Governor is the Bank's legal representative. He is the head of the Bank's operations and responsible for the Bank's staff (under the general supervision of the Administrative Council).

The Governor directs the Bank's financial policy, in accordance with Administrative Council guidelines, and represents the Bank in all its transactions. He examines the technical and financial aspects of the requests for financing submitted to the Bank and refers them to the Administrative Council.

The Governor is Rolf Wenzel. He is assisted by three Vice-Governors: Carlo Monticelli (Financial Strategy), Rosa María Sánchez-Yebra Alonso (Social Development Strategy), and Tomáš Boček (Target Group Countries).

► Auditing Board

The Auditing Board is composed of three members appointed by the Governing Board. It checks the accuracy of the annual accounts after they have been examined by an external auditor.

The secretariat of the CEB's governing, administrative and control organs is provided by the **Secretariat of the Partial Agreement** of the Council of Europe Development Bank (Executive Secretary to the Organs: György Bergou).

Organisation chart

Following a comprehensive external institutional review and internal consultations, the CEB restructured its organisation in March 2019 in order to strengthen efficiency while providing for better talent management and enhanced business development. Additional changes in the structure of the European Cooperation & Strategy Directorate were finalised in late 2020 and formalised in January 2021.
The new organisation structure entered into force on 1 March 2021.



Rolf WENZEL
Governor



Carlo MONTICELLI
Vice-Governor Financial Strategy



Rosa María SÁNCHEZ-YEBRA ALONSO
Vice-Governor Social Development Strategy



Tomáš BOČEK
Vice-Governor Target Group Countries



Johannes M. BÖHMER
Executive Director
Director a.i. of European & External Affairs



Carlo MANGOSI
Director for Internal Audit



Katherine DELIKOURA
Chief Compliance Officer



Elif TIMUR
Head of Evaluation



Thierry POIREL
Director for Loans & Social Development



Monica SCATASTA
Director for Technical Assessment & Monitoring



Jacques MIRANTE-PÉRÉ
Chief Financial Officer



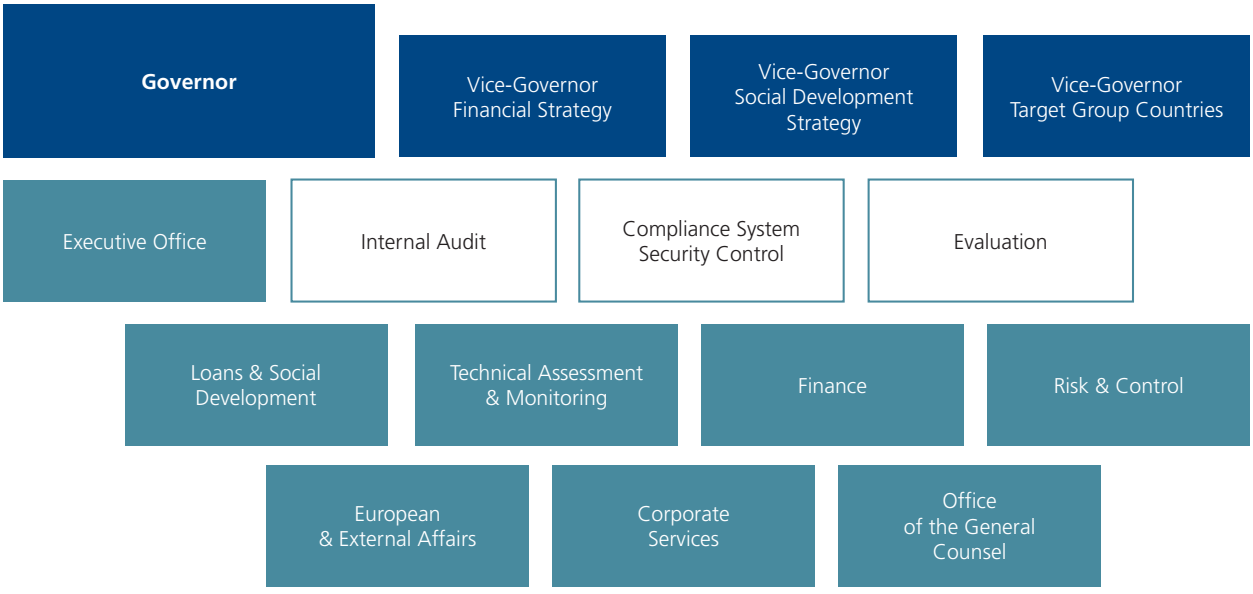
Arnaud VIOLETTE
Director for Risk & Control



Terje HAGEN
Director of Corporate Services



Jan DE BEL
General Counsel



Compliance

The Office of the Chief Compliance Officer (OCCO) manages risks of non-compliance and safeguards the Bank against financial and reputational losses. OCCO ensures that prevention of money laundering, terrorist financing, tax fraud and harmful tax practices and the CEB's commitment to high standards of integrity, ethics, anti-fraud and anti-corruption, are integrated into all phases of the Bank's project cycle. Personal data protection and information security make up a significant part of the OCCO's mandate at the CEB, and are managed by the Chief Information Security Officer (CISO).

In 2020, OCCO rapidly adapted to the new digitalised working environment, in response to the COVID-19 pandemic, and preserved uninterrupted business continuity in all compliance functions: the due diligence of projects and bond issues, procurement validations, business ethics, complaint handling, investigations and compliance training, as well as in its mandate in information security and personal data protection.

Specifically, OCCO continued to stand in the second line of defence for the project financing and funding activities fulfilling its purpose and mandate on a daily basis. Besides the compliance risk assessment for the Bank's portfolio, OCCO performed individual compliance risk assessments for each counterparty to ensure consistency with low reputational and other non- financial risks.

In addition, the OCCO launched its microsite within the CEBs intranet portal, and continued to upgrade and reform key compliance policy documents and contribute to the EU Pillar Assessment of the CEB.

Within its mandate as the information security safeguard, OCCO developed and delivered the Information Security Strategic Plan and the Personal Data Protection Action Plan. In line with the CEB's peers, the Office progressed with the Data Protection Impact Assessments of the core CEB systems and finalised the review and update of the Bank's data classification policy ready to be adopted.

OCCO's training and awareness raising activities continued in a mostly virtual environment in the 2020. The mandatory compliance induction session for new colleagues was conducted online, while a 'Town-hall' meeting with the French Anti-Corruption Agency (AFA) for all staff on the topic of anti- corruption was organised in-person in January 2020. Four webinars were held on password management and an e-learning platform has been deployed to ensure efficient and continuous training and awareness raising. Tone-from-the-Top messages from the Governor reconfirmed strong support to OCCOs mission and zero tolerance for corruption and fraud. OCCO published two Newsletters in 2020 around the topics of increased risks of remote working and ethics issues in general.

OCCO also hosted the first virtual European Chief Compliance Officer (ECCO) 2020 annual meeting that gathered participants from six European Multilateral Developments Banks around the topics on compliance culture, challenges posed by the COVID-19 pandemic, whistleblowing and Environmental, Social and Governance (ESG) compliance.

Internal Audit

The Office of Internal Audit (IA) is a permanent, autonomous high-level function in the CEB's internal control system. IA provides the Governor and the CEB's controlling bodies with the assurance of effective and controlled businesses and operations.

The Internal Audit Charter articulates the purpose, standing and authority of the IA function. In an effort to ensure that its reviews are carried out independently and objectively, IA does not take part in any of the Bank's operational activities.

IA examines whether the CEB's activities are performed in conformity with existing policies, procedures and best practices, and assesses their associated risks. It also proposes recommendations for potential improvements.

Audit missions are conducted according to an annual work programme that is derived from a rolling multi-year risk-based audit plan.

Evaluation

The Office of Evaluation (EVO) contributes to the CEB's accountability and learning by carrying out objective evaluations of the Bank's operations, initiatives and instruments, and by disseminating evidence-based knowledge aimed at improving the Bank's activities and informing its decision-makers. The CEB is committed to ensuring the independence of EVO in establishing and undertaking its work programme in order to guarantee the impartiality of the evaluation function and the objectivity of its work.

In 2020, EVO launched the evaluation of a CEB loan to a cooperative financial institution for the co-financing of its social impact-focused credit lines. Lessons and recommendations from this evaluation are expected to inform future CEB operations in support of enterprises committed to achieving socially and environmentally responsible business conducts. Moreover, EVO prepared the ground for upcoming evaluation work on themes of corporate interest, including the CEB's engagement with selected national development/promotional banks and the effectiveness of the Bank's financial instrument for supporting the public sector.

EVO devotes special attention to the dissemination of knowledge gained through its evaluations. Abstracts of its three latest evaluations were posted on the CEB's website in 2020. One of these abstracts provides a comprehensive assessment of the performance of the Bank's Migrant and Refugee Fund (MRF), established in 2015 in the wake of the migratory crisis which hit numerous CEB member countries. EVO also released a summary of the evaluation of a CEB-financed operation focused on judicial infrastructure and a synthesis report covering evaluations of CEB operations targeting migrants, returnees and Roma.

EVO also aims to promote the Bank's visibility among the evaluation community and development practitioners and to strengthen the CEB's standing as an accountable international financial institution committed to social development. In this regard, in 2020, EVO launched the CEB's new publication series entitled *Evaluation Perspectives*. The first issue, released in December 2020, is entitled "Holistic evaluation of housing projects and the 2030 Agenda for Sustainable Development: Some lessons from the field." The paper builds upon learning generated by the evaluations of various CEB-funded housing investments targeted to vulnerable groups, making the case for a holistic, socially integrative approach to housing projects.

The CEB made further use of evaluation insights and experience for knowledge sharing and corporate communication purposes: extracts from evaluation findings were published in *CEB Info*, the Bank's quarterly newsletter; interviews concerning evaluation issues were broadcast on the CEB's social media; and evaluation knowledge events were organised to promote evidence-based learning within the Bank.

Sustainability

Both in its social and environmental dimensions, sustainability is a key component of the CEB's financing activities and internal operations. In practice, this means minimising the Bank's own carbon footprint, strengthening employee engagement, and ensuring that CEB-funded projects improve effectively people's living conditions in Europe, especially for the most vulnerable, while contributing positively to meeting environmental and climate challenges.

All the Bank's directorates and relevant divisions are represented in an in-house network of corporate social responsibility (CSR) correspondents under the coordination of the Head of Corporate Responsibility & Communication Division and the CSR Officer, covering a wide range of sustainability-related topics.

The Bank's overall performance on Environmental, Social and Governance (ESG) issues is regularly assessed by ESG rating agencies. In 2020, Vigeo Eiris reached out to the Bank, which obtained the 'Advanced' performance level. The three other ESG rating agencies that previously assessed CEB's ESG performance affirmed their respective ratings during the year: 'Prime' by ISS ESG and 'Leader' by MSCI ESG, as well as 'Negligible ESG Risk' by Sustainalytics – which has changed its methodology.

The COVID-19 pandemic has made the need for sustainability and resilience all the more necessary, at the same time exacerbating inequalities and threatening social cohesion. Against this backdrop, the CEB has demonstrated its relevance as the social development bank for Europe, by providing scaled-up as well as timely, targeted and flexible financing responses, while ensuring its own business continuity through teleworking and preparing the post-COVID-19 recovery.

2020 highlights are detailed in the Sustainability Report, including its GRI Index (published in parallel with the Report of the Governor).



Human Resources

In 2020, the CEB's diverse staff proved resilient, agile and productive, despite the various personal and professional challenges posed by the COVID-19 pandemic. In addition to the notable increase in project approvals, there were no partially unsatisfactory or unsatisfactory ratings attributed to the Bank in relation to its 2019 performance, nor are any foreseen with regard to its 2020 deliverables. Appraisals of 2020 performance showed 10% 'exceptional', 22% 'very good', and 68% 'good' contributions. Sick leave decreased, and teleworking and productivity increased.

[Highlights]

- **209 permanent staff**
- **33 nationalities represented by staff**
- **54% women and 46% men**
- **Resilient, agile, and productive despite the challenges posed by COVID-19**

► Workforce

The CEB employs 209 permanent staff, of whom 54% are women and 46% are men. There are 144 professional staff (44% are women and 56% are men) and 65 support staff (75% women and 25% men). The average age of CEB staff is 49 years, with an average tenure of 11 years.

Whilst some international organisations froze hiring in 2020 due to COVID-19, the CEB maintained recruitment remotely to avoid gaps in roles and the Governor appointed 17 staff: 16 new hires and one promotion of a female staff to a managerial role. In addition, the Bank privileged hiring temporary staff to fill punctual needs, which has also proven efficient to avoid gaps and risks.

The new staff members employed in 2020 comprise 11 women and 5 men.

► Diversity in appointments

Over the years, the Bank has fostered a culture of diversity and inclusion while striving to promote the rights and principles set out in the revised European Social Charter. Staff members are therefore entitled to equal treatment without direct or indirect discrimination, in particular on grounds of racial, ethnic or social origin, colour, nationality, disability, age, marital or parental status, gender or sexual orientation, and political, philosophical or religious opinions.

The CEB currently tracks three main diversity dimensions when it comes to appointed staff: gender, nationality, and professional background.

Gender: In 2020, women accounted for 71% of the appointments, constantly increasing for the past five years, including amongst A-grades and for roles at A4 and above.

As mentioned above, 11 of the 16 external hires in 2020 were women, and 5 were men. Out of the 11 externally hired women, 1 was hired at managerial level, 6 at professional level and 4 at support level. Out of the 5 men, 4 were hired at professional level and 1 at support level. The two posts open at managerial level were offered to women: one external recruitment (Director of Technical Assessment & Monitoring) and one internal promotion (Head of the Evaluation Office). This is aligned with the CEB Gender Equality and Diversity Strategy.

Nationality: The 17 appointments made in 2020 represent 12 different nationalities, including some of the less represented countries such as Latvia, Lithuania, and Switzerland.

Professional background: Most appointments in 2020 originated from other international organisations (nine new staff), followed by those with a public and private sector experience.

► Diversity and inclusion

The principles of the gender equality and diversity have been mainstreamed into the CEB's internal policies and processes, especially into the Rule on Appointments and the Training Policy. Through the performance management guidelines, appraisers are encouraged to promote an environment that equally values and rewards the contributions of women and men and serves as an exemplary model for gender diversity.

The Bank is currently finalising the EDGE Gender Equality recertification, establishing an action plan for further gender equality improvements, in consultation with its Gender Diversity Group that includes representatives from across the directorates.

In particular, the CEB will continue to strive for an increased proportion of women at all levels of management, prioritising the leadership level where senior managers are due to retire over the next few years. Further efforts will be made to improve the gender balance at support staff level, where there is still a vast majority of women. The CEB will also look into the means to address its relative lack of attractiveness in some less well-represented countries.

As part of fostering a gender sensitive management culture, a mentoring programme, launched in 2019, was successfully completed in 2020. 11 women (grades B6 to A3) and 8 mentors (3 women, 5 men, grades A4 to A6) paired up, under the guidance of an external facilitator. A second round of mentoring will be launched in 2021, targeted at staff members, with one to three years of experience in the CEB.

► Staff wellbeing

Given the sudden and extensive use of remote working in the year and the uncertain environment created by COVID-19, all staff was offered a workshop and individual advice on home office ergonomics, as well as a stress management webinar. In addition, as part of the regular health and safety offer, first aid training was also organised for 18% of voluntary staff, while the Bank's Sports Association maintained classes via Zoom and the annual CEB Day was replaced by an online game with cross-Directorate team.

The CEB recognises the importance of striking the right balance between digital and physical interactions and will be looking into reintroducing social events in 2021, on and off premises depending on overall sanitary conditions, in order to strengthen the sense of belonging to the institution.

Before the pandemic, 18% of staff had obtained a regular teleworking agreement, limited to one day per week[4], and about half of the staff had occasionally worked from home, at an average of 4.7 days per year. This drastically changed with the first lockdown in France in March 2020, when suddenly all staff were working from home 5 days per week. As shown in the EDGE staff survey[5], 83% of women and 87% of men agreed or strongly agreed that during the pandemic, their immediate manager had given them the flexibility they needed to fulfil their work without compromising their personal life.

The CEB will continue to improve flexible work arrangements, diversify its workforce, offer learning and professional development opportunities and care for staff, all with the purpose of optimising the Bank's overall performance.

[4] CEB Governor's Rule 07/2015 allows for regular teleworking of 1 day/week or 5 days/month and for occasional teleworking of maximum 20 days/year.

[5] EDGE Gender Equality (edge-cert.org) recertification process underway at the Bank comprised a staff survey launched in September and closed on 16 October with a response rate of 61%.

Appendices: 2020 Projects and Loans

Projects approved (per country)

In thousand euros

Country	2020		2019		Accumulated total 2016-2020	
	Amounts	%	Amounts	%	Amounts	%
Andorra	12 000	0.20			12 000	0.06
Belgium			300 000	7.53	585 000	2.75
Bosnia and Herzegovina			26 135	0.66	41 635	0.20
Bulgaria					220 000	1.04
Croatia	200 000	3.32	200 000	5.02	550 000	2.59
Cyprus			40 000	1.00	72 000	0.34
Czech Republic	300 000	4.98	185 000	4.64	1 135 000	5.34
Estonia	200 000	3.32	25 000	0.63	225 000	1.06
Finland	120 300	2.00	50 000	1.26	530 300	2.49
France	350 000	5.81	221 200	5.55	1 383 800	6.51
Georgia			25 000	0.63	46 500	0.22
Germany	322 000	5.35	381 200	9.57	1 935 200	9.10
Greece	200 000	3.32	70 000	1.76	270 000	1.27
Hungary	375 000	6.22			607 700	2.86
Iceland					10 000	0.05
Ireland	33 700	0.56	150 000	3.77	468 700	2.20
Italy	705 000	11.70	420 000	10.55	2 072 000	9.74
Kosovo	37 000	0.61			37 000	0.17
Latvia	150 000	2.49			177 000	0.83
Lithuania	449 000	7.45	125 000	3.14	624 000	2.93
Malta					29 000	0.14
Moldova (Republic of)	70 000	1.16	20 000	0.50	102 000	0.48
Montenegro	40 000	0.66	20 000	0.50	100 000	0.47
Netherlands			310 000	7.78	1 176 600	5.53
North Macedonia					10 000	0.05
Poland	150 000	2.49	340 332	8.54	2 092 807	9.84
Portugal					305 000	1.43
Romania	62 000	1.03	150 000	3.77	441 000	2.07
San Marino	10 000	0.17			10 000	0.05
Serbia	302 000	5.01	324 000	8.13	876 000	4.12
Slovak Republic	690 000	11.45	50 000	1.26	975 000	4.59
Slovenia					100 000	0.47
Spain	797 000	13.23	250 000	6.28	2 584 000	12.15
Sweden	100 000	1.66	200 000	5.02	660 000	3.10
Turkey	350 000	5.81	100 000	2.51	800 000	3.76
TOTAL	**6 025 000**	**100.00**	**3 982 867**	**100.00**	**21 264 242**	**100.00**

Loans disbursed (per country)

In thousand euros

Country	2020		2019		Accumulated total 2016-2020	
	Amounts	%	Amounts	%	Amounts	%
Albania	4 000	0.09	13 600	0.48	41 500	0.29
Andorra	8 400	0.19			8 400	0.06
Belgium	60 000	1.35	212 500	7.47	375 000	2.60
Bosnia and Herzegovina	23 728	0.53	12 423	0.44	66 238	0.46
Bulgaria	100 000	2.24	60 000	2.11	370 000	2.57
Croatia	151 308	3.40	47 674	1.67	364 480	2.53
Cyprus	22 000	0.49	11 500	0.40	89 000	0.62
Czech Republic	315 000	7.07	200 000	7.03	940 012	6.52
Finland	78 000	1.75	125 000	4.39	423 000	2.93
France	195 215	4.38	26 607	0.93	826 992	5.74
Georgia	14 291	0.32	3 402	0.12	20 192	0.14
Germany	381 400	8.56	95 340	3.35	973 592	6.75
Greece	157 500	3.54			157 500	1.09
Hungary	292 915	6.58	43 012	1.51	507 264	3.52
Iceland			5 000	0.18	10 000	0.07
Ireland	50 000	1.12	70 000	2.46	300 000	2.08
Italy	330 540	7.42	259 779	9.13	952 319	6.61
Kosovo	17 784	0.40			17 784	0.12
Latvia	9 000	0.20	3 600	0.13	12 600	0.09
Lituania	241 814	5.43	15 986	0.56	327 800	2.27
Moldova (Republic of)	17 473	0.39	1 877	0.07	35 993	0.25
Montenegro	22 362	0.50	13 091	0.46	59 920	0.42
Netherlands	199 942	4.49	147 057	5.17	941 517	6.53
North Macedonia	10 610	0.24	14 137	0.50	66 561	0.46
Poland	288 556	6.48	346 565	12.17	1 724 514	11.96
Portugal	54 300	1.22	85 000	2.99	175 300	1.22
Romania	137 582	3.09	42 290	1.49	298 388	2.07
San Marino	7 000	0.16			7 000	0.05
Serbia	24 550	0.55	139 200	4.89	247 500	1.72
Slovak Republic	485 863	10.91	252 000	8.85	1 107 326	7.68
Slovenia	40 000	0.90	10 000	0.35	105 000	0.73
Spain	565 340	12.69	249 953	8.78	1 706 793	11.84
Sweden	48 221	1.08	174 998	6.15	271 498	1.88
Turkey	100 000	2.24	165 000	5.80	882 790	6.12
TOTAL	**4 454 694**	**100.00**	**2 846 591**	**100.00**	**14 413 773**	**100.00**

Projects approved (per counterparty)

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Andorra	Government	Purchase of supplementary medical and pharmaceutical supplies, acquisition of medical equipment and intensive care beds as well as salaries and overtime payments for new and existing medical and non-medical staff, in order to mitigate the impact of the COVID-19 crisis. * Final beneficiaries: residents of Andorra and persons on the national territory directly impacted by the COVID-19 pandemic.	**12 000**	**13 400**
Croatia	Government	Expenditures linked to the purchase of medical and pharmaceutical supplies, financing of costs for temporary and extraordinary medical staff, loans to the Health Insurance Fund and to local authorities to compensate for lost non-tax revenues, in order to mitigate the spread and consequences of COVID-19. Final beneficiaries: inhabitants of Croatia, in particular people in need of medical attention, as well as medical professionals treating patients across the country.	**200 000**	**222 500**
Czech Republic	Government	Acquisition of medical material and protective equipment such as masks, ventilators, tests and medicine, including associated transport and distribution costs, in order to mitigate the spread and consequences of COVID-19 and to protect the health and lives of the population. * Final beneficiaries: inhabitants of the Czech Republic and, in particular, doctors, nurses and people in the first line of defence against the COVID-19 pandemic.	**300 000**	**350 000**
Estonia	Government	Eligible investments such as working capital and investment needs of micro, small and medium-sized enterprises (MSMEs), financial support to local authorities, technical and R&D support in the tourism and medical sectors, as well as emergency loans for the agriculture sector; with the objective of mitigating the negative effects of the COVID-19 crisis, maintain the viability of the businesses, encourage continued investments and create more demand in the economy. Final beneficiaries: inhabitants of Estonia, including those most vulnerable to the virus, such as the elderly, as well as employees of MSMEs throughout the country who would be able to preserve their jobs.	**200 000**	**225 000**
Finland	City of Kuopio	Extension of a project approved in 2018 for the construction of new structures as well as the restoration, renovation or extension of existing facilities in line with the 2030 City Strategy. Final beneficiaries: wide range of the population of the City of Kuopio, among which children attending day-care centres and schools, pupils, teaching staff, young families, individuals attending cultural events and libraries and users of sport facilities.	**50 000**	**350 000**
	City of Vantaa	Extension of projects approved in 2014 and 2018 for social infrastructure comprising the construction of new structures as well as the restoration, renovation or extension of existing facilities in the City of Vantaa. Final beneficiaries: numerous inhabitants of the city's population representing different age and society groups including certain vulnerable groups, such as the elderly, immigrants and refugees. Children, school pupils, teachers, hospitals' patients, people attending cultural events or using libraries, people practising sports activities.	**60 000**	**200 000**
	Tampere Region Student Housing Municipal Company	Construction of three new housing developments in the Tampere region in order to increase the student housing stock in Tampere in the coming years. Final beneficiaries: students and young professionals who will benefit from 258 newly built student dwellings and renovated facilities, accommodating around 360 persons.	**10 300**	**24 700**
France	Department of Seine-Saint-Denis	Construction, reconstruction and renovation of obsolete and outdated education facilities, as well as related equipment, in order to improve accessibility to premises, learning and working conditions through new installations dedicated to group activities and modern scientific and digital equipment. * Final beneficiaries: pupils attending secondary education facilities (*collèges*), administrative and teaching staff, and persons with reduced mobility.	**200 000**	**702 000**
	Nantes Métropole	Investments aimed at upgrading the tram and bus network in Nantes by reinforcing the capacity, the frequency, the comfort, the use and accessibility of the public transport system. * Final beneficiaries: some 650 000 inhabitants of Nantes Métropole, visitors, and the most vulnerable including, the elderly, people with reduced mobility and low-income families.	**150 000**	**317 000**
Germany	Gewobag Woh-nungsbau-Aktiengesellschaft Berlin	Construction and renovation of approximately 5 384 housing units with the aim to increase the offer of social and affordable housing in the State of Berlin. Final beneficiaries: low-income persons and social housing beneficiaries as well as vulnerable population groups such as migrants, students, people with disabilities and the elderly residing in the State of Berlin.	**100 000**	**1 759 000**

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Germany	Leipziger Wohnungs- und Baugesellschaft mbH	Extension of a project approved in 2019 in favour of eligible investments for the construction of 424 new rental units and the construction of day nurseries (*crèches*) providing places for some additional 310 children. Final beneficiaries: low-income households, including young families, single-parent families, persons with disabilities, the elderly, homeless persons, migrants and refugees.	**42 000**	**219 000**
	UKE Immobilien-Verwaltungs GmBH & Co. KG	Construction of two new medical buildings and expansion of the research campus to provide Hamburg with improved medical and research facilities, increased capacities and modern diagnosis and therapy techniques. Final beneficiaries: general population of the city and its periphery, the elderly, medical students and research and teaching staff.	**180 000**	**365 000**
Greece	Government	Purchase of medical and pharmaceutical supplies, specialised equipment, provision of care services, recruitment of additional medical and auxiliary staff in order to provide adequate medical assistance to those affected by COVID-19 and rapidly address the health emergency situation caused by the virus outbreak in the country. * Final beneficiaries: some 11 million inhabitants of the country and in particular persons infected by COVID-19 needing a broad range of services from medical advice and testing to acute treatment, medical staff exposed to the virus.	**200 000**	**250 000**
Hungary	Hungarian Export-Import Bank Plc	Fixed investments and working capital in favour of MSMEs which are active in the export related production and service sectors and who will benefit from an increased and more favourable access to medium to long-term flexible financing opportunities. Final beneficiaries: eligible MSMEs, as well as job-seekers throughout Hungary.	**50 000**	**100 000**
	Government	Investments in the educational sector, mainly by increasing the capacity of classrooms and increasing physical education facilities in schools. * Final beneficiaries: pupils attending primary and secondary education throughout Hungary. Students and inhabitants of the selected municipalities will also have access to swimming pools, physical education facilities and indoor handball courts included in the programme.	**150 000**	**318 000**
	Government	Purchase of medical and pharmaceutical supplies, medical equipment, repatriation costs of medical staff stranded abroad, expenses towards strengthening the national health sector services * Final beneficiaries: country's inhabitants, especially those affected by COVID-19 and in need of medical attention.	**175 000**	**350 000**
Ireland	Cork County Council	Broad set of investments within Cork County Council's Social Sustainability Investment Programme, comprising social, education and recreational infrastructure and measures targeting an improved economic environment. Final beneficiaries: wide range of inhabitants in Cork County, most vulnerable populations as the elderly, persons with disabilities, single parents and women entrepreneurs.	**33 700**	**122 300**
Italy	Ente Ospedaliero Ospedali Galliera	Construction of the New Galliera Hospital in compliance with the highest European standards in terms of accessibility and medical services, to replace the current historical complex which dates back to 1888. Final beneficiaries: present and future patients residing in the hospital's catchment area.	**75 000**	**154 000**
	IREN SpA	Investments outlined in IREN SpA's integrated water services plan for the period 2019 -2021 in the provinces of Genoa and Parma (north-west part of the Country), aiming at expanding and improving the aqueduct and sewerage network, and the construction of new purification facilities in selected areas. Final beneficiaries: inhabitants of 75 municipalities, for a population of approximately 1.1 million people.	**80 000**	**290 000**
	Istituto per il Credito Sportivo	Extension of a project approved in 2018 in favour of local authorities' investments in small and diversified sports facilities throughout the country. Final beneficiaries: wide range of the Italian population, and specifically the residents of the municipalities where the sports facilities will be implemented, young people, students as well as the elderly and people with disabilities, for whom access will be facilitated.	**100 000**	**670 000**

* Public Finance Facility (PFF)

Projects approved (per counterparty)

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Italy	Government	Financing of measures and extraordinary expenditures incurred by the Italian Civil Protection, such as operation and maintenance cost, acquisition of equipment and consumables, transformation of spaces, or temporary and extraordinary medical staff costs in order to slow the spread of the COVID-19 virus and to mitigate the crisis. * Final beneficiaries: both Italian and foreign citizens present on the territory, directly impacted by the pandemic, in particular the most vulnerable, such as the elderly and people with previous pathologies.	**300 000**	**350 000**
	Municipality of Milan	Eligible investments in areas such as strengthening the mobility system, regenerating and requalifying public spaces and upgrading municipal schools, public and social housing buildings. All planned investments are expected to integrate resilience considerations in line with the COVID-19 Adaptation Strategy and the Resilience Strategy under development by the Municipality. Final beneficiaries: inhabitants of Milan, as well as those living and working in the metropolitan area.	**50 000**	**1 300 000**
	Regione Lazio	Upgrade and modernisation of hospitals and other regional administrative buildings to improve health and social care, investments in mobility and protection of the environment. Final beneficiaries: inhabitants of the region of Lazio, in particular vulnerable people prone to diseases and in need of medical care, tourists visiting the region and the regional and national capital, Rome.	**100 000**	**600 000**
Kosovo	Finca Kosovo	Productive investment sub-loans for micro-enterprises, farmers and private households throughout the country. Final beneficiaries: low-income population, the majority of whom will be women entrepreneurs with limited or no access to bank loans. It is estimated that around 2 000 micro-businesses, farms and households will benefit from the programme.	**2 000**	**4 000**
	Government	Emergency expenses related to the purchase of medical diagnostic and treatment equipment, the strengthening of the healthcare system, as well as the provision of incentives to healthcare and pharmacy workers fighting the COVID-19 pandemic. * Final beneficiaries: population of Kosovo, in particular persons infected, medical staff exposed to the virus, the elderly, persons with chronic conditions and healthcare providers.	**35 000**	**38 500**
Latvia	Government	Purchase of medical and technological equipment, financial support to vulnerable families, those with children and medical personnel, publication of urgent media advertisements and tele-consultations, in order to contain and slow the spread of COVID-19, ease the budgetary pressure on the public health care sector, and to ensure the continuity of essential services. * Final beneficiaries: inhabitants of Latvia, in particular medical staff, people seeking medical treatment, vulnerable families and households in need of municipal support and staff involved in COVID-19 concerned sectors, as well as pupils who will be able to keep going to school despite the emergency situation.	**150 000**	**180 000**
Lithuania	Vilnius City Municipality	Extension of a project approved in 2019 in favour of investments under the City's long-term strategy, including the construction of new municipal and healthcare structures as well as the restoration, renovation or extension of the existing facilities, thus providing improved living, studying and working conditions. Final beneficiaries: population of Vilnius.	**35 000**	**140 000**
	Kaunas Bus Company (Kauno Autobusai)	Eligible investments to improve the quality and environmental sustainability of public transport with the modernisation of the city's bus fleet, thereby improving its use, quality, efficiency, security and accessibility. Final beneficiaries: daily users of the public transport system of Kaunas (approximately 80 million users per year), the most vulnerable, including the elderly, persons with disabilities, children, students and households in difficulty.	**21 500**	**52 540**
	Kaunas City Municipality	Extension of a project approved in 2019 in favour of investments aimed at addressing the strategic priorities defined in the City Development Plan of Kaunas City Municipality. Final beneficiaries: residents the city and surrounding region who are daily users of municipal services, in particular, children, students enrolled in educational institutions, citizens attending cultural events, people practising sports and tourists.	**25 000**	**100 000**
	Government	Investments undertaken under the State Investment Programme 2019-2021, which includes the modernisation of health institutions across the country, various works in educational institutions, as well as the improvement of sports facilities and the construction of new premises. Final beneficiaries: inhabitants of Lithuania, approximately 2.7 million, and in particular children, pupils, staff, persons attending cultural events and accessing libraries and museums, persons practising sports, as well as patients seeking medical treatment.	**100 000**	**201 000**

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Lithuania	Government	Project for the purchase of personal protective equipment, reagents, medical and other equipment and consumables, remote learning and mobility facilities to benefit from continuity of education services, through the acquisition and lease of computers, in order to cope with the challenges posed by COVID-19 and tackle its economic consequences. Final beneficiaries: inhabitants of the country, in particular employees, healthcare workers, people seeking medical treatment, vulnerable families and households, staff involved in COVID-19 concerned sectors and pupils from socially disadvantaged families.	**100 000**	**500 000**
	Government	Second extension of the project described above, against an equal amount and a similar scope.	**100 000**	
	Government	Extension of a project approved in 2019 in favour of eligible investments for retrofitting works in multi-apartment buildings and improving living conditions by reducing energy costs, thereby contributing to diminishing the impact on the environment. Final beneficiaries: inhabitants of the country living in multi-apartment buildings, including low-income households.	**67 500**	**433 000**
Moldova (Republic of)	Government	Expenditures for the purchase of medical and pharmaceutical supplies, the rehabilitation or transformation of spaces/facilities for the reception and care of affected patients, as well as lending by the Ministry of Finance to participating financing institutions, which will on-lend the funds to eligible MSMEs, in order to mitigate the spread and consequences of the COVID-19 pandemic, to contribute to the alleviation of the crisis' impact on MSMEs and preserve jobs. * Final beneficiaries: inhabitants of the country, in particular medical staff, the elderly and people seeking medical treatment, as well as employees of MSMEs throughout the country.	**70 000**	**78 000**
Montenegro	Government	Working capital and investment requirements of MSMEs in order to mitigate the impact of the COVID-19 pandemic on the country's economy and particularly on the severely hit MSME sector.	**40 000**	**44 500**
Poland	Europejski Fundusz Leasingowy SA (EFL), Wroclaw	Eligible investments undertaken by MSMEs operating in a wide range of sectors including construction, wholesale trade, retail, industry and manufacturing, retail or agriculture throughout Poland, in order to create new employment opportunities and preserve existing jobs. Final beneficiaries: eligible MSMEs, who have limited or no access to bank loans, job seekers throughout the country.	**150 000**	**300 000**
Romania	Raiffeisen Leasing Romania IFN SA	Extension of a project approved in 2017 to continue providing individual loans and leasing contracts to Romanian MSMEs for the realisation of productive investments, including the acquisition of vehicles, machinery and equipment as well as office and production premises for the continuation of business activity and the creation and preservation of jobs. Final beneficiaries: employees of eligible MSMEs throughout the country.	**15 000**	**30 000**
	Sector 6 of the Municipality of Bucharest	Municipal investments aimed at addressing a number of environmental and social priorities identified by local authorities, namely for the improvement of energy efficiency in residential and school buildings, the construction and equipping of Near Zero Energy buildings, as well as the construction of social housing units, a food bank and a social canteen. * Final beneficiaries: inhabitants of Sector 6 of the Municipality of Bucharest and in particular, single parents with children, unemployed people, low-income persons, persons with disabilities and the elderly.	**47 000**	**168 000**
San Marino	Government	Extraordinary expenditures including the purchase of medical and pharmaceutical supplies and consumables, and the acquisition of medical equipment to carry out the reorganisation of San Marino Hospital (single one in the territory), in particular to isolate wards, in order to upgrade healthcare service and to respond to emergency needs following the COVID-19 outbreak. Final beneficiaries: residents of the country and all other persons on the national territory directly impacted by the COVID-19 pandemic, the most vulnerable, including the elderly and those infected by the virus, as well as patients affected by previous chronic illnesses attending the hospital on a regular basis.	**10 000**	**13 303**
Serbia	Erste Bank a.d. Novi Sad	Investments undertaken by Serbian MSMEs in fixed assets acquisition and construction or extension of business premises, as well as working capital, through increased and more favourable access to medium to long-term flexible financing opportunities, enabling them to further create and preserve jobs, promote their development and reinforce their export activities, and create additional employment opportunities. Final beneficiaries: eligible MSMEs, job seekers throughout the country.	**30 000**	**60 000**

* Public Finance Facility (PFF)

Projects approved (per counterparty)

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Serbia	Procredit Bank a.d.	Extension of a project approved in 2018 in favour of investments but also urgent working capital requests following unprecedented liquidity shortages brought on by the COVID-19 pandemic. Final beneficiaries: employees of eligible MSMEs, job seekers throughout the country.	**20 000**	**40 000**
	Government	Investments for the refurbishment, reconstruction and expansion of cultural institutions, including museums, theatres, cultural centres, and similar institutions located mostly in Belgrade, among which the National Theatre and the Museum of Yugoslavia. Final beneficiaries: inhabitants of the country, in particular the inhabitants of Belgrade, 1 000 staff who work at the cultural facilities on a regular basis, as well as visiting tourists.	**20 000**	**30 000**
	Government	Construction, installations and equipment for two student dormitory buildings, with a total of 1 400 individual units, in the cities of Belgrade and Niš. Final beneficiaries: state-financed students throughout the country, including those coming from the less developed regions and low-income families. Furthermore, students from vulnerable backgrounds, such as those without parents, refugees, national minorities and Roma students, will benefit from the allocation of at least 10% of all accommodation places.	**32 000**	**48 414**
	Government	Acquisition of medical and pharmaceutical supplies and equipment necessary to mitigate the effects of the COVID-19 virus during the critical onset phase of the crisis. * Final beneficiaries: inhabitants of the country, in particular the most vulnerable, such as those affected by COVID-19, the elderly and people with previous pathologies, as well as medical professionals treating patients across the country.	**200 000**	**250 000**
Slovak Republic	Government	Extension of a project approved in 2015 in favour of investments to co-finance the European structural and investment funds supporting sustainable and efficient use of natural resources, promoting an energy-efficient, low-carbon economy and ensuring sustainable provision of public services across the country. * Final beneficiaries: wide range of inhabitants of the country concerned by the sub-projects carried out under the selected Operational Programmes.	**300 000**	**6 000 000**
	Government	Acquisition of medical material and protective equipment, rehabilitation or transformation of spaces, medical units and hospitals, support to MSMEs and companies providing public services with the aim of mitigating the spread and consequences of COVID-19 and the impact of the crisis on the national economy, and ensuring the continuity of essential public services. * Final beneficiaries: inhabitants of the country, in particular the elderly and those most vulnerable to the virus, people in the first line of defence against the COVID-19 pandemic, as well as employees of MSMEs and public service providers.	**300 000**	**350 000**
	Slovenská sporiteľňa a.s. (SLSP)	Construction or rehabilitation of urban and rural infrastructure, construction or extension of business premises and acquisition of relevant productive fixed assets, as well as investments in the field of energy efficiency. Final beneficiaries: inhabitants of municipalities and regions concerned, who will thus have the necessary facilities to improve their standard of living, employees of eligible MSMEs and job-seekers throughout the country.	**80 000**	**160 000**
	Žilina Self-Governing Region	Extension of a project approved in 2015 aimed at improving the quality and reliability of, and access to the road and local transport network, purchasing medical equipment, reconstruction and refurbishment of regional hospitals and healthcare centres, as well as co-financing and bridge financing of the European structural and investment funds. Final beneficiaries will be some 690 000 inhabitants of the Region of Žilina.	**10 000**	**89 000**
Spain	Autonomous Community of Madrid	Purchase of supplementary medical and pharmaceutical supplies, specialised equipment needed for patients and overtime payments for new and existing medical and non-medical staff, in order to mitigate the impact of the COVID-19 pandemic * Final beneficiaries: people affected by COVID-19 throughout the Comunidad Autónoma de Madrid, in particular the most vulnerable such as the elderly and people with health problems.	**200 000**	**250 000**

In thousand euros

Country	Borrower	Project description	CEB loan amount	Total project amount
Spain	Autonomous Community of Madrid	Extension of a project approved in 2018 to finance public budgetary expenses on social care programmes and specifically expenditure related to the maintenance and upgrade of residential and non-residential care homes, day centres, apartments and canteens as well as the provision of support programmes and specialised assistance. * Final beneficiaries: vulnerable people living in Madrid such as the elderly, people with mental and/or physical disabilities, homeless persons and victims of gender violence.	**200 000**	**1 340 000**
	Comunidad Foral de Navarra	Public budgetary expenses dedicated to social care programmes and more specifically expenditures on social care activities, with a view to provide quality goods and services in care homes. * Final beneficiaries: elderly and disabled persons in both residential and non-residential care centres, as well as their families.	**50 000**	**100 000**
	Instituto de Crédito Oficial	Participation in ICO's lending activities to Spanish financial institutions, which will on-lend the funds via its financing instrument which mainly targets the self-employed and MSMEs, in order to mitigate the crisis effects of COVID-19 on the economy. Final beneficiaries: employees of eligible MSMEs throughout the country who are facing serious liquidity shortages due to the COVID-19 pandemic aftereffects.	**300 000**	**600 000**
	Transports de Barcelone, S.A.	Purchase of 254 new natural gas, hybrid (diesel/electric) and electric buses, construction of charging stations, and other related infrastructure to improve the quality, efficiency, accessibility of the services, security of the network and to reduce both carbon dioxide emissions and energy costs. * Final beneficiaries: some 550 000 daily users of the public bus network in Barcelona and the surrounding areas, visitors, the most vulnerable which include the elderly, people with reduced mobility, children, students and households in difficulty.	**47 000**	**135 000**
Sweden	City of Uppsala	Investment expenditures in the education sector, including the construction of new education facilities, as well as the restoration, renovation or extension of existing facilities, including sport facilities. Reconstruction works will target premises' expansion to accommodate more pupils, as well as the adoption of energy efficient measures. Final beneficiaries: children and pupils attending pre-schools, compulsory schools and secondary schools, refugees and migrants shall benefit from the investments since attending schools will facilitate their social integration.	**100 000**	**310 000**
Turkey	Government	Purchasing of pharmaceutical and medical supplies and equipment, rehabilitation or transformation of spaces, medical units and hospitals, construction of temporary field hospitals, public awareness campaigns and activities with a view to mitigate the spread and consequences of COVID-19 and to ensure the availability and continuity of essential public health services. Furthermore, the loan will finance the provision of healthcare services by third-parties, such as private clinics and hospitals, and the salaries of healthcare personnel hired by the Ministry of Health. * Final beneficiaries: inhabitants of the country, in particular those affected by COVID-19 and medical professionals treating patients across the country.	**200 000**	**250 000**
	Government	Extension of a project approved in 2006 for the upgrade of the existing commuter and high-speed intercity railway system along the Marmara Sea aiming at providing the urban area with modern, safer and faster public transit system and increase its overall accessibility, as well as reducing the traffic congestion and related air pollution. Final beneficiaries: inhabitants of Istanbul and, in particular, approximately 1 million daily users of public transport.	**150 000**	**1 367 000**
TOTAL			**6 025 000**	**22 915 000**

* Public Finance Facility (PFF)

Notes for the reader

► Title

Since its creation in 1956, the Bank has been known successively under three different names.
Since 1 November 1999, it is known as the Council of Europe Development Bank (CEB).

► Member states

At 31 December 2020, the Bank had 42 member states: Albania, Andorra, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova (Republic of), Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland and Turkey.

► Articles of Agreement

The first Articles of Agreement were adopted by the Committee of Ministers of the Council of Europe on 16 April 1956 under Resolution (56)9. New Articles of Agreement, adopted by the Committee of Ministers on 16 June 1993 under Resolution (93)22, came into force on 18 March 1997 following their ratification by all the member states.

► Target group countries

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia and Turkey.

► Project approved

A project that has been submitted to the Administrative Council and approved for funding.

► Loan disbursed

A loan that has actually been disbursed to the borrower.

► Loan tranche

Loans are disbursed in tranches, depending on the progress of the work, up to the maximum amount approved by the Administrative Council.

► Financing commitment

Projects still awaiting financing and for which a framework loan agreement has been signed.

► Social Dividend Account (SDA)

Funded mainly by the earmarked portion of the Bank's shareholder approved annual results and used to finance grants in favour of high social impact projects. These grants may take the form of interest rate subsidies, technical assistance grants, loan guarantees or grant contributions.

► Loans outstanding

Total amount of loans disbursed and not yet repaid.

► Subscribed capital

Participating certificates issued by the CEB and subscribed by its members.

► Called capital

Total capital paid in and to be paid in.

► Uncalled capital

Difference between the subscribed capital and the called capital.



100 copies printed

Photo credits:

Cover: Alex Potemkin - Morsa Images - andresr ; p. 2-3: CEB ; p. 5: Sylvie Dupic ; p. 7: Harald Krichel ; p. 8: SFGA ; p. 9: Lari Bat ; p. 12: Sundry Photography ; p. 13: xavierarnau ; p. 14: Azamat Imanaliev ; p. 15: FG Trade ; p. 16: deepblue4you ; p. 17: Conor Mooney ; p. 18: Hasselblad ; p. 19: Vladimir Vladimirov ; p. 20: ImagineGolf ; p. 21: Gunnar Svanberg Skulason ; p. 22: monkeybusinessimages ; p. 23: Hispanolistic ; p. 24: TommL ; p. 25: sturti ; p. 26: Bob Douglas ; p. 27: vitranc ; p. 28: Olivier Rateau ; p. 29: Heiko Kueverling ; p. 32: Slaven Jandjel ; p. 33: Karlo Sutalo ; p. 36: MangoStar_Studio ; p. 39: European Union ; p. 40: Savoy Film Productions ; p. 41: 360° İletişim - European Union ; p. 42: European Union ; p. 43: Miroslav Kučera ; Photoshooterka ; p. 44: WBIF - European Union ; p. 45: Albanian Development Fund ; p. 46: Wavebreakmedia ; p. 50: damircudic ; p. 55: Martin Barraud

Design: Carré communication • Print: Azaprim



55, avenue Kléber
FR-75116 PARIS - FRANCE
Tel.: +33 (0)1 47 55 55 00
Fax: +33 (0)1 47 55 03 38
Swift: CEFPFRPP
www.coebank.org

2221-0113 (Online)
1563-2601 (Print)