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Advancing Roma inclusion in Europe

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Executive summary

Key messages

- Roma communities in Europe face deep and complex challenges associated with overlapping discrimination, marginalisation, spatial segregation and stigma.
- Their reliance on the informal economy exacerbates their exclusion from formal labour, housing, legal and financial systems, leading to a vicious circle of informality.
- Despite some progress, more effort is needed to reduce Roma poverty, discrimination and segregation from the general population.
- Inclusion of Roma offers major societal potential in terms of additional skills, productivity and public revenue, as well as wider social cohesion.
- Shifting political attention and squeezed public resources risk entrenching Roma exclusion for generations to come, imposing systemic costs and lost potential on society.
- Financial institutions such as the Council of Europe Development Bank (CEB), in partnership with public sector and civil society actors, can play a vital role in making Roma inclusion both feasible and sustainable.

Across Europe, social and economic exclusion remains a daily reality for many Roma communities. It is visible on multiple levels: people working informally without contracts or social protection; children growing up in segregated schools or dropping out early; and families living in makeshift settlements without legal property titles, access to clean water, electricity and healthcare compared to the general population. These realities reflect one overarching structural barrier: informality. This reality keeps Roma outside the reach of formal systems, rendering them invisible in statistics and national policies.

Yet, at a time when Europe faces labour shortages and demographic decline, Roma represent an untapped demographic dividend. Their inclusion is not only a matter of human rights, but also of shared prosperity and economic resilience. But the persistence of informality, spanning housing, employment, and access to finance, traps many Roma in cycles of poverty and exclusion. Addressing these barriers is therefore central to building fairer, more cohesive and economically productive societies.

Despite years of policy efforts and available funding, particularly within the European Union (EU), progress remains limited, and in some areas, reversed. New data show that Roma face rising discrimination, remain four times more likely than the general population to live in poverty and experience worsening housing overcrowding (FRA, 2024). Moreover, the share of Roma who reported discrimination when seeking employment has doubled over the past decade. This fading political attention to Roma inclusion, amid competing priorities at the European level, comes at a critical moment. As public resources tighten and inequalities deepen, the cost of inaction will continue to rise, entrenching exclusion for generations to come.

In this context, financial institutions have a unique and timely role to play. Roma inclusion policies have historically been dominated by grant-based approaches, with limited use of financial instruments such as loans, guarantees or blended finance.[1] Financial instruments such as risk-

1. Blended finance is the strategic use of development finance to mobilise additional finance for sustainable development. This approach leverages development funds to attract private investment into projects that support sustainable development outcomes, especially in contexts where commercial finance alone would be insufficient or unattractive to private investors (OECD).

sharing mechanisms, housing loans and social investment facilities can bridge the gap between social policy and financing, bringing inclusive solutions closer to marginalized Roma communities.[2]

The CEB has increasingly sought to use its mandate and instruments to advance social and economic inclusion, including for Roma communities. The Bank has piloted innovative approaches linking housing, employment and financial inclusion. These experiences demonstrate the potential of inclusive finance to address structural exclusion. The CEB is committed to doing more by working with national and local authorities, civil society, and other financial institutions and intermediaries to identify scalable and sustainable models.



Source: European Parliament 2024, Understanding EU action on Roma Inclusion and Council of Europe estimates

2. Risk-sharing mechanisms in blended finance are financial arrangements that allocate or distribute specific risks among multiple parties (public, development and private investors) to improve the risk-return profile of an investment and thereby attract additional commercial finance that would not otherwise be deployed (OECD, DAC Blended Finance Guidance 2025).

Introduction: Why Roma inclusion matters

Roma communities have a significant presence across Europe, with particularly large populations in Bulgaria, Hungary, Romania, Slovak Republic, and Spain, amounting to around six million people within the EU. Importantly, Roma represent a young and growing demographic: on average, more than one third are under 15 years old, far exceeding the proportion of youth in the general population. Roma inclusion is, therefore, not just a minority issue but a central pillar of Europe's future labour force, social cohesion and long-term growth.

Despite decades of EU and national efforts, Roma continue to face persistent exclusion. Poverty rates remain disproportionately high, educational outcomes lag behind national averages and many Roma households lack access to adequate housing and basic services A key factor underlying these disparities is the prevalence of informality across employment, housing and legal status, which limits access to rights, social protection, and public and financial services, while reinforcing cycles of marginalisation and invisibility in administrative systems.

European policy frameworks such as the EU Framework for National Roma Integration Strategies (2011–2020),the EU Roma Strategic Framework for Equality, Inclusion and Participation (2020–2030), as well as Council of Europe recommendations and resolutions, have established legal protections and measurable inclusion targets.[1] Yet progress on implementation remains uneven, and informality continues to be a persistent structural barrier to progress.

Addressing these challenges is both a social imperative and an economic opportunity. Closing employment and education gaps between Roma and the general population would generate substantial gains in productivity and public revenues, while helping to mitigate the effects of population ageing and labour shortages across Europe. At the same time, current macroeconomic pressures, including rising living costs and fiscal constraints, risk exacerbating inequalities and slowing progress unless targeted and well-coordinated action is sustained.

Promoting inclusion and resilience lies at the core of the CEB's social mandate, and the Bank aims to apply a financial lens to inclusion, linking investment, housing, and employment through scalable and sustainable financial instruments. Given the scale and persistence of Roma exclusion, coordinated and sustained efforts are needed across sectors as well as by public, private and civil society actors to effectively address the structural barriers that perpetuate marginalisation.

This paper examines how informality acts as a cross-cutting barrier to Roma inclusion and how financial instruments and targeted investments can help address it. The first section analyses the structural dimensions of informality and its impact on access to employment, housing and financial services. The second section presents operational insights and examples from the CEB's experience, illustrating how integrated investment approaches can support more sustainable and inclusive outcomes. The paper concludes with recommendations for financial institutions, national and local authorities and civil society actors on strengthening coordination and scaling up effective interventions.

1. Council of Europe adopted texts on Roma Inclusion: https://www.coe.int/en/web/roma-and-travellers/adopted-texts

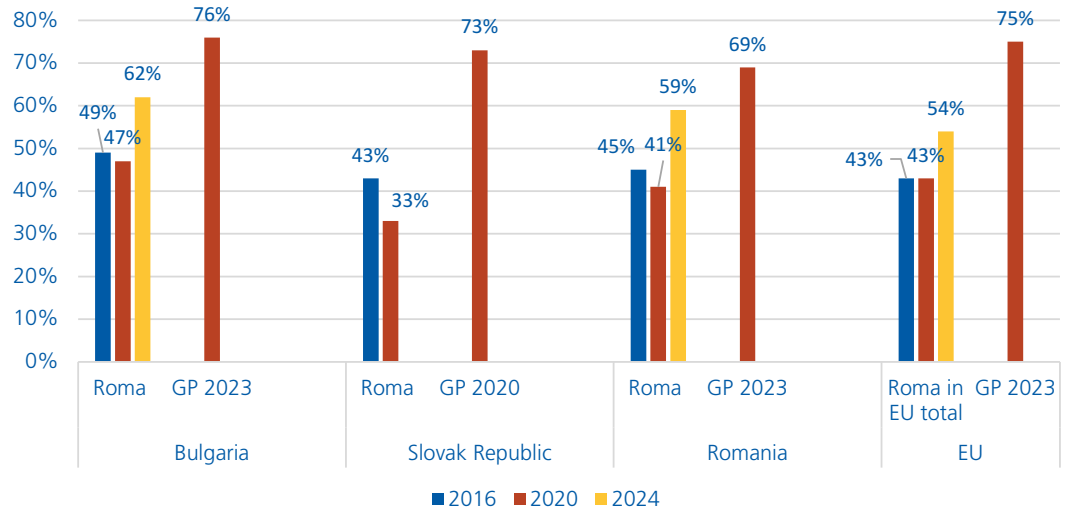
How informality leads to Roma exclusion

Employment informality

Employment informality is one of the most persistent and least addressed barriers to Roma inclusion. While Roma face the same economic pressures as other low-income groups, their exclusion is deepened by structural informality: they are more likely to work without contracts, in unregulated sectors, or under exploitative conditions, with limited access to protections. According to the International Labour Organization's (ILO) definition, "informal employment comprises jobs that, in law or in practice, are not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (such as advance notice of dismissal, severance pay, paid annual or sick leave, etc.)."

The EU Roma Framework calls on EU Member States to cut the employment gap by at least half and ensure that at least 60% of Roma are in paid work by 2030. According to 2024 data from the European Union Agency for Fundamental Rights (FRA), 54% of Roma aged 16 and older report being in paid work, which does not necessarily indicate formal employment with access to rights and benefits because official statistics on formal versus informal work for Roma are not available (See Figure 2).[1] This implies that the remaining 46%, or roughly 2.7 million people, are either unemployed or earning a living through informal means. Many are engaged in temporary, seasonal or unregulated work, most often in agriculture, construction, street vending, waste collection or domestic cleaning. Although employment rates have modestly improved since 2016, there is still a 22-percentage point gap from the EU average (76.1%). Moreover, reported discrimination in job search doubled from 2016 to 2024: 36% of Roma adults say they have been discriminated against when looking for work in the past 12 months, up from 16% in 2021 (FRA, 2024).

Figure 2: Roma employment rates vs. general population (GP)



Source: FRA Roma Survey 2021; FRA Roma Survey 2024 (Slovak Republic was not included in this data set); EU0MIDIS II 2016; Bulgaria: BNSI/FRA 2020; Slovak Republic: EU-SILC MRK 2020; Eurostat dataset Ifsa_ergan

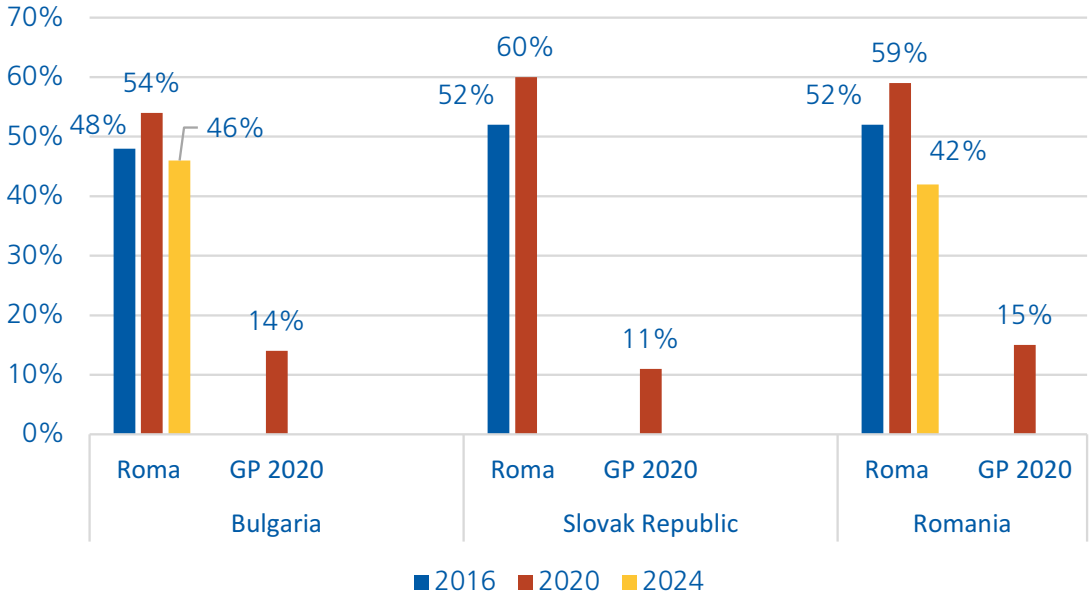
The gender employment gap among Roma remains strikingly wide, compounding the disadvantages that Roma women face. Roma women often shoulder extensive unpaid care and

1. For the purposes of the survey, FRA defines "paid work" as full-time work, part-time work, doing ad hoc jobs, in self-employment or occasional work – or had worked in the past four weeks.

household responsibilities, particularly child-rearing, while also engaging in informal, low-paid activities such as domestic work, seasonal agriculture, recycling or small-scale trading to sustain their families. In 2024, only 38% of Roma women aged 20–64 were employed, compared to 69% of Roma men in the same age group and 70.8% of women in the overall EU population.[2] This represents an average gender gap of 31 percentage points, up from 28 points in 2016. This disparity is more than three times higher than the 10-point gender employment gap observed in the overall EU population.

Youth exclusion is equally severe. About half of Roma aged 16–24 (47%) are neither in employment, education or training (NEETs), a large decrease from the rate of 62 % in 2016. This is still five times higher than the rate for the EU-27's general population (9 % in 2023 and 10 % in 2018) (See Figure 3). This signals a critical need for tailored interventions such as second-chance education and practice-based vocational training.

Figure 3: NEET rates among Roma in Bulgaria, Romania and Slovak Republic vs general population (GP) in Europe



Sources: FRA Roma Survey 2021; FRA Roma Survey 2024 (Slovak Republic was not included in this data set); EU-MIDIS II 2016; Bulgaria: BNSI/FRA 2020; Slovak Republic: EU-SILC MRK 2020; Eurostat 2020.

Effects of informality in employment

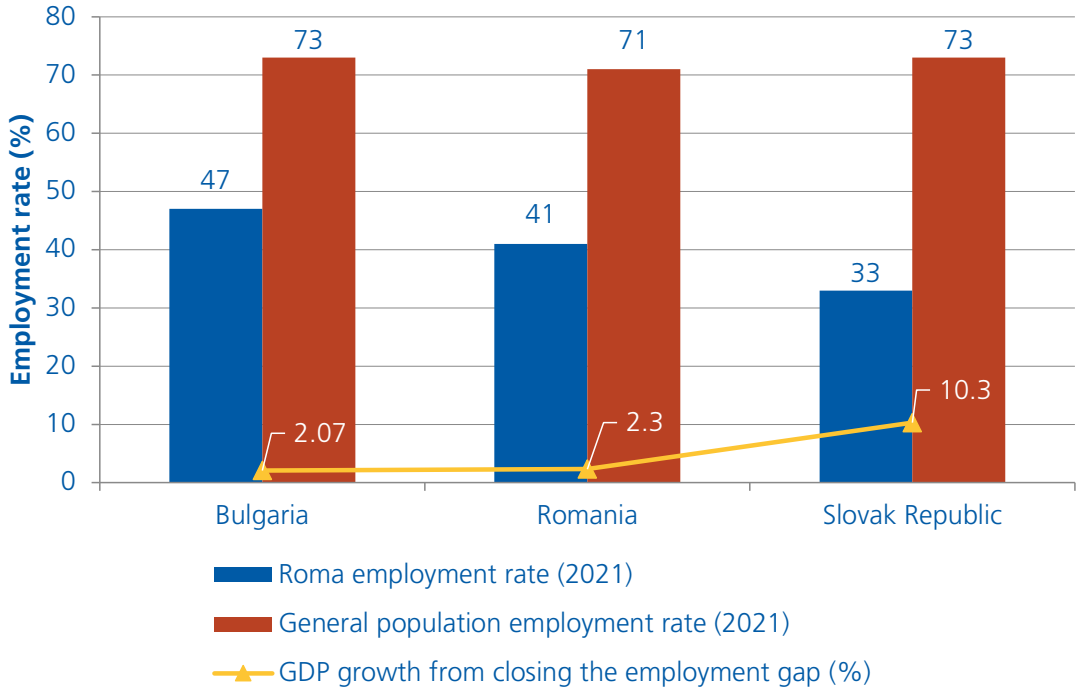
Informality doubles the risk of poverty among Roma, with spillover effects on children's education, housing and health. Informal Roma workers earn low and unstable incomes, leaving them unable to invest in their children's education. This perpetuates poverty and informality across generations. Informal employment is concentrated in unregulated, low-paying sectors such as in agriculture, or street retailing, where many Roma work without contracts. Consequently, poverty rates among informal workers are about twice as high as among formal workers. Lacking social benefits or job security, they also tend to have lower education levels and little or no access to banking services, trapping families in vulnerability.

A recent report by the Roma Foundation for Europe, supported by employment projections (Jovanovic, Korunovska 2025) highlights the powerful economic potential of Roma inclusion. In

2. Rights of Roma and Travellers in 13 European countries - Perspectives from the Roma Survey 2024: https://fra.europa.eu/en/publication/2025/roma-survey-2024; Employment-annual statistics, April 2025: Employment-annual statistics

Bulgaria for example, the labour market faces persistent shortages in sectors such as construction, hospitality, transport, and logistics, fields where Roma inclusion could help fill critical workforce gaps through short, practice-oriented training. Roles such as forklift operators, drivers, cooks or construction workers can be learned within a few months and have one of the fastest fiscal returns on investment, making them particularly suitable for Roma job integration programmes. In countries with significant Roma populations, reaching employment levels on par with the national average could unlock substantial growth. In Bulgaria, Romania and the Slovak Republic alone, narrowing this employment gap could boost GDP by an estimated €1.95 billion to €10 billion every year, translating to a 2.1% increase in Bulgaria, 2.3% in Romania, and more than 10.3% in the Slovak Republic (See Figure 4). These projections demonstrate that targeted Roma employment policies are not just socially necessary, they are fiscally vital.

Figure 4: GDP growth from closing the employment gap in Bulgaria, Romania and the Slovak Republic, %



Source: Data from the Roma Foundation for Europe (2025)

Often pushed to the margins by persistent discrimination, many Roma rely on the informal economy such as traditional crafts or on seasonal, irregular work in their own countries or elsewhere in the EU–work that is too often unregulated and exploitative. Those employed without contracts are trapped in poor-quality jobs with meagre pay, unsafe conditions, no training opportunities and virtually no trade union protection (ERGO Report, 2024). This informality doesn't just harm Roma communities; it also deprives states of tax revenues, leaving fewer resources for social programmes designed to support those most in need. On the other hand, self-employed Roma often struggle to access credit or financing, leaving them with few opportunities to grow their businesses or invest in their future.

Closing the employment gap requires targeted, inclusive labour market interventions, tailored vocational training and financial tools that support transition into the formal economy. The next section explores how housing informality compounds these challenges.

Housing informality and segregation of Roma communities

Informal housing is both a result and a driver of Roma exclusion. Without access to stable income, legal employment or property rights, many Roma families live in informal settlements, which makes them invisible to public authorities and locks them out of formal housing markets.

The United Nations defines informal settlements as "residential areas where inhabitants lack secure tenure, housing is built outside formal planning and building regulations, and access to basic services and infrastructure is inadequate or absent (UN-Habitat 2025, Expert Group and Intersessional Thematic Meeting on: Definition of Informal Settlements).

Although access to housing has improved in a few EU countries, 83% of Roma live in overcrowded homes, up from 82 % in 2020 (FRA Survey 2024). By contrast, the general population's overcrowding rate is much lower at 17 % in the EU in 2024 (Eurostat, Housing in Europe 2024). A key but often overlooked driver of this exclusion is informality in housing, employment and access to financial services, which cuts Roma off from legal recognition, public services, formal markets and long-term opportunity. Exclusion often persists even when Roma families attempt to transition into formal housing. Structural discrimination in EU housing markets, compounded by landlords' reluctance and the territorial stigma associated with informal settlements, continues to severely constrain access to adequate housing beyond these areas.[3]

A report conducted in Romania (Ministry of Development, Public Works and Administration, 2022) identified 393 informal settlements with 71 965 inhabitants mostly Roma, with around 80% of the settlements in rural areas (See Table 1). [4] In the Slovak Republic about 1 043 Roma settlements exist across 818 municipalities, nearly half are located on town outskirts, with others within or remote from settlements.



Informal housing in Zborov, Slovak Republic.

3. Trapped in a hovel? Roma Housing Discrimination and Deprivation in European Cities, Tommaso Vitale, 2020
4. Ministry of Development, Public Works and Administration of Romania (2022). *Report regarding informal settlements in Romania.* https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.mdlpa.ro%2Fuserfiles%2Fraport_asezari_informale_iunie2022.docx&wdOrigin=BROWSELINK

Although no official census data is available for Bulgaria, Stolipinovo, located on the north-eastern outskirts of Plovdiv, is widely regarded as the largest Roma settlement in Europe. Estimates from community organisations place its population, predominantly of Roma origin, between 40 000 and 60 000. These figures suggest that informal Roma settlements are not isolated occurrences but widespread and structurally embedded across multiple EU member states.

Table 1: Informal settlements in Bulgaria, Romania and Slovak Republic

Country	No. informal settlements	Details
Bulgaria	393	49 338 homes 63 492 families 71 965 inhabitants, mostly rural
Romania	> 1 000	818 municipalities > 800 concentrated neighbourhoods
Slovak Republic	Exact data unavailable	Several large, documented Roma neighbourhoods: Stolipinovo (55 000 people in Plovdiv) Fakulteta (45 000 in Sofia)

Source: Open Society Foundations 2018; 2019 Atlas of Roma Communities, Slovakia; Feffer 2013

Romania is one of the very few European countries that has explicitly recognised "informal settlements" in primary legislation.[5] The law defines an informal settlement as a grouping of at least three housing units that developed spontaneously and is occupied by persons/families from vulnerable groups, who lack rights over the land/buildings they occupy. It also frames informal settlements as a planning and social-policy issue, requiring public authorities to identify and address them through planning instruments and tailored interventions (regularisation, upgrading or relocation depending on risk and legality). Other EU Member States generally do not use a formal legal category of "informal settlements" and instead address related issues via homelessness, housing deprivation, illegal construction or squatting rules, which is not the same as having a dedicated national legal definition to frame such interventions.[6]

In Romania, many informal settlements are historically linked to Roma exclusion dynamics (forced sedentarisation, peripheralisation and segregation). The law's explicit coupling of "informal settlement" with vulnerability creates a policy path for Roma-inclusive upgrading, rather than treating these communities only through enforcement lenses. The law's key contribution is to separate a socio-spatial condition (informal settlement: vulnerability, lack of tenure, exclusion, often service deprivation) from a purely legal/administrative breach (illegal construction or illegal occupation). In practice, many informal homes may also be "illegal," but not every illegal building is an informal settlement under the law, because the definition is conditional on the vulnerability-based, settlement-level criteria.[7]

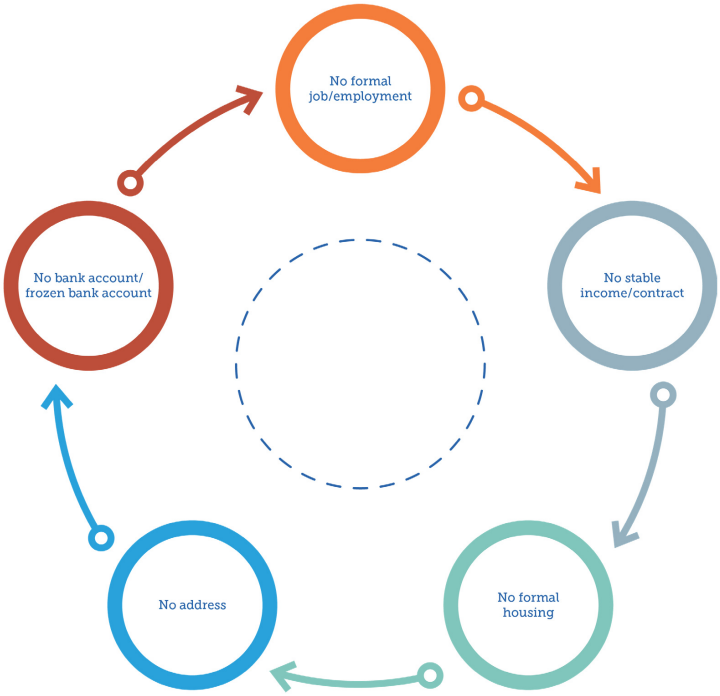
So far, the law's clearest early effects have been institutional and informational: it catalysed a more structured national discussion, methodological work and data collection, including government synthesis efforts and expanded mapping initiatives.[8] Implementation has been nascent and uneven, with persistent gaps in funding, local capacity and the availability of integrated upgrading solutions. Nevertheless, Romania's approach offers a potential model for other EU countries by explicitly linking spatial informality to social vulnerability in legal terms.

5. This was done through Law No. 151/2019, which amended Law No. 350/2001 on spatial and urban planning by introducing a dedicated definition and an administrative pathway for identification and intervention.
6. Kolocek, M. (2013) The Human Right to Housing in the 27 Member States of the European Union
7. World Bank (2023). *Informal Settlements in Romania: Situational Analysis*
8. *Ibid*

Effects of informal housing on Roma communities

Housing is a critical social determinant of health, and inadequate living conditions directly contribute to health inequities, as well as physical and mental health challenges among Roma communities. Informal housing further compounds economic deprivation and contributes to a vicious cycle of social exclusion (See Figure 5). Without a legal address, families are excluded from financial services, social protection schemes and even basic administrative rights. These realities are the result of neglect and discriminatory structural barriers that sustain segregation rather than dismantling it.

Figure 5: Interlocking drivers of Roma exclusion



Many of the informal settlements lack fundamental infrastructure such as clean water, sanitation and electricity, while being disconnected from essential services including healthcare, education and formal employment opportunities. Without legal property rights, families are forced to live under constant threat of eviction, preventing them from building stable and dignified lives. In Bulgaria, for example, 97% of total demolition orders issued between 2010 and 2012 targeted Roma homes (Open Society European Policy Institute, 2022).

Segregation, therefore, is more than a spatial issue: it entrenches social isolation, fuels stigma and perpetuates intergenerational poverty. Roma children growing up in these conditions face significant disadvantages from the start, with reduced educational opportunities and limited prospects for upward mobility. A high proportion of Roma children attending low-quality, segregated schools come from informal settlements. The psychological toll is severe, with many individuals developing a sense of exclusion and alienation from mainstream society.

Addressing housing informality requires more than legalisation. It calls for integrated, cross-sectoral policies that combine secure land tenure, basic infrastructure, financial inclusion, and access to essential public services. Without such comprehensive approaches, Roma families will remain locked out of formal

systems. As the following section explores, financial exclusion is one of the critical barriers that reinforces housing and employment informality, limiting Roma communities' pathways to economic empowerment and opportunity.

Exclusion from formal financial services

Financial exclusion is both a consequence and a cause of Roma marginalisation. Without access to basic financial services such as bank accounts, savings options or affordable credit, Roma households remain vulnerable to debt traps and unable to invest in housing, education or long-term stability. This exclusion limits their ability to build assets, plan for the future, or break the cycle of informality.

Across Bulgaria, Romania and the Slovak Republic, Roma communities face persistent financial exclusion at much higher rates than the general population, driven by structural, social and regulatory barriers. While formal banking infrastructure exists, its usage among Roma remains limited, particularly for products that enable financial stability or growth (e.g., savings, credit, insurance).

A combination of informal employment, low financial literacy, lack of property documentation and institutional mistrust fuels this exclusion. Digital financial tools are spreading but remain unevenly adopted, due to limited internet access, device ownership and low digital literacy and education.

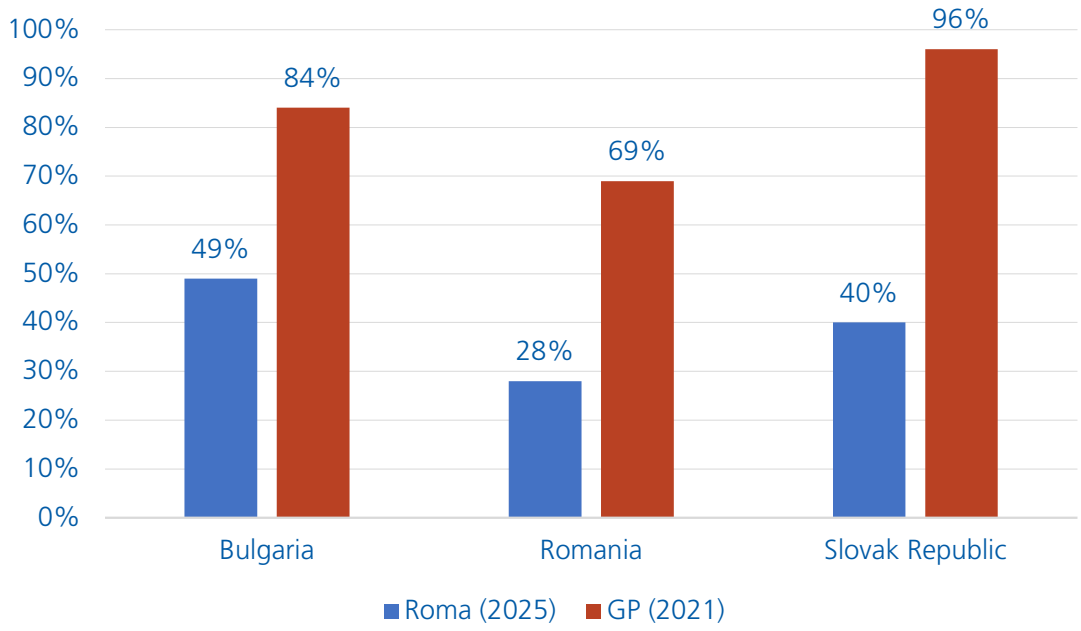
Low bank account ownership

In Bulgaria, nearly half of Roma adults (49.2%) don't have access to formal banking; in Romania, only 28% of Roma hold a bank account compared to 69% of the general population; and in the Slovak Republic, just 40% of marginalised Roma households have a bank account, while 57% have no access to banking services at all (See Figure 6. CEB 2025, Financial Landscape Study: Enhancing Financial Inclusion of Roma Communities in Romania, Slovakia, and Bulgaria). Most of the bank accounts are used for receipt of salaries and social benefits while use of other financial services is limited.



Family from the CEB's HERO project standing in front of their newly built home in the Slovak Republic.

Figure 6: Bank account ownership rates: Roma vs. general population



Source: CEB Financial Inclusion Landscape Study in Bulgaria, Romania and Slovakia, 2025; World Bank, 2021 Global Findex Database: Account ownership rates (% of adults aged 15+)

Savings and borrowing patterns

Across Bulgaria, Romania and the Slovak Republic, savings remain mostly limited to small amounts for emergencies rather than building up a pot for education (see below) or retirement savings, or indeed, setting up a business. Bank borrowing is also uncommon, and when loans are taken out, they are often used to cover emergencies, fund basic needs or repay other debts.

Borrowing and savings practices vary by country but share a strong reliance on informal mechanisms. In Romania, 45% of respondents reported saving, but only 19% did so through banks. Meanwhile, 41% borrowed money, primarily through informal sources. In Bulgaria, 52% of respondents indicated they save, with 23% using formal banking institutions, while 48% borrowed money, 26% of whom relied on financial institutions. The Slovak Republic presents a particularly concerning picture: 62% reported borrowing, mostly from relatives, while just 27% use banking services, and only 2% of marginalised Roma communities reported any form of savings.

Borrowing, as with savings, is aimed largely at meeting urgent household needs such as food, home repairs or medical expenses, rather than investing in a business. In the Slovak Republic, heavy reliance on family loans reflects both the high cost of formal credit and widespread mistrust of lenders, possible debt traps and enforcement measures (CEB 2025). Across all three countries, many Roma families fall victim to predatory fast-credit companies that exploit low financial literacy with exorbitant interest rates. Field research undertaken by Trust for Social Achievement as part of the CEB's Housing and Empowerment for Roma (HERO) project revealed that around 80% of Roma households in towns like Botevgrad and Yablanitsa (Bulgaria) had outstanding payday loans, with similar patterns observed in project sites in Romania and the Slovak Republic. Such debt burdens often result in frozen bank accounts and wage garnishments, further excluding households from formal employment or credit.

Insurance and financial security

Insurance coverage is minimal, with most Roma households lacking private insurance beyond the legally required vehicle coverage. Even among those with stable employment, fewer than half of Roma surveyed hold any voluntary insurance policy (CEB 2025).

The barriers to financial inclusion among Roma communities are systemic and interconnected. Irregular or informal employment prevents many from meeting banking requirements for loans or savings. Low financial literacy and a lack of tailored financial education are barriers, often compounded by discrimination and mistrust. For instance, Roma entrepreneurs report receiving smaller loan offers compared to non-Roma counterparts due to ethnic bias (CEB 2025). Digital exclusion adds another layer of disadvantage: in Bulgaria, 30% of Roma respondents are unfamiliar with digital loan applications, while in the Slovak Republic, digital banking is mainly used only by younger Roma.

Overall, the evidence points to a persistent cycle of financial exclusion rooted in informality, limited access to assets and institutional mistrust. Expanding Roma financial inclusion will require bundled solutions: microfinance tailored to informal workers, low-threshold savings products, accessible digital tools and protections against exploitative lenders. Strengthening financial literacy, building trust and embedding inclusion criteria into mainstream banking policies will also be critical.



Community member using a social laundromat in Romania supported by the CEB's HERO project.

CEB's approach to advancing Roma inclusion

Where does the CEB fit in the broader effort to address the needs of Roma communities? The CEB supports inclusive development by promoting social cohesion across its investment projects. To address the complex and interconnected barriers that Roma communities face, the CEB uses a combination of financial instruments such as loans, grants, technical assistance and blended finance solutions. These tools can stimulate investment in underserved areas, attract private capital and help ensure that resources reach those who need them most. This approach is particularly relevant given that EU Roma inclusion efforts have so far relied mainly on Cohesion Policy grants, while financial instruments such as loans and guarantees remain largely underused in advancing the socio-economic inclusion of Roma.

The CEB's portfolio on Roma inclusion has been gradually expanding in recent years. The initiatives implemented in areas such as housing, education, employment and financial inclusion have generated promising lessons and practical insights that can inform future work and lay the groundwork for a more comprehensive engagement.

Examples from CEB loans to scale social investment with long-term impact

Loans form the core of the CEB's financial operations and allow the Bank to support large-scale investments in housing, education, employment and entrepreneurship that can also benefit Roma communities. Also, through loans the CEB supports its member countries to maximise the impact of EU funds by co-financing inclusion projects such as the loan to Roma Education Fund and ACCEDER Programme in Spain as illustrated below.

Housing and Urban Development: Secure housing is foundational to inclusion. In Bulgaria, a €3.3 million loan supported the development of 132 social housing units in Sofia for vulnerable Roma families. In Hungary, a €5 million loan combined housing rehabilitation with vocational training for over 2 000 Roma households, while in North Macedonia, a €25.3 million loan financed the construction of 37 residential buildings for 6 000 low-income residents, many of Roma origin.

Financial inclusion and entrepreneurship: The CEB recognises that access to credit and financial services is critical for breaking cycles of informality and poverty. In 2025, the Bank approved a €5 million loan to REDI SA, following a first €3 million loan in 2022, a microfinance investment vehicle dedicated to Roma entrepreneurs in South-Eastern Europe.

Education and skills development: The CEB's €3 million loan to the Roma Education Fund (REF) in Romania complemented an EU-funded programme and supported more than 6 000 beneficiaries through scholarships, mentoring and tutoring designed to reduce early school dropout rates. Earlier, a €2 million loan to REF Hungary enabled the continuation and expansion of similar initiatives promoting quality education and second-chance programmes, helping Roma students complete their studies and move into vocational or higher education.

Employment and training: To address structural barriers to employment, the CEB financed the ACCEDER Programme in Spain with a €12 million loan (2001–2010), implemented by Fundación Secretariado Gitano. This flagship programme demonstrated how tailored job placement services, vocational training and partnerships with employers can significantly increase Roma participation in the formal labour market. ACCEDER became a reference model across Europe for integrated employment support, having facilitated thousands of job placements and improved access to professional skills for Roma communities.

CEB-REDI Partnership for Roma Entrepreneurship

In 2025, the CEB approved a second loan for REDI Economic Development S.A. (REDI FUND) in the amount of €5 million to expand financial access for Roma entrepreneurs in South-eastern Europe. Access to finance remains a major constraint for Roma entrepreneurs across Central and Eastern Europe and the Western Balkans, where structural barriers often limit their participation in mainstream financial systems. As the first microfinance investment vehicle specifically targeting Roma populations, REDI channels funds to micro-lenders who provide loans for fixed assets, productive equipment and working capital to Roma-owned small businesses—reaching approximately 2 000 enterprises. REDI seeks to enhance the economic activity of Roma entrepreneurs, promote employment, encourage self-reliance and foster integration into mainstream market networks. It also trains dozens of young Roma to pursue careers in regional banking institutions. In parallel, they engaged with over 2 500 entrepreneurs from vulnerable communities, providing nearly 35 000 hours of business development support, consulting and advocacy services.

By mitigating financial exclusion and fostering economic autonomy, the partnership supports micro-entrepreneurship, job creation and financial inclusion, enabling Roma communities to access affordable and flexible financing through trusted local intermediaries.

Grants to pilot innovative models

The CEB finances large-scale housing and infrastructure projects while also using its grant resources to test and pilot innovative approaches. Grants play a vital role in reducing risks at early stages, supporting grassroots organisations and reaching the most vulnerable groups. They complement loan-financed investments by covering essential activities such as community outreach, trust-building and technical assistance.

Piloting blended instruments: The HERO – Housing and Empowerment for Roma – European Union Pilot Project implemented by the CEB between 2021 and 2025 aimed to test new ways of improving housing and financial inclusion for vulnerable Roma communities in Bulgaria, Romania and the Slovak Republic. The HERO Project adopted an innovative and integrated approach to Roma inclusion by combining capacity-building activities for Roma families with a risk-mitigation mechanism for financial intermediaries providing housing microloans.

Seed grants for community-led initiatives: As part of the HERO Pilot Project, the CEB co-financed a €180 000 contribution from Spain through the Spanish Social Cohesion Account, one of the Bank's donor-funded trust funds. This support made it possible to design and implement a community-based social innovation model in partnership with local actors. Through this model, small social innovation seed grants supported locally driven initiatives that promote inclusion and respond to the specific needs of marginalised Roma communities. The seed grants funded the establishment of a family centre in Bulgaria, social laundries in Romania and a community hub in the Slovak Republic.

Integrated social services: The CEB provided a €542 000 grant to the Roma Education Fund to establish a one-stop centre in Bucharest, which provided housing, education and vocational support to both Roma and non-Roma refugees from Ukraine. These initiatives underscore the value of integrated, multi-dimensional approaches in addressing exclusion.

Using knowledge to inform inclusive investments: The CEB also provides technical assistance to strengthen project design, identify investment needs and gaps, and monitor and evaluate

outcomes. As part of these efforts, the Bank supports research and analytical work that enhances understanding of the barriers faced by vulnerable groups. One recent example is the Financial Landscape Study carried out in Bulgaria, Romania and the Slovak Republic with support from the InvestEU Advisory Hub. The study examined the challenges Roma communities face in accessing finance and identified opportunities to develop more inclusive financial solutions.

Emergency support to long-term inclusion: The CEB combines loans, grants and technical assistance to address both immediate needs and long-term inclusion. This approach has supported initiatives such as the Regional Housing Programme in Montenegro, emergency housing for Roma refugees and trust-fund supported projects in North Macedonia that promoted skills development and income generation for Roma women. Together, these efforts contribute to improving living conditions and fostering social inclusion for vulnerable communities.

The CEB's experience shows that combining loans, grants, and technical assistance can turn financial resources into social impact. Through initiatives like the HERO Project and community-led grants, the Bank has demonstrated that inclusion works best when financial and social solutions go hand in hand, building trust, capacity and long-term resilience, and most importantly, when local authorities are committed to driving change within their communities.

HERO: Innovating Housing Support and Financial Inclusion

The HERO Pilot Project was launched in 2021 with support from the EU to explore new ways of improving housing and financial inclusion for vulnerable Roma communities in Bulgaria, Romania and the Slovak Republic. The project combined financial literacy training, savings schemes, employment support and access to finance to help families improve their living conditions in a sustainable way.

HERO brought together a wide network of partners, including civil society organisations, financial intermediaries, public authorities, private sector actors and both Roma and non-Roma community members. More than 550 people benefited from financial literacy sessions, 360 received employment support and 120 Roma participants in Romania gained financial and construction skills that improved their access to jobs and decent housing. In addition, 76 participants completed savings schemes, 39 accessed loans, and 21 successfully built their homes.

By helping to bridge the gap between financial institutions and marginalised groups, HERO showed that meaningful improvements in living conditions are possible when diverse partners work together toward shared and lasting solutions.

Conclusion and recommendations: Broad action for better outcomes

The CEB remains committed to building on lessons learned and to working closely with other financial institutions, EU bodies, national and local authorities, and civil society, including Roma-led organisations. By combining investment financing with technical assistance and partnership building, the CEB aims to foster scalable and sustainable solutions that address the structural roots of exclusion and contribute to more cohesive, resilient societies across Europe.

Looking ahead, broader and more coordinated engagement is needed among all stakeholders committed to advancing Roma inclusion, including national authorities, EU institutions, civil society organisations and financial institutions. Financial institutions are uniquely positioned to advance Roma inclusion by deploying tools such as risk-sharing mechanisms, blended finance and dedicated social investment facilities. These instruments help mobilise additional resources and enhance the impact of EU and national funding. Their role goes beyond financing, as they can systematically integrate Roma inclusion into lending operations and ensure that inclusion objectives are embedded in project design, implementation, and monitoring.

At the same time, governments and municipalities can sharply improve the effectiveness of EU funds by aligning them with evidence-based approaches that reach Roma communities more efficiently. Strong cross-sector collaboration is essential to connect financial investments with practical solutions on the ground, so that they generate durable and meaningful social outcomes. To break the cycle of informality and exclusion, financial institutions, public authorities and civil society should focus on integrated, scalable actions aligned with EU inclusion goals:

Improve housing conditions and security of tenure

- Invest in desegregated housing and infrastructure. Prioritise public investment in social housing, settlement upgrades and basic services (water, sanitation, electricity) for Roma communities, particularly those in informal settlements.
- Enable legal pathways for a more secure tenure. Formalise informal settlements by simplifying property registration and land titling processes. Integrate these areas into urban planning to unlock access to national and EU development funds.

Expand access to decent work

- Support targeted training and hiring. Scale up vocational training, job placement, and tailored activation programmes for Roma youth and women. Offer hiring incentives (e.g., wage subsidies) to formal employers who recruit Roma jobseekers.
- Promote formalisation of informal work. Design transitional employment schemes that bridge informal workers into the formal economy, with access to contracts, insurance, and skills certification.

Advance financial inclusion and entrepreneurship

- Increase access to basic financial services. Simplify onboarding requirements for bank accounts and support financial literacy initiatives. Expand inclusive digital finance tools in Roma communities.

- Support Roma entrepreneurs. Develop tailored microfinance, guarantee schemes, and small business grants. Couple financial products with coaching and advisory services to improve sustainability and reduce reliance on predatory lenders.

Leverage development finance and expertise

- Deploy blended finance tools. Combine loans, grants and guarantees to de-risk Roma inclusion investments and attract co-financing. Examples include housing microloans, social investment funds or credit guarantees for lenders.
- Offer technical assistance. Multilateral development banks should provide support for project design, local capacity building and implementation, helping ensure effective use of EU and national funds.

Scale up integrated, inclusive models

- Mainstream inclusion across sectors. Coordinate housing, jobs, education and social services in integrated local development plans. Involve municipalities and Roma organisations in co-designing solutions that reflect community needs.
- Replicate and expand successful pilots. Adopt proven models (e.g., housing-plus-employment or microfinance schemes) within national programmes, supported by long-term funding, with clear accountability of outcomes.

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