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

Report on CEB and Donors **2021**



About the CEB

The Council of Europe Development Bank (CEB) is the only European multilateral development bank with a social mandate.

The CEB has been investing in social projects that improve the lives of the most vulnerable groups across Europe for 65 years. Vulnerable populations often lack access to education, healthcare and decent housing, which is why the Bank finances social infrastructure, such as schools, hospitals and affordable housing.

Vulnerable populations also face difficulties finding steady work. Hence, the Bank finances micro, small and medium-sized enterprises (MSMEs) to create jobs.

By promoting inclusive and sustainable growth, the Bank contributes to stability and shared prosperity across Europe.

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2021 at a Glance



- Donors remain key for the CEB, enabling it to do more in favour of the most vulnerable groups

- 2 new joint initiatives with the European Union:
  - Housing and Empowerment of Roma (HERO),
  - Partnerships and Financing for Migrant Inclusion (PAFMI)

€ 7 million
raised from donors

- New donor contributions: almost € 50 000 from the Czech Republic to the Green Social Investment Fund (GSIF), and € 250 000 from the European Investment Bank (EIB) to the Migrant and Refugee Fund (MRF)

- Substantial impact



€ 19 million worth of loans guaranteed

€ 10 recipient countries

10 million in grants approved

€ 171 million in potential investments supported

Foreword by the Governor



Preventing social exclusion of the most vulnerable groups caused by the ongoing COVID-19 pandemic and the legacy of the 2015 migrant and refugee crisis remained a firm focus of the CEB in 2021, concentrating our activities where they can have the highest social impact. We appreciate and are grateful to our donors for the endowments they make to the CEB, and the € 7 million mobilised in 2021 is a testament to the added value that our benefactors believe our involvement can bring.

We further underpinned our partnership with the European Union in 2021 by signing two new projects with a combined EU contribution of € 6.3 million: Housing and Empowerment of Roma (HERO), which aims to reduce social exclusion of Roma populations in Bulgaria, Romania, and the Slovak Republic; and Partnerships and Financing for Migrant Inclusion (PAFMI) to help the inclusion of third-country nationals legally staying in EU member states.

In June 2021, we signed three grant agreements worth € 900 000 with the International Organisation for Migration (IOM) to continue providing essential assistance to migrants and refugees in Bosnia and Herzegovina and North Macedonia.

The Migrant and Refugee Fund (MRF), which was set up by the CEB in 2015 to help member states to support and help integrate migrants and refugees arriving in their countries, is currently financed by 22 CEB members, in addition to the CEB and the European Investment Bank (EIB), which contributed an additional € 250 000 in 2021.

Consistent with our members' growing imperative in support of climate action, in 2020 we established the Green Social Investment Fund (GSIF) to respond to the social challenges of green transition, and I am very pleased to report that in 2021, the GSIF received its first contribution from a CEB member state when the Czech Republic committed almost € 50 000 to the fund.

The € 7 million of funds raised from donors in 2021, as well as donations received in previous years, enabled the CEB to award € 10 million in grants and to guarantee € 19 million worth of loans over the course of the year. The potential investments supported by these grants and guarantees amounted to € 171 million, spread across 10 countries, demonstrating how donors can increase their impact by blending their funds with CEB loans.

2021 was also noteworthy for the commencement of CEB's implementation of the Strengthening Healthcare Infrastructure for All (SHIFA) project under the aegis of the EU Facility for Refugees in Turkey (FRiT). This joint EU-Turkey coordination mechanism was established in November 2015 to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner.

At this hour of darkness, war is raging in Europe and I would like to express our solidarity with the Ukrainian people who are victims of the military aggression launched by Russia. The humanitarian situation in Ukraine is deteriorating rapidly, with millions of people fleeing death and destruction, desperately seeking safety in neighbouring countries and beyond. The CEB will stand by its member countries in responding to this unprecedented crisis, in line with its historical mandate to assist refugees, migrants and displaced persons, and will work closely with its donors in providing this support: already, the Bank intends, as first step, to approve more than € 5 million in grants from the Migrant and Refugee Fund in favour of displaced Ukrainians.

Throughout its 65-year history, the mission of the CEB has been to promote social inclusion among the most disadvantaged populations and to enhance social cohesion across Europe. In light of the combined and ongoing effects of the COVID-19 pandemic and recent migrant and climate crises, resolving the acute strain on social cohesion will remain a Europe-wide challenge, and one that we are committed to overcoming. We count on your support in rising to this challenge with us.

Paris, 10 March 2022
Carlo MONTICELLI



Donors and the CEB

Enabling highly social projects

Projects targeting highly vulnerable persons or located in disadvantaged areas have the highest social impact. At the same time, these projects often require the most support from the CEB. Indeed, the entities in charge of these projects generally have limited capacity to finance or implement them.

The CEB uses funds raised from donors to improve the financial and technical sustainability of these high-impact projects. For instance, the Bank uses donor-funded grants as a complement to its loans to complete the financing of projects. Likewise, it provides technical assistance funded by donors to help borrowers implement projects in line with best practice.

Assisting migrants and refugees, fostering sustainable and inclusive growth

The Bank was established 65 years ago to provide aid to displaced persons and this mandate remains part of its core mission. Donors enable the Bank to do more in favour of migrants and refugees. More broadly, donors provide crucial support to the Bank's efforts to foster sustainable and inclusive growth in Europe. Thanks to the funds they contribute, the Bank can support more projects with a high environmental and social impact.

CEB donors

Twenty-eight 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 (EIB), have contributed to CEB's trust funds. The three largest donors among CEB member states are Germany, Norway and Italy.

The European Union (EU) is the largest donor to the Bank, with € 621 million or almost three quarters of total contributions committed in the past 25 years. The EU and the CEB work closely together because their cooperation delivers strong synergies. The EU has political and financial clout, while the CEB has experience in implementing social projects.

Solid benefits

Donors derive strong benefits from working with the CEB. Partnering with the Bank provides donors with assurance that their funds will be put to good use. Blending their funds with the Bank's lending also increases their impact. Potential investments supported by grants and guarantees approved from donor funds in 2021 amount to € 171 million.

The Bank also strives to maximise the visibility of its donors. Their support is widely publicised. The Bank devotes a whole section of its website to donors. It also ensures that beneficiaries are made aware of their support through billboards, plaques, and visibility events on project sites.

Donors can also report their contributions as official development assistance (ODA), since the Bank is recognised by the Organisation for Economic Cooperation and Development (OECD) as eligible for ODA.

2021 Highlights



Building on their longstanding cooperation, the Bank launched jointly with the European Union (EU) two new initiatives in favour of disadvantaged groups.

The first initiative aims to reduce the social and economic exclusion of Roma in Bulgaria, Romania and the Slovak Republic. Specifically, the € 3 million initiative will help marginalised Roma secure ownership of housing and gainful employment through a combination of microloans, mentoring and training. The **Housing and Empowerment of Roma (HERO)** initiative is supported by € 2.8 million from the EU and € 0.2 million by Spain through the Spanish Social Cohesion Account, a CEB-managed trust fund.

The second initiative seeks to improve the inclusion of migrants at the local and regional level in EU Member States. It will do so by supporting activities in the areas of housing, employment and skills, education and training, and health. To this end, the initiative will foster new partnerships and new forms of financing, hence its name: **Partnerships and Financing for Migrant Inclusion (PAFMI)**. It will bring together public authorities, civil society organisations, and financial and non-financial institutions that design, fund and implement social inclusion measures and provide social services to migrants. It is financed by € 3.5 million from the EU's Asylum, Migration and Integration Fund (AMIF).

High visibility for donors



Twitter
(CEB and RHP accounts combined):

233 posts

259 724 impressions
4 975 engagements

Top 5 tweets on CEB account:

- 30 September 2021: Signing of 2 SHIFA grants in Istanbul (4 457 impressions and 113 engagements)
- 29 January 2021: The visit to Kilis hospital by EU Ambassador to Turkey (4 213 impressions and 168 engagements)
- 19 March 2021: Visit to the construction site of Kilis Hospital (3 836 impressions and 115 engagements)
- 19 June 2021: Kilis Hospital on Refugee Day (3 765 impressions and 46 engagements)
- 12 April 2021: Families moving to new flats in Srebrenik, Bosnia and Herzegovina (3 526 impressions and 90 engagements)



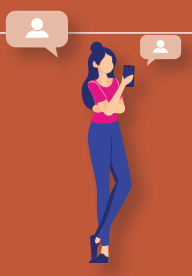
LinkedIn
(CEB and RHP accounts combined):

163 posts

87 001 impressions
7 412 engagements

Top 5 posts on CEB account:

- 23 August 2021: Presenting the Ankara Office and CEB's work to implement SHIFA (8 008 impressions and 765 engagements)
- 13 May 2021: SHIFA call for tenders (2 666 impressions and 81 engagements)
- 30 September 2021: Signing of 2 SHIFA grants in Istanbul (2 477 impressions and 98 engagements)
- 22 December 2021: PAFMI signature (2 347 impressions and 85 engagements)
- 6 September 2021: Call for implementing partners for HERO (2 244 impressions and 380 engagements)



YouTube
(CEB and RHP channels combined):

14 videos

345 373 impressions
24 310 views

Top video on CEB channel:

New Kilis hospital videos in Arabic, English and Turkish with combined 5 000 impressions and 513 views

37 press releases and stories:

- 24 stories published on the RHP website
- 6 press releases published on the CEB website
- 7 stories published in the CEB Magazine (Issue No. 3 devoted to partnership with the EU)

* Impressions: the number of times the post is seen or has the possibility to be seen.
* Engagements: any interaction with the post, such as retweet, like, share, click or comment.

Assisting migrants, refugees and displaced persons

Assisting migrants, refugees and displaced persons is at the core of CEB's mandate. The Bank was set up in the aftermath of the Second World War to help resettle refugees and internally displaced persons. Since then, it has gradually widened its scope of action, in sectoral and geographical terms, to meet the financing needs of its member states. However, providing aid to displaced persons remains a priority mission for the Bank.

The Bank's donors, and in particular the EU, provide crucial support to this mission. Thanks to the funds raised from them, the Bank is able to support several initiatives in favour of displaced persons, such as the Regional Housing Programme (RHP) or the Migrant and Refugee Fund (MRF). These initiatives improve the living conditions of displaced persons and their host communities. In doing so, they contribute to a more stable and prosperous Europe.



Marija Pejčinović Burić, Secretary-General of the Council of Europe

"It is reassuring to see the way in which the Bank has remained faithful to its original mandate, continuing to support member states in dealing with those who have come to Europe in search of a new life, and often in desperation. For this, the Migrant and Refugee Fund is providing valuable emergency assistance, while regular lending activities contribute to the long-term integration of these particularly vulnerable social groups – to the benefit of society as a whole. It is also impressive to see the leading role that the Bank has taken in the Regional Housing Programme, which provides lasting housing solutions for refugees and displaced people in the Western Balkans."

Fostering the inclusion of migrants in EU-CEB member states

The migrant population in Europe is sizable. In 2020, 23 million people living in the European Union (EU) were non-EU citizens, representing 5% of the total population. The majority of migrants face challenges in integrating into their host communities. They experience restricted access to appropriate housing, lower levels of educational attainments and employment prospects, and have limited knowledge on and access to appropriate healthcare services.

The Partnerships and Financing for Migrant Inclusion (PAFMI) is a new initiative, launched jointly by the CEB and the EU in 2021, to foster the inclusion of migrants at the local and regional level in EU member states that are also members of the CEB.

To this end, the initiative will develop novel partnerships and financing schemes, including bundling of loans and grants, aimed at improving the inclusion of migrants in the sectors of housing, employment and skills, education and training, and healthcare. It will also build upon CEB's experience with its Migrant and Refugee Fund (MRF).

The target stakeholders include public authorities, civil society organisations, financial institutions and micro-finance institutions that design, fund and implement social inclusion measures and provide social services to migrants. PAFMI is financed by a € 3.5 million contribution from the EU.

Supporting the integration of migrants and refugees across Europe



Beneficiaries in the IT room at the migrant training facility in Obrenovac, Serbia

Ambassador Johann Sattler, Head of the Delegation of the European Union to Bosnia and Herzegovina

"We welcome the fact that the EIB and CEB come strongly and timely together on a matter of particular importance for the region, which needs international support and compassion. I am looking forward to our continued cooperation and coordination on migration."

Since 2015, 2.1 million migrants and refugees have crossed into Europe, according to the International Organization for Migration (IOM). To help its member states cope with these arrivals, the CEB established the Migrant and Refugee Fund (MRF). Initially, the Bank used the MRF mainly to help member countries located along the so-called "Balkan route" build up their short-term reception capacity. In recent years, it has increasingly used the MRF to help its member states throughout Europe integrate migrants and refugees in their host communities.

For instance, the Commissariat for Refugees and Migration of the Republic of Serbia has set up a training facility for migrants within a permanent asylum reception centre located in Obrenovac, near Belgrade, with financial support from the MRF. Mohammad, Hasib, Bella, and Mika are four beneficiaries from Afghanistan, Syria and Iran, respectively. They share their stories in a video available here [https://www.youtube.com/watch?v=6XvazHVO88Y].

The MRF has received contributions from 22 CEB member states, as well as the CEB and the European Investment Bank (EIB). Since 2015, the CEB has approved € 28 million in grants from this fund in favour of 30 projects benefitting migrants and refugees.

In April 2021, the EIB contributed € 250 000 to the MRF to support the improvement of living conditions in Bosnia and Herzegovina's refugee camps and centres. This additional funding increased EIB's total contribution to the MRF to € 5.3 million.

Providing decent homes to persons displaced during the conflicts in former Yugoslavia

During the conflicts in the former Yugoslavia in the 1990s, millions of people had to flee their homes. Almost 30 years later, thousands of vulnerable persons continue to live in precarious accommodation. To provide these people with secure housing, Bosnia and Herzegovina, Croatia, Montenegro, and Serbia (the Partner Countries) are implementing a pioneering joint initiative: the Regional Housing Programme (RHP).

The Programme benefits from strong support from the international community: RHP donors have committed € 291 million in favour of this initiative. The European Union, represented by the European Commission, is the largest donor, with € 235 million, followed by the United States with € 24 million. Other key donors include Germany, Norway, Switzerland and Italy. The CEB assists the Partner Countries in implementing their housing projects, manages the resources of the Programme, and facilitates coordination among RHP stakeholders.

During 2021, the implementation of the RHP continued despite the challenges posed by the COVID-19 pandemic. By the end of the year, an estimated 26 500 out of the 35 000 targeted beneficiaries had received a decent home. To help the Partner Countries reach the target number of beneficiaries, in June 2021 the RHP donors decided to extend the implementation of the Programme by one year, until June 2023.

In August 2021, 32 internally displaced and returnee families in Prijedor, Bosnia and Herzegovina, received keys to their new homes, attaining stability and security after many years in temporary accommodation.

Krassimir Nikolov, Chargé d'Affaires at the Delegation of the European Union to Bosnia and Herzegovina

"Refugees and internally displaced people who have been living for too long in temporary accommodation will now have a place they can call their own. I am very pleased with the results we have achieved so far. With the right support in Bosnia and Herzegovina, including from friends in the international community, we can make a difference."



Krassimir Nikolov (far right), Chargé d'Affaires at the Delegation of the European Union to Bosnia and Herzegovina, with RHP beneficiaries in Prijedor, Bosnia and Herzegovina

Gojko Avramović, RHP beneficiary

"Finally, the moment that I have waited for has arrived. After leaving Ključ municipality in Bosnia and Herzegovina, I was displaced for more than 20 years. I am thankful to the City of Prijedor and everyone involved in building these apartments."

Improving healthcare for refugees and host communities in Turkey

According to the United Nations High Commissioner for Refugees (UNHCR), Turkey hosted 3.6 million Syrian refugees at end of 2021. To ensure that the needs of refugees and their host communities are addressed in a comprehensive and coordinated manner, the EU and Turkey established in 2015 a coordination mechanism: The EU Facility for Refugees in Turkey (FRiT).

The CEB oversees the implementation of two healthcare projects funded by FRiT:

- Strengthening Healthcare Infrastructure for All (SHIFA), a € 90 million project that aims to construct and renovate healthcare centres throughout Turkey to improve medical services for Syrian refugees and their host communities.
- A € 50 million project consisting in the construction and equipment of a 300-bed public hospital in Kilis, a province located along the Turkey-Syria border, which has seen its population nearly double due to an influx of Syrian refugees.

The implementation of the SHIFA project began in March 2021 and is expected to take four years, while the Kilis hospital is in the final stages of completion.

As part of SHIFA, in September 2021, the CEB and the Ministry of Health in Turkey signed two grant agreements worth € 81 million.



Newly installed medical equipment at the Kilis hospital, December 2021

These grants will support the construction and/or renovation of migrant health centres and physiotherapy and rehabilitation units in public hospitals, as well as the purchase of medical equipment and supplies.

More information on FRiT is available here [https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/negotiations-status/turkey/eu-facility-refugees-turkey_en].



A visit by key stakeholders, including representatives of the EU Delegation to Turkey, the Ministry of Health of Turkey and the CEB, to the Kilis hospital on 1 December 2021

Fostering sustainable and inclusive growth

The CEB's mandate is to foster sustainable and inclusive growth in its member countries. In recent years, the growing recognition of climate change and environmental degradation, as well as rising inequalities both within and between European countries, have made this mandate more relevant than ever.

The COVID-19 pandemic has only increased the relevance of the Bank's focus on sustainable and inclusive growth. Early evidence indicates that that the health and economic impacts of the pandemic are being borne disproportionately by vulnerable population groups, such as people living in poverty situations, older persons, persons with disabilities, and youth.

Donors enable the Bank to do more in favour of vulnerable groups and disadvantaged regions. The funds they provide enable the Bank to support more projects with a high social and environmental impact.

Improving access of Roma to jobs and housing

A significant number of Roma in Europe are disproportionally affected by unemployment, poverty, inadequate housing, and poor health standards. A comprehensive overview of the impact of the COVID-19 crisis on Roma and other vulnerable population groups in Europe is yet to be drawn, but empirical evidence shows that the pandemic has only worsened their situation.



The Housing and Empowerment of Roma (HERO) is a pilot project started in 2021 that seeks to address the issue of housing deprivation in an innovative way. The project aims to improve access to housing and gainful employment of vulnerable Roma families, especially those who reside in informal settlements.

Managed by the CEB, HERO will combine capacity building activities, such as support to access the labour market, and social support services for targeted Roma families coupled with a mechanism for mitigating the financial risks for financial intermediaries when granting housing micro-loans. About 240 families living in Bulgaria, Romania and the Slovak Republic are expected to benefit from the project.

The project is funded by a € 2.8 million contribution financed by the European Parliament and overseen by the European Commission, and a € 0.2 million contribution from Spain through the Spanish Social Cohesion Account, a CEB-managed trust fund.

Set up by Spain in 2009, the Spanish Social Cohesion Account (SCA) finances technical assistance for highly social CEB projects. Spain replenished the account in 2017 with € 2 million, increasing its total endowment to € 4 million. At the end of 2021, grant approvals stood at € 2.6 million.

Elena Flores, Deputy Director General of the Directorate-General for Economic and Financial Affairs, European Commission

"HERO is about using the power of microfinance to stimulate a local development process for inclusion. It is about helping some of Europe's most vulnerable citizens to become the agents and heroes of their own lives. We are pleased to collaborate with the Council of Europe Development Bank on this new pilot action."

Increasing energy efficiency of government buildings in Serbia

Despite progress achieved in recent years, energy efficiency in Serbia remains relatively low. In relation to its GDP, Serbia uses six times more energy than Germany, with public buildings accounting for almost 40% of energy consumption.

To help the Serbian authorities address this challenge, the CEB agreed in 2019 to finance 90% of a € 45 million project that will improve the energy efficiency of central government buildings in Belgrade. The Bank also provided technical assistance worth € 0.9 million to ensure that the authorities prepare and implement the project in line with best practice. This technical assistance is financed by the Western Balkans Investment Framework, Spain through its Spanish Social Cohesion Account, and the Slovak Republic through its Slovak Inclusive Growth Account.

Thanks to the donor-funded technical assistance, the project is progressing well: a project implementation unit has been set up with the support of the United Nations Development Programme (UNDP) and preparatory activities, which include energy audits, energy passports and feasibility studies, are underway.

The Slovak Inclusive Growth Account (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 million, increasing its total endowment to € 4 million. By the end of 2021, the Slovak authorities had approved a total of € 2.3 million in grants from the account.



Government building in Belgrade, Serbia, whose renovation is supported by the Western Balkans Investment Framework, the Spanish Social Cohesion Account and the Slovak Inclusive Growth Account.

Providing affordable housing to lower income groups in Kosovo

Access to decent and affordable housing is fundamental to the health and wellbeing of people. Yet, many countries in Europe struggle to provide affordable housing to their most disadvantaged population groups, as well as to low- and middle-income citizens. The CEB helps its member states improve their stock of affordable housing by providing them with loans on favourable terms and donor-funded technical assistance.

Kosovo is among the recipients of CEB support. To help the Kosovo authorities develop a country-wide social housing programme, the Bank financed a feasibility study with donor funds. The study was financed by Italy through its Italian Fund for Innovative Projects (IFIP) and carried out by UN-Habitat, which has a longstanding cooperation with the Kosovo authorities.

Delivered in 2021, the study assesses investment and technical assistance needs, and reviews potential social housing schemes. It also outlines a pilot project, which could be financed by a CEB loan. The Bank and the Kosovo authorities are now discussing the next steps of the project.

The Italian Fund for Innovative Projects (IFIP) was established by Italy in 2017 and endowed with € 1 million. The IFIP helps the Bank to develop innovative social projects, and it finances technical assistance for projects located in countries in the Western Balkan region that are eligible to Official Development Assistance (ODA), as well as in Georgia and the Republic of Moldova. At the end of 2021, grants approved from the IFIP stood at € 0.6 million.

Improving the energy efficiency of schools in Georgia

In 2015, the Georgian authorities approached the CEB regarding the renovation of public schools in the capital Tbilisi. Only one school had been built in the previous ten years and many had been damaged during an earthquake in 2002.

The CEB first helped the Georgian authorities secure donor funding to finance part of the project. In 2015, Georgia was awarded a € 6.0 million grant from a multi-donor facility, the Eastern Europe Energy Efficiency and Environment Partnership (E5P). To complete the financing, the Bank then approved a € 14 million loan. The Bank also secured € 0.2 million in donor funding to help the Georgian authorities prepare and implement the project according to best practices. This technical assistance was financed by Spain and the Slovak Republic through their respective CEB-managed trust funds.

Despite initial delays, the project is now progressing well. Works are ongoing in the first five schools and should soon start in three more schools. The project will have a major social and environmental impact. It will improve the safety and comfort of pupils while also increasing the energy efficiency of school buildings by 40%. The support from the international community has been key for the project, as stakeholders confirm in a video available here [https://www.youtube.com/watch?v=gz46mlY_6vo].

The Eastern Europe Energy Efficiency and Environment Partnership (E5P) is a € 242 million multi-donor fund initiated in 2009 to encourage municipal investments in energy efficiency and environmental projects in the Eastern Partnership region. The E5P blends financial contributions from the European Union and a group of 24 nations, including countries which are benefiting from the fund. The contributions are used as grants to support municipal sector projects in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine.

Ongoing school renovations in Tbilisi, Georgia



Delivering new homes to families in the aftermath of an earthquake in Serbia

In October 2021, 106 families living in Kraljevo, Serbia, whose homes had been severely damaged by an earthquake in 2010, moved into new flats. They are the first beneficiaries of a post-earthquake reconstruction project that will eventually provide new homes to a total of 360 families. Thanks to the project, the families will finally enjoy decent housing, as they explain in a video available here [https://www.youtube.com/watch?v=9KXutjhiwUU].

The project is supported by a € 8.0 million loan from the CEB and € 1.1 million in technical assistance grants from the Western Balkans Investment Framework (WBIF), as well as Spain through its Spanish Social Cohesion Account, and the Slovak Republic through its Slovak Inclusive Growth Account.

Života Virijević, one of the beneficiaries of the project

"The windows were broken. Whenever the wind was blowing, you could see the curtain moving. It makes a huge difference for us [moving to the new building]. When we entered here, it was as if I were reborn. My family and I are thrilled. Overwhelmed by joy and emotions because we moved into a brand-new apartment."





Newly constructed building in Kraljevo, Serbia

The Western Balkans Investment Framework (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 (EBRD), the European Investment Bank (EIB), and several bilateral donors. It 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 Agence Française de Développement (AFD) have subsequently joined the framework. At the end of 2021, grants approved from the WBIF and channelled through the CEB reached € 14 million. In addition, technical assistance worth € 19 million was provided directly by the WBIF to CEB projects.

Accelerating the transition towards low carbon and climate resilient economies

The Green Social Investment Fund (GSIF) was set up by the CEB in 2020 to help its member countries accelerate their transition towards low carbon and climate resilient economies. Specifically, the GSIF will scale up the de-carbonisation and climate proofing of social infrastructure and make climate action measures more affordable and accessible to vulnerable groups. In 2020, the CEB provided € 5 million in seed financing to the Fund, and in 2021 the GSIF received its first contribution from a CEB member state: the Czech Republic committed almost € 50 000.

Petr Válek, Ambassador of the Czech Republic to the Council of Europe

"Our contribution to the GSIF, which is intended both to offset the negative consequences of climate change and to stimulate the economic recovery in the context of COVID-19, fits perfectly into the Czech government's 'Country for the Future'."



Improving the energy efficiency of buildings in Lithuania (before and after)



Alleviating the financial exclusion of women through microfinance

Despite extensive banking networks, many small business and individuals lack access to financial services. Financial exclusion impacts mainly those suffering from poverty and social marginalisation, with women and young people being most affected.

To alleviate financial exclusion, the CEB partners with microfinance institutions, such as PerMicro, a leading non-bank financial institution in Italy specialised in the provision of micro loans to both businesses and individuals. After receiving financing from PerMicro, approximately one third of microenterprises gain access to the traditional banking system.

In 2021, the Bank approved its third loan to PerMicro, worth € 3.6 million. The institution will use the CEB funds to provide loans to micro-firms and families, with a focus on gender equality, i.e. loans will be granted predominantly to women entrepreneurs and borrowers.

Donor support has been crucial for this project. The Bank used the resources of the Social Dividend Account (SDA) as collateral for its loan to PerMicro, which otherwise would not have been eligible for CEB lending. It also used the SDA to finance training for a subset of potential PerMicro borrowers: women who have suffered domestic violence and reside in shelters. The purpose of the training is to enhance their entrepreneurial skills and help them access funding.

The Social Dividend Account (SDA) was the first trust fund established by the CEB. Set up in 1996, it provides loan guarantees, technical assistance, interest subsidies and grant contributions in favour of highly social projects. It is financed mainly by contributions from the CEB member states, through allocations from the Bank's annual profit, which constitute dividends of a social nature.

At the end of 2021, € 16 million in grant contributions and € 5 million in technical assistance grants were approved from the SDA. The fund also served to subsidise € 2 billion and guarantee € 51 million in CEB loans respectively.



Grants approved in 2021

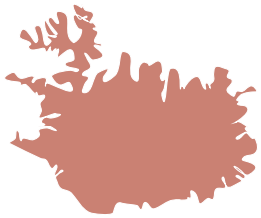
Trust Fund	Beneficiary Country	Grant amount (EUR)	Sector	Purpose of the Grant	Contracting Party
AMIF	Multiple countries	3 500 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Improve the inclusion of migrants at the local and regional level in EU Member States, by supporting activities in the areas of housing, employment and skills, education and training, and health	Not yet contracted
HERO	Bulgaria, Romania, Slovak Republic	2 800 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Help marginalised Roma secure ownership of housing and gainful employment through a combination of microloans, mentoring and training	Not yet contracted
MRF	Bosnia and Herzegovina	350 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Support COVID-19 prevention and response measures among migrants and refugees, and integrate migrants and refugees in the local vaccination campaigns	International Organization for Migration
MRF	North Macedonia	250 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Support the identification of and assistance to actual and potential victims of human trafficking	International Organization for Migration
MRF	Bosnia and Herzegovina	300 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Finance the provision of essential food and non-food items to migrants and refugees located in the Una Sana Canton, and finance the running of the Lipa provisional camp and a new temporary reception centre	International Organization for Migration
MRF	Serbia	200 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Reconstruction of migrant accommodation facilities for short stays	Commissariat for Refugees and Migration of the Republic of Serbia
RHP	Serbia	1 500 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Support to refugee families through different housing modalities	Commissariat for Refugees and Migration of the Republic of Serbia
RHP	Serbia	87 917	Aid to refugees, migrants, displaced persons and other vulnerable groups	Support to refugee families through different housing modalities	Commissariat for Refugees and Migration of the Republic of Serbia
SCA	Republic of Moldova	49 000	Housing for low-income persons	Enable socially vulnerable families, especially young families, to access satisfactory accommodation	Republic of Moldova
SCA	Bulgaria, Romania, Slovak Republic	180 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Help marginalised Roma secure ownership of housing and gainful employment through a combination of microloans, mentoring and training	Not yet contracted

Trust Fund	Beneficiary Country	Grant amount (EUR)	Sector	Purpose of the Grant	Contracting Party
SDA	Greece	2 000 000	Supporting MSMEs for the creation and preservation of viable jobs	Help micro-enterprises registered in Thessaly to access finance for their operations, especially start-ups, women entrepreneurs, smallholders, cooperatives and social enterprises	Cooperative Bank of Karditsa
SDA	Bulgaria, North Macedonia, Romania, Serbia	3 000 000	Supporting MSMEs for the creation and preservation of viable jobs	Improve access to funding for Roma entrepreneurs through microlenders	REDI Economic Development SA
SDA	Bosnia and Herzegovina	4 000 000	Protection of the environment	Provide financing to private households, particularly low-income persons in rural areas, and micro-enterprises for energy efficiency improvements	
SDA	North Macedonia	1 000 000	Supporting MSMEs for the creation and preservation of viable jobs	Ease access to finance for lower-income persons (private households, micro-enterprises and farmers) and vulnerable groups, such as Roma	Microcredit Foundation Horizonti
SDA	Lithuania	4 000 000	Supporting MSMEs for the creation and preservation of viable jobs	Facilitate access to financial resources for MSMEs through local credit unions across the country	Lithuanian Central Credit Union
SDA	Italy	3 600 000	Multisector	Support the financial and social inclusion of low-income and vulnerable persons, with a focus on employment for women and women entrepreneurs, through provision of financing to small businesses and families; support non-profit amateur sport entities to adapt to and mitigate the impact of the COVID-19 pandemic	PerMicro S.p.A.
SDA	Romania	1 000 000	Aid to refugees, migrants, displaced persons and other vulnerable groups	Provide educational services for Roma and non-Roma students from disadvantaged communities, their parents, and teachers participating in training modules	Roma Education Fund
SDA	Italy	49 000	Multisector	Technical assistance grant to help persons who have served non-custodial criminal sentences to find a path to employment via entrepreneurship	Microlab
SIGA	Bosnia and Herzegovina	299 988	Aid to refugees, migrants, displaced persons and other vulnerable groups	Technical assistance grant to help vulnerable families move into new apartments	Bosnia and Herzegovina
TOTAL		**28 165 905**			

Key Data

At the end of 2021, the Bank managed 29 trust funds, representing a total balance of € 91 million. During the year, it mobilised € 7 million in donor contributions, approved grants totalling € 10 million, and guaranteed loans worth € 19 million. The potential investments supported amounted to € 171 million.

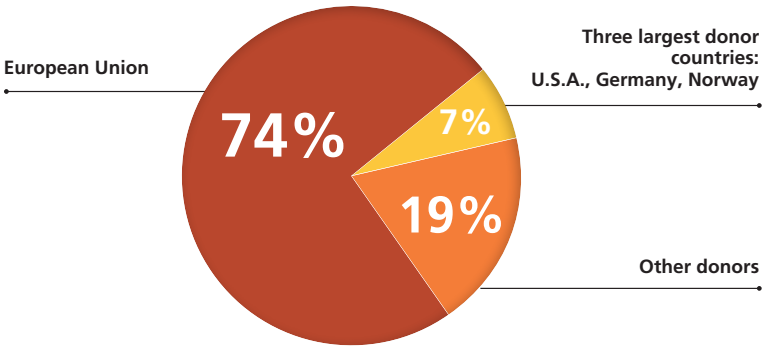
Since 1996, when the first CEB trust fund was established, donors have contributed a total of € 844 million to the Bank's trust funds, either by making direct contributions or by allocating part of the Bank's profits. In addition, CEB projects received technical assistance provided by the European Union worth € 19 million.



Loans guaranteed to date:

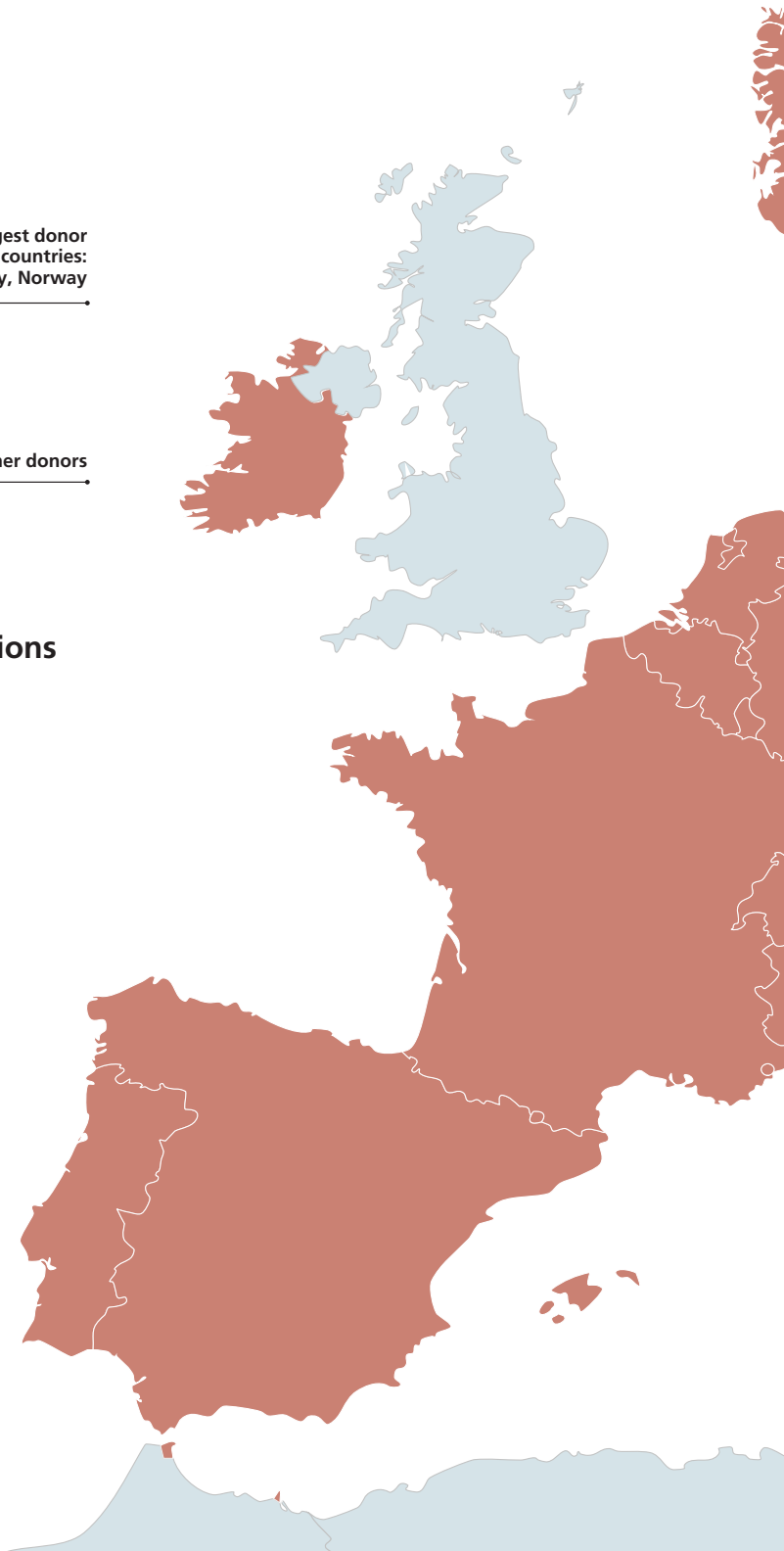
€ 51 million

Contributions by donor to date



Donors which have made direct contributions to CEB trust funds:

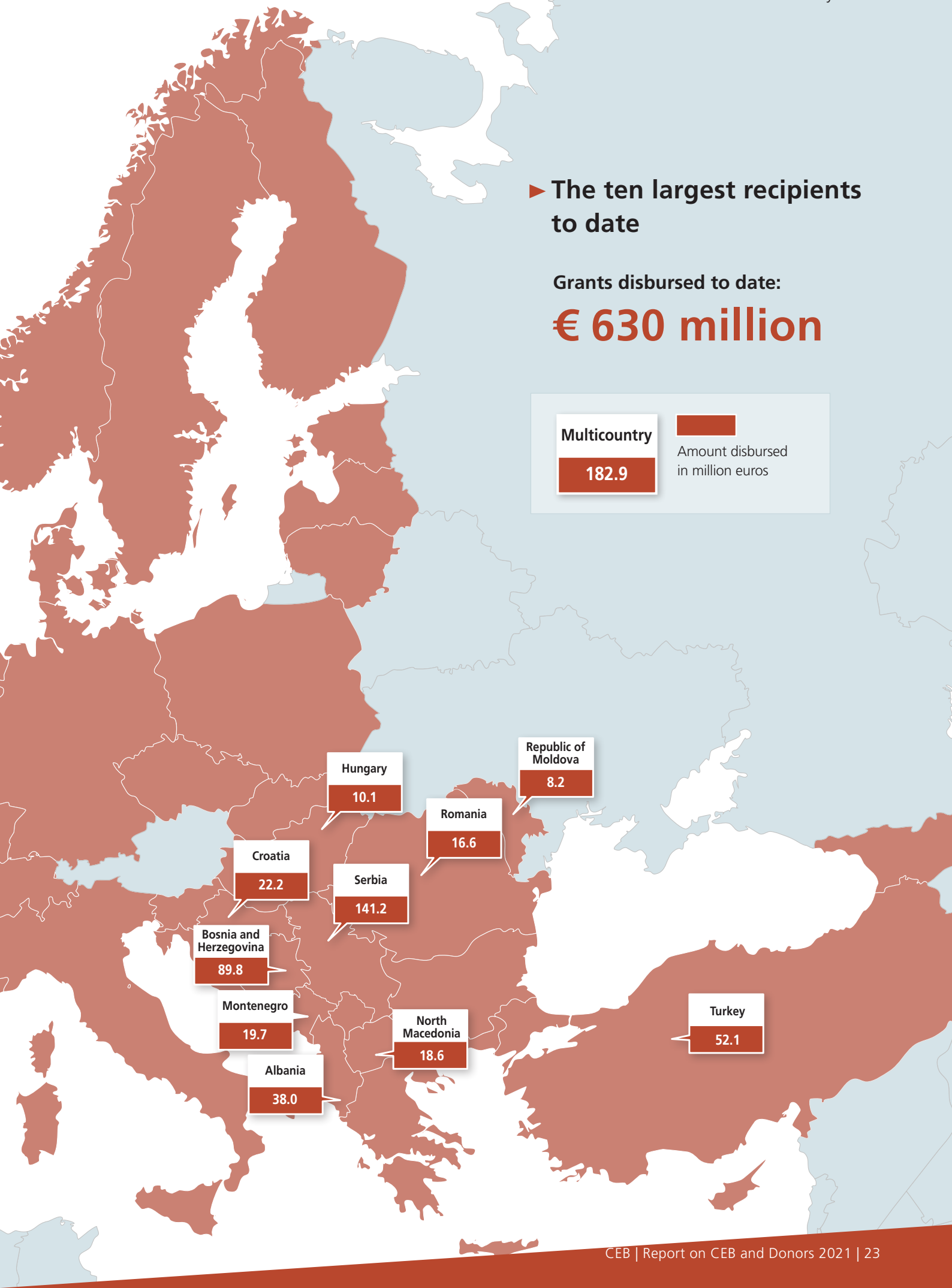
- European Union
- United States
- Germany
- Norway
- Italy
- Switzerland
- Spain
- European Investment Bank
- Slovak Republic
- France
- Sweden
- Netherlands
- Denmark
- Finland
- Luxembourg
- Turkey
- United Kingdom
- Ireland
- Czech Republic
- Cyprus
- Lithuania
- Hungary
- Poland
- Albania
- Holy See
- Malta
- Romania
- Bosnia and Herzegovina
- San Marino
- Iceland
- Bulgaria
- Liechtenstein



▶ The ten largest recipients to date

Grants disbursed to date:

€ 630 million



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

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