2022 Social Inclusion Bond Report

Market Background

- The social mission of the Council of Europe Development Bank (CEB) is growing in importance. Europe has been shaken by a succession of historic global crises brought on by the COVID-19 pandemic and Russia’s aggression in Ukraine. The crises have led to loss of life and human suffering, and an upsurge in the flow of refugees. In addition, households and businesses across Europe have endured sharply rising energy and food prices, as well as shortages in supply chains. Poor and vulnerable people have been disproportionately affected, and the unfolding climate crisis exacerbates these challenges.

- These crises ramp up the vital importance of the CEB’s unique mission to promote social cohesion through the financing of social investment that bolsters inclusiveness and serves vulnerable people.

CEB and Ukraine Refugees

- The war in Ukraine and the attendant refugee crisis presented the main immediate challenges facing the CEB’s 42 member states in 2022. Addressing population displacements and migration in Europe is the reason the CEB was founded after the Second World War, and following the invasion in February the Bank immediately responded by providing grants and loans to support the millions of refugees fleeing Ukraine. Since then CEB financing has continued to provide help to refugees and their hosts to meet immediate and longer-term needs.

- Member states bordering Ukraine needed special support, notably in the areas of housing, education, healthcare and jobs.

- According to conservative estimates, CEB financing could benefit around 2.1 million Ukraine refugees.

- Importantly, the CEB is also preparing to welcome Ukraine as a new member in the coming months. This will enable the Bank to play its full part in the international effort to safeguard the future of the country and its people. The UNHCR and wider refugee support studies have identified the four key areas in which increased refugee support is needed: access to housing, healthcare, education and labour markets. The CEB will be involved in helping improve these support capacities, particularly housing and healthcare, which are critical to help refugees begin rebuilding their lives after the war.

Key figures related to Ukraine Refugees (December 2022)

<table>
<thead>
<tr>
<th>CEB loans to host countries to meet the needs of refugees</th>
<th>Grants approved from Migrant and Refugee Fund for Ukraine Response</th>
<th># of refugees expected to receive aid (loans and grants) thanks to CEB financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 1.3bn</td>
<td>€ 6.9m</td>
<td>2.1m</td>
</tr>
</tbody>
</table>
Key achievements in 2022:

- The CEB continued to adapt to financing social challenges faced by its member states using Social Inclusion Bonds (SIB)
- SIB Framework was updated to reflect best market practice as well as to showcase the CEB’s rigorous internal process for project evaluation and selection
- Management of SIB proceeds evolved to a portfolio approach, reflecting the dynamic nature of the CEB’s loan book
- Record 34% of the CEB’s funding requirement in 2022 was covered by SIB issuance
- “2023 Best ESG Issuer” Award by CMDportal and “TopDeal” recognition by CMDportal for the €1 billion seven-year SIB issued in April 2022
- The CEB has issued nine SIBs since 2017, for a total volume of almost €6 billion (see chart).

The CEB was the first issuer to respond to the Ukraine refugee crisis with targeted social bonds, in the form of a €1 billion seven-year SIB in April and then a US$1 billion three-year one in June, the Bank’s largest SIB issuance in US dollar to date. In September 2022, the Bank of Lithuania** invested €100 million in an increase of the former SIB. The inaugural reopening of an existing SIB was made possible thanks to the CEB’s updated SIB Framework and its new portfolio approach for the management of proceeds.

More specifically, the use of proceeds addresses the four key areas in which support is needed so that refugees can integrate into their host communities: housing for low-income persons; health and social care; education and vocational training; and support to micro-, small- and medium-sized enterprises (MSMEs) for the creation and preservation of viable jobs.

The pioneering role the CEB played in using the social bond market to finance the Ukraine refugee crisis, together with the CEB’s work in the ICMA Social Bond Working Group, were ground-breaking. Indeed, the CEB’s initiatives provided the impetus for ICMA to produce specific guidance for the use of Social and Sustainability Bonds to raise capital for social projects to support fragile and conflict states, paving the way for other issuers also to use this route in the future.

See the SIB Framework here: https://coebank.org/en/investor-relations/funding/

2022 Social Inclusion Bond Report

**CEB Social Inclusion Bond Allocation Report 2022**

<table>
<thead>
<tr>
<th>Eligible Social Loan Portfolio</th>
<th>Amount* (€ m)</th>
<th>Social Inclusion Bond Funding Portfolio</th>
<th>Principal m</th>
<th>€ Equiv. m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social housing for low income persons</td>
<td>2,106</td>
<td>Social Inclusion Bond due Apr 2024 launched 2017 (XS1594302868)</td>
<td>€ 500</td>
<td>500</td>
</tr>
<tr>
<td>Education and vocational training</td>
<td>2,505</td>
<td>Social Inclusion Bond due Mar 2025 launched 2018 (XS1799045197)</td>
<td>€ 500</td>
<td>500</td>
</tr>
<tr>
<td>Supporting MSMEs for creation and preservation of viable jobs</td>
<td>2,635</td>
<td>Social Inclusion Bond due Apr 2026 launched 2019 (XS1979512578)</td>
<td>€ 500</td>
<td>500</td>
</tr>
<tr>
<td>Health and Social care</td>
<td>4,152</td>
<td>Social Inclusion Bond due Apr 2027 launched 2020 (XS2154343623)</td>
<td>€ 1,000</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Inclusion Bond due Jun 2023 launched 2020 (US222213AV22)</td>
<td>$ 500</td>
<td>446</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Inclusion Bond due Apr 2028 launched 2021 (XS2332184212)</td>
<td>€ 500</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Inclusion Bond due Jun 2024 launched 2021 (US222213AX87)</td>
<td>$ 500</td>
<td>410</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Inclusion Bond due Apr 2029 launched 2022 (XS2468525451)</td>
<td>€ 1,100</td>
<td>1,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Inclusion Bond due Apr 2025 launched 2022 (US222213BA75)</td>
<td>$ 1,000</td>
<td>937</td>
</tr>
</tbody>
</table>

| % of Eligible Social Loan Portfolio allocated to net proceeds of Social Bond funding (usage): | 51.7% |
| % of net proceeds allocated to Eligible Social Loan Portfolio: | 100% |
| New financing of Eligible Loans as at 31 December 2022 | 30.9% |
| Refinancing of existing Eligible Loans as at 31 December 2022 | 69.1% |

**Explanation**
*These Amounts represent the Eligible Social Loans outstanding as of 31 December 2022 in accordance with the CEB Social Inclusion Bond Framework 2022.

**External review:**
The CEB requested EY as external auditors to perform agreed-upon procedures related to the disbursement of the amounts mentioned in this report to the relevant projects. EY was also requested to confirm the compliance of the projects with the relevant framework loan agreements. EY reviewed the Eligible Social Loan Portfolio as included in the CEB Social Inclusion Bond Allocation Report dated 31 December 2022, with the aim of obtaining a limited level of assurance. Based on the procedures performed, nothing has come to EY’s attention that causes EY to believe that the Eligible Social Loan Portfolio is not aligned, in all material respects with the Eligibility Criteria as described in the CEB Social Inclusion Bond Framework 2022.

**Distribution of Eligible Social Loan Portfolio as of 31 December 2022**

Full list of member states can be found here: [https://coebank.org/en/about/member-countries/](https://coebank.org/en/about/member-countries/)
# 2022 Social Inclusion Bond Report

## CEB Social Inclusion Bond Harmonised Impact Report 2022

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Target Population</th>
<th>Allocation Information</th>
<th>Social Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBP Category</td>
<td>Sub-category</td>
<td>Signed amount</td>
<td>Share of Eligible Social Loan Portfolio</td>
</tr>
<tr>
<td>a/</td>
<td>b/</td>
<td>c/</td>
<td>d/</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Social Housing</td>
<td>Living below poverty line Vulnerable groups</td>
<td>2,106</td>
</tr>
<tr>
<td>Access to Essential Services</td>
<td>Education</td>
<td>Undereducated</td>
<td>2,505</td>
</tr>
<tr>
<td>Healthcare</td>
<td>General public</td>
<td>4,152</td>
<td>36%</td>
</tr>
<tr>
<td>Employment generation including through the potential effect of SME financing and microfinance</td>
<td>Micro, small and medium enterprise financing</td>
<td>Unemployed</td>
<td>2,635</td>
</tr>
</tbody>
</table>

**Notes:**
- **a/** Eligible category pursuant to Social Bond Principles (SBP)
- **b/** Eligible sub-category
- **c/** Eligible Sustainable Development Goals (SDG) which are addressed by the financed portfolio / project and fit to the chosen SBP (sub)category
- **d/** Eligible target populations include:
  1) Living below poverty line
  2) Vulnerable groups
  3) Undereducated
  4) Unemployed
- **e/** Signed / budgeted amount committed by the issuer for the portfolio or portfolio components eligible for Social Inclusion Bond financing
- **f/** Share of the total eligible social loan portfolio per SBP sub-category
- **g/** Percentage of signed amount eligible for Social Inclusion Bond financing
- **h/** Indicators include number of jobs, people, schools, dwellings etc. benefiting and are attributable to the portion of the total project cost that the CEB finances

**Methodology:**
- The impact reported by the CEB concerns the project cost. The CEB usually finances up to 50% of such projects and therefore contributes financially to only that share of the benefits. This is reflected in the indicators under i/.
- The CEB’s impact reporting is based on ex post impact data reported on the projects. The impact data included above may be incomplete due to some data not yet available on recent loans and is therefore conservative. The CEB intends to provide updated impact data, once available, in future impact reports.
Example 1: Facilitating the integration of refugees in Poland fleeing Ukraine

The CEB’s largest loan ever - €450mn approved in June 2022 - is supporting the Government of Poland in its response plan to address the massive influx of people fleeing the war in Ukraine. “The size of the loan that we signed today demonstrates the CEB’s unequivocal determination to support Poland timely and effectively to overcome an unprecedented economic challenge and a human tragedy,” said CEB Governor Monticelli on 24 June 2022. “In that respect we are very pleased that our loan is designed to address the evolving needs of displaced people and their host communities, involving both government institutions and civil society.”

“The loan signed today, related to the support provided by the Polish authorities to the Ukrainian citizens fleeing the war on their territory, is the best example of the CEB’s ability to assist member states when needed,” said Minister Rzeczkowska.

The CEB loan is used to partially finance the “Aid Fund”, set up by the Government of Poland to refund the emergency and social aid costs incurred by entities at the frontline of aiding displaced persons from Ukraine.

Temporary assistance to displaced persons from Ukraine financed by the CEB loan is provided through multiple mechanisms, coordinated by government ministries, municipalities and civil society organisations. The largest beneficiaries of the Polish Aid Fund are municipalities, the Ministry of Family and Social Policy and the Social Insurance Institution, as well as the Ministry of Education and Science, and the Ministry of Health.

Municipalities are using the resources from the Aid Fund mainly to cover the cost of accommodation, while the Ministry of Family and Social Policy, together with the Social Insurance Institution, are in charge of providing direct support to all registered Ukrainian citizens by paying one-off living benefits, as well as monthly allowances for children. The Ministry of Education and Science and the Ministry of Health are using the fund resources to enhance existing infrastructure and purchase additional equipment.

The focus of the CEB loan is on covering the costs of one-off living benefits, family and social allowances and accommodation costs. With the first tranche of €315mn, disbursed in August 2022, the CEB has been able to support more than one and half million of the officially registered Ukrainians currently living in Poland. Two thirds of the already incurred costs have been used for accommodation, meals, cleaning and personal hygiene products, 27% have supported family and social allowances, and the remaining 6% went to cover one-off living benefits.

<table>
<thead>
<tr>
<th>CEB total loan</th>
<th>Project cost</th>
<th>CEB disbursements (% of cost)</th>
<th>Expenditure items (% of total expenditure)</th>
<th># of direct beneficiaries</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>€450mn</td>
<td>€1,756mn</td>
<td>€315mn (18%)</td>
<td>Accommodation: 67%</td>
<td>1,512,160</td>
<td>2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Family &amp; social allowances: 27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One-off living benefits: 6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Example 2: Securing housing for vulnerable populations in France

The €450m envelope, signed in three loans between 2018 and 2021 with the Caisse des Dépôts et Consignations (CDC), aims at partially financing the construction and renovation of housing for vulnerable populations. More specifically, CEB funding is used to finance residential care facilities for the elderly and disabled persons, student accommodation, very low-income housing for persons in extreme hardship, hostels for young workers in precarious situations and other institutions for young people in difficulty. So far, 76% of the funds have been allocated to the construction of new housing units, while the remaining 24% have been used for the renovation or extension of existing facilities. In terms of targeted beneficiaries, 50% of the funds went to finance the provision of housing and/or services for elderly persons, 26% have supported housing for people with disabilities and 20% were allocated to student accommodation. The remaining 4% were allocated to very low-income housing for persons in extreme hardship (including accommodation centres, supported housing, other collective social housing, hotel accommodation) and other institutions for minors in difficulty. To date, the CEB’s support to CDC has contributed to securing more than 15,000 housing or care units for vulnerable beneficiaries throughout the country.

<table>
<thead>
<tr>
<th>CEB total loan</th>
<th>Project cost</th>
<th>CEB disbursements (% of cost)</th>
<th># of housing or care facilities</th>
<th># of direct beneficiaries</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>€450m</td>
<td>€1,098m</td>
<td>€412m (38%)</td>
<td>146</td>
<td>15,125</td>
<td>2018-2023</td>
</tr>
</tbody>
</table>

Example 3: Helping Finland meet the growing demand for student housing

The CEB and Tampere Region Student Housing Municipal Company (Pirkan Opiskelija-asunnot, POAS) signed a €10.3m loan in August 2020 to support student housing development in Tampere, Finland. With more than 330,000 inhabitants in the metropolitan area, the city of Tampere is the third largest in the country, hosting several universities and vocational schools. Over the 2020-2021 period, the CEB loan supported the provision of 254 affordable rental apartment units for university students, recent university graduates and young active people under the age of thirty. The funds provided by the CEB mainly financed the construction of buildings with associated underground or surface parking lots, utility infrastructure, access and on-site roads, landscaping and other works. The social impact of the project goes beyond the provision of additional high-quality housing units below rental market price to the student population. The CEB loan has not only improved living conditions for the students, it has also facilitated their access to university infrastructure, public transport and other daily services.

<table>
<thead>
<tr>
<th>CEB total loan</th>
<th>Project cost</th>
<th>CEB disbursements (% of cost)</th>
<th># of new dwellings</th>
<th># of students</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>€10.3m</td>
<td>€28.8m</td>
<td>€8.3m (29%)</td>
<td>254</td>
<td>351</td>
<td>2020-2021</td>
</tr>
</tbody>
</table>
Examples of Loans Granted from the Eligible Social Loan Portfolio

**Example 4: Providing high-quality hospital infrastructure in Croatia**

In September 2018, the CEB approved a €50m loan to the Croatian Bank for Reconstruction and Development (HBOR) to finance the construction of a new hospital in Rijeka, Croatia’s third largest city. Rijeka clinical hospital (KBCRI) is one of the largest hospitals in the North-Western part of the country, serving some 600,000 patients and providing a teaching and scientific research base for the Medical Faculty of Rijeka. A major three-phase programme involving the restructuring and relocation of KBCRI’s medical, administrative and teaching facilities was launched in 2009 and is expected to be fully completed by 2025. The CEB loan, in conjunction with the funds provided by HBOR and the European Investment Bank, is contributing to the second phase of the programme by financing the construction of new premises for the Mother and Child Hospital as well as other facilities designed to serve the entire KBCRI upon completion of the relocation scheduled for 2024. The new building of 47,300 m² houses general and specialised gynaecological units along with a wide range of paediatric specialties and various laboratories. It comprises 224 beds, 6 operating rooms and 11 delivery rooms. In addition to enhancing the quality of Croatia’s health services as a whole, the project is expected to make a significant contribution to improving key hospital infrastructure in Rijeka, increasing the standards of public service and medical care, and improving the living conditions of the local population.

<table>
<thead>
<tr>
<th>CEB total loan</th>
<th>Project cost</th>
<th>CEB disbursements (% of cost)</th>
<th># of patients served</th>
<th># of beds</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>€50m</td>
<td>€145.5m</td>
<td>€45.1m (31%)</td>
<td>600,000</td>
<td>224</td>
<td>2019-2024</td>
</tr>
</tbody>
</table>

**Example 5: Supporting micro entrepreneurs in Italy**

Despite extensive banking networks, many small business and individuals lack access to financial services. Financial exclusion mainly impacts those suffering from poverty and social marginalisation. To alleviate financial exclusion, the CEB partners with microfinance institutions such as PerMicro, the first independent Italian microcredit provider operating across the country, combining a business approach with social goals and giving complementary technical support to its clients, both directly and through partner associations. PerMicro’s microcredits specifically target people on low income, women entrepreneurs, resident migrants and ethnic minorities that have limited or no access to the formal banking system. Between 2013 and 2021, the CEB approved three loans to PerMicro, for a combined amount of €16.6m, with the objective of promoting entrepreneurship, contributing to income generation activities, preservation and creation of jobs as well as enhancing financial and social inclusion. In cumulative terms, 65% of CEB financing went to “business loans” reaching 1,057 micro-enterprises, including 20% of female entrepreneurs. With the business loans, the CEB has been able to help entrepreneurs create 756 jobs and preserve 1,059 jobs. The remaining 35% were used to finance “family loans” in favour of nearly 1,300 migrants, a large majority of them borrowing to send remittances to family members living in their country of origin, located very often outside Europe. In that respect, the projects had a cross-border social impact reaching beyond the CEB’s member states.

<table>
<thead>
<tr>
<th>CEB total loan</th>
<th>Project cost</th>
<th>CEB disbursements (% of cost)</th>
<th># of direct beneficiaries</th>
<th># of jobs created</th>
<th># of jobs preserved</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>€16.6m</td>
<td>€33.4m</td>
<td>€16.6m (50%)</td>
<td>1,057 micro-entrepreneurs &amp; 1,298 migrant families</td>
<td>756</td>
<td>1,059</td>
<td>2014-2021</td>
</tr>
</tbody>
</table>
## EU Social Taxonomy: High-level Alignment Assessment*

<table>
<thead>
<tr>
<th>SBP category</th>
<th>SBP Sub-category</th>
<th>EUT Core Objective</th>
<th>EUT Sub-Objective</th>
<th>EUT Substantial Contribution</th>
<th>‘AAAQ’ Analysis</th>
<th>DNSH &amp; Minimum Safeguards considerations</th>
</tr>
</thead>
</table>
| Social & Affordable Housing | Social Housing | 2. Adequate living standards and wellbeing for end-users | • Improving access to good-quality housing | 1. Enhancing inherent positive impact of social goods and services and basic economic infrastructure | Availability ✓ | Environmental & Social Safeguards Policy:  
• Defines the principles and requirements that projects and borrowers are expected to meet  
• The CEB draws upon the principles in the Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter |
| Access to Essential Services (e.g. health, education and vocational training, healthcare financing) | Health and Social Care | 2. Adequate living standards and wellbeing for end-users | • Ensuring access to quality healthcare products and services including care services  
• Inclusion of people with disabilities | 1. Enhancing inherent positive impact  
2. Avoiding and addressing negative impact | Accessibility ✓  
Acceptability ✓  
Quality ✓ | Social Framework:  
• Compliance with Social Bond Eligibility Criteria  
• Social Bond Exclusions List  
• Robust governance procedure  
• Excluding certain activities from the financing  
• Founding member of the ICMA Social Bond Working Group |
| | Education and vocational training | 2. Adequate living standards and wellbeing for end-users | • Improving access to education and lifelong learning | 1. Enhancing inherent positive impact | Availability ✓  
Accessibility ✓  
Acceptability ✓ | International norms & standards:  
• Compliance of borrowers/projects with official and international environmental and social standards and local laws and regulation |
| | Supporting MSMEs | 1. Decent Work  
3. Inclusive and sustainable communities and societies | • Living wages that guarantee decent lives to workers and their families  
• Creating and preserving decent jobs  
• Preserving employment levels and hiring local workers | 1. Enhancing inherent positive impact  
2. Avoiding and addressing negative impact | Availability ✓  
Accessibility ✓  
Acceptability ✓ | Environmental considerations: the bank commits to:  
• Integrate climate action components in all project proposals, such as the potential for reducing greenhouse gas emissions or opportunities for improving climate change resilience  
• Continue to implement its stringent Environmental and Social Safeguards Policy  
• Progressively operationalize its commitment to align lending activities with the Paris Agreement on climate change as per the CEB’s Paris Alignment framework and roadmap |

*Based on the Final Report on Social Taxonomy (February 2022) by the Platform on Sustainable Finance

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Environmental Safeguards Policy:  
- Defines the principles and requirements that projects and borrowers are expected to meet  
- The CEB draws upon the principles in the Convention for the Protection of Human Rights and Fundamental Freedoms and European Social Charter

Social Framework:  
- Compliance with Social Bond Eligibility Criteria  
- Social Bond Exclusions List  
- Robust governance procedure  
- Excluding certain activities from the financing  
- Founding member of the ICMA Social Bond Working Group

International norms & standards:  
- Compliance of borrowers/projects with official and international environmental and social standards and local laws and regulation

Environmental considerations: the bank commits to:  
- Integrate climate action components in all project proposals, such as the potential for reducing greenhouse gas emissions or opportunities for improving climate change resilience  
- Continue to implement its stringent Environmental and Social Safeguards Policy  
- Progressively operationalize its commitment to align lending activities with the Paris Agreement on climate change as per the CEB’s Paris Alignment framework and roadmap
CEB at a Glance

PROMOTING SOCIAL COHESION - LINES OF ACTION AND SECTORS

The CEB is a multilateral development bank with a unique mission to promote social cohesion in Europe through the provision of financing and technical expertise for projects with a high social impact in its member states. It participates in financing social projects, responds to emergency situations and contributes to improving the living conditions of the most vulnerable population groups (among others, children, pregnant women, homeless or disabled persons, migrants, refugees and ethnic minorities). The CEB's activity is articulated across lines of action and sectors (see diagram). In addition, cross-cutting considerations on climate action, gender equality and the digital transition will help shape and inform all CEB activities.

KEY MILESTONES

- **1956**: establishment of the CEB in the aftermath of World War II, in the form of a Resettlement Fund with a capital of less than 7 million US dollars.

- **1960s-1980s**: steady increase of its membership, financial resources and scope of action in line with changes in social priorities.

- **1993**: following the Vienna Summit, a wave of new members from the countries of Central, Eastern, and then South-Eastern Europe joined the Bank (which at the time was still a Fund).

- **1997**: the Strasbourg Summit widened the CEB’s mandate to include strengthening social cohesion, alongside the existing priorities set out in its Articles of Agreement.

- **2005**: the Warsaw Summit, whilst continuing to support the Bank’s traditional mission, also invited the CEB to contribute in its own way to the development of a free, democratic and more inclusive European society.

- **Since 2008**, the protracted crisis in Europe and its impact on the lives of populations have made the CEB’s mandate and action as a social development bank more relevant than ever.

- **2017**: the CEB launched its inaugural Social Inclusion Bond issue (€500m size). This landmark issuance was a major step towards promoting social cohesion in Europe.

- **2020**: The year was dominated by the global COVID-19 pandemic. The Bank provided over €3bn to support member states to fund emergency healthcare and vaccinations and to promote the sustainable recovery of their economies.

- **2022**: the CEB issues the first ever social bond to target the response to the Ukraine refugee crisis in the market, with the proceeds used to support Ukrainian refugees hosted by CEB member states. The CEB prepares to welcome Ukraine as a new member.

CEB ACTIVITIES AND KEY UN SDGs

Alignment with the CEB's social mandate

- **1** No Poverty
- **10** Reduced Inequalities

Cross-cutting issues, screening of all CEB projects

- **5** Gender Equality
- **13** Climate Action

Project-specific, sector-based relevance

- **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
- **16** Peace, Justice and Strong Institutions
In December 2022, The Governing Board of the Council of Europe Development Bank approved the new Strategic Framework for 2023-2027 and a historic capital increase.

The framework sets a path for the Bank to initiate activities in Ukraine, address the social challenges across Europe and continue to deliver on its mandate. The average annual volume of loan approvals is set at € 4.3 billion for the period 2023-2027. For Ukraine, the proposal allows for a gradual increase in activity in close coordination with the Ukrainian authorities and development partners.

To underpin and consolidate the Bank’s operations, the Governing Board also approved an overall capital increase of a maximum of € 4.25 billion. For the first time in the CEB’s history, the paid-in capital increase, amounting to up to € 1.20 billion, will be financed through cash contributions from member states. Once the process is completed, the CEB’s subscribed capital will increase from € 5.48 billion to up to € 9.73 billion, while the paid-in capital will increase from € 0.61 billion to up to € 1.81 billion. This will allow the CEB to remain aligned with its prudential framework throughout the implementation period and beyond, ensuring long-term sustainability.

The member states’ endorsement of this new Strategic Framework and their historic decision to strengthen the CEB’s financial resources are vital steps, which will equip the Bank with the means to maintain its leading social role.

In the next five years, the CEB will set about its social mission by pursuing three overarching goals:

1. Respond to the challenges of European social development and inclusion in a determined and flexible manner;
2. Invest in assisting and integrating refugees and migrants within their host communities, and in member states’ preparedness for a future in which migration will likely continue strongly, notably because of climate change;
3. Support the reconstruction and rehabilitation needs of Ukraine’s social sectors, in particular affordable housing and healthcare.

"The historic decision of our member states to strengthen the CEB’s capital base is a clear vote of confidence in the special role of the CEB in the international financial architecture. This will make us more effective in carrying out our unique mission of promoting social cohesion across Europe."

- Carlo Monticelli, Governor, Council of Europe Development Bank

See the Strategic Framework 2023-2027 here: https://coebank.org/media/documents/CEB_Strategic_Framework_2023_2027.pdf
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