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



The integration of migrants in Europe

ABSTRACT

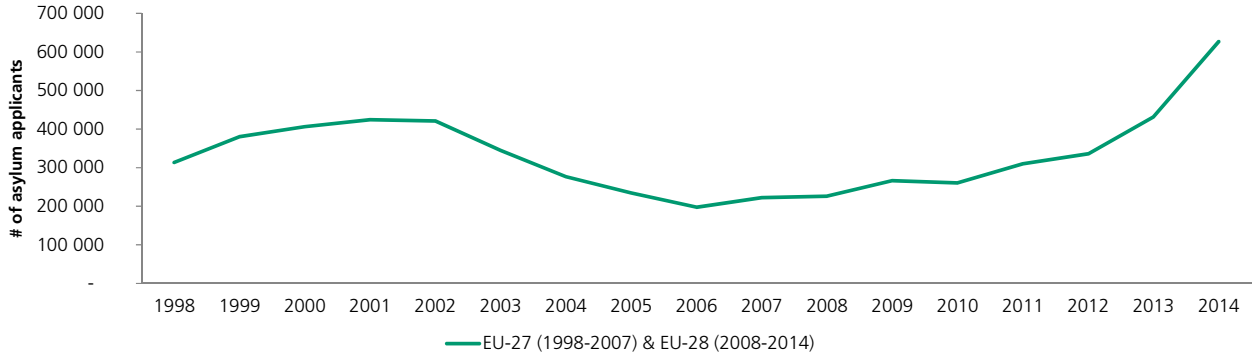
This Abstract is a brief summary of the CEB's study "The Integration of Migrants in Europe". The study presents an overview of the Bank's long-standing experience in improving the living conditions of refugees, displaced persons and migrants. It also assesses migrant trends and integration needs across CEB member states and their implications for the Bank's role in addressing migration-related challenges now and in the future. The full report is available on the CEB Publications Webpage.

I. Europe's refugee crisis and the CEB's immediate response

The past months have been a dramatic period for Europe, faced with a massive influx of asylum seekers from conflict-ridden Syria, Eritrea and other parts of the world.

When considering asylum applications from citizens of non-EU countries in the EU, a gradual increase in the number of applications is visible from 2006 to 2012, after which the number of asylum seekers can be seen to rise more sharply from 432,000 in 2013 to 627,000 in 2014 – the highest number of asylum applicants within the EU since the peak in 1992. The estimates for 2015 largely exceed these already high numbers, requiring immediate and longer-term responses, as foreseen under the new European Agenda on Migration, adopted in May 2015.

Asylum applicants in the EU, 1998-2014



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

The increasing numbers of arrivals, with their trail of tragic human losses, have led to a humanitarian crisis not only for Southern and transit countries but also for the entire European continent. Immediate responses are needed from top political level down to hands on level, before long-term solutions can be found for the settlement and integration of refugees in accordance with European standards. Providing food, shelter and other basic services such as healthcare require swift funding and implementation. In addition, longer-term measures need to be put in place in order to benefit from the socio-economic aspects of migration and ensure social cohesion. As the study evidences, the Council of Europe Development Bank (CEB) is well positioned to assist its member countries with both emergency responses and longer-term migrant integration needs.

The CEB's immediate response to the refugee crisis – the new "Migrant and Refugee Fund"

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

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

The CEB has started engaging with its member states to raise additional funds and identify projects.[1] The Bank will also be cooperating with organisations working to address the crisis, in particular the Council of Europe, the EU, the International Organization for Migration and other United Nations agencies. The CEB is also liaising with relevant non-governmental organisations and other financial institutions, such as the European Investment Bank (EIB) which is also a contributor to the Fund.

[1] As at mid-November 2015, additional contributions of € 9.1 million have been pledged, and projects totalling € 13 million in grants have been approved.

II. Longer-term integration needs and the CEB's role in helping migrants integrate in host societies

Migrant integration needs

- Beyond the immediate consequences of the current crisis in Europe, the issues of migration and migrant integration also need to be dealt with from a longer-term perspective. Migrant integration is in itself a complex multi-dimensional, long-term process, going beyond economy and labour markets. It also implies social, educational and spatial aspects – all closely interrelated, with failure in one area having negative implications for the rest.
- Better migrant integration is an objective yet to be achieved in most destination countries. Compared to the native born, immigrants as a whole still tend to have worse socio-economic outcomes, with improvements observed across time and generations.
- A walk through history helps group CEB member countries according to their experience with immigrants. There are countries that have been hosts since the aftermath of the Second World War, those that have recently become destinations, and net emigration countries that are at the same time transit or emerging destinations. These countries differ in terms of the types of migrants they have attracted, their socio-economic outcomes and the duration of their residence.
- Employment, job quality and educational attainment are interlinked areas, where the foreign born tend to have difficulties. The education of migrant offspring is an area of particular concern in almost all countries, with these children achieving lower mean PISA reading scores than children with native-born parents. Overcrowding, segregation and relative poverty are frequent social issues in densely populated areas. Health is reported to be an issue in most Central and Eastern European countries, where the foreign born are an ageing group. Some countries still have to address the protracted situation of displaced persons.
- Across the EU, the overarching issue is the integration of third-country nationals. They face greater restrictions on mobility and normally have different reasons for migrating, often as asylum seekers or for family reunification, implying the need for targeted measures.

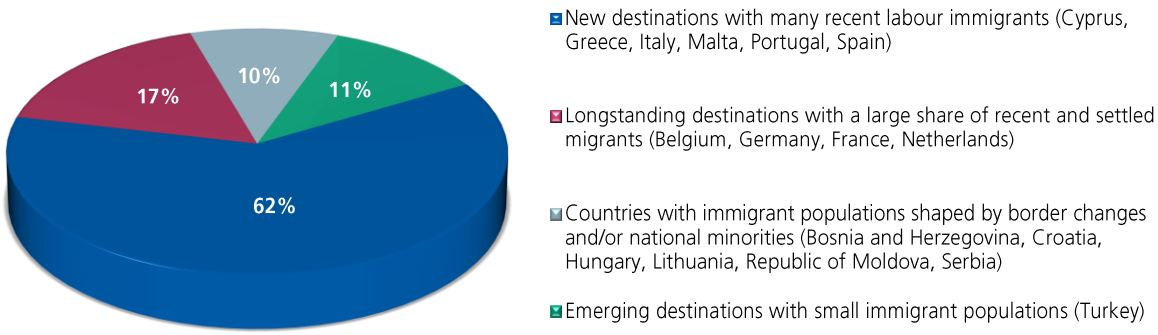
Main migratory projections across CEB member countries

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

The CEB's longer-term response to migrant integration needs

- The CEB was set up as a "Resettlement Fund" in 1956 by eight members of the Council of Europe in order to tackle the problems of refugees and persons who had become displaced during the Second World War and its aftermath. Today, sixty years later, improving the situation of refugees and migrants is still very much central to the CEB's work: "aid to refugees, migrants and displaced persons" is one of the CEB's statutory priorities and, as a social development bank, the CEB seeks to respond to emergency situations and to facilitate the long-term objective of migrant integration.
- Beyond providing financing for emergency assistance and resettlement programmes, the CEB primarily addresses the issues of migration and migrant integration as cross-sector themes, encompassing several dimensions such as housing, health, education, employment and the environment. Depending on the type of assistance needed, the CEB provides loans and/or grants.
- **Over the period 1956-2015**, the Bank approved projects in favour of refugees, migrants and displaced persons for a total of **€ 3.1 billion**, representing 6% of all loans approved. This figure covers both "emergency projects", financed in the case of crisis situations (such as refugee sheltering and post-conflict assistance), and "integration projects", aimed at the social inclusion of migrants and other vulnerable populations.
- **From a geographic perspective**, CEB lending to refugees, migrants and displaced persons was concentrated in the group of countries called new destinations with many recent labour immigrants (Cyprus, Greece, Italy, Malta, Portugal and Spain) with € 1.9 billion approved since 1956, representing 62% of the total portfolio. At country level, the Bank's largest borrowers in this field were Spain (21% of total loans approved), Cyprus (20%), Germany (13%), Greece (12%) and Turkey (11%). These countries represented more than 75% of the CEB's loan portfolio in this sector since 1956.

Geographic distribution of CEB lending in favour of refugees, migrants and displaced persons
Total approved (1956-2015): € 3.1 billion



- In addition to these loans, the CEB has provided considerable **grant assistance** to refugees, migrants and displaced persons. Since 1995, this assistance has totalled € 32 million. Grant resources can be made available through the CEB's fiduciary accounts in order to subsidise interest rates, to provide loan guarantees and/or to finance technical assistance and/or part of the investment costs. This blending of loans and grants can facilitate the preparation and implementation of projects (via technical assistance), improve the economic viability of a given project (via interest rate subsidies, loan guarantees and/or investment grants) and ensure greater social impact.
- **In the coming years**, the CEB will continue to provide financing for both emergency and integration projects. To this end, the Bank will continue to provide financing for accommodation facilities, local infrastructure, decent and affordable housing, skills development and job creation, while following a more localised approach and combining hard and soft investments. The CEB will also build upon existing partnerships and explore new opportunities for cooperation in addressing migration-related challenges with the Council of Europe, the European Union, other financial institutions, the United Nations agencies and relevant non-governmental organisations.

III. Examples of projects with a migrant component financed by the CEB[1]

The study illustrates the diverse nature of CEB investments in the migration field with the following Case Studies:

Emergency assistance projects

Greece (2015)	(1) The creation of two Open Accommodation Centres (OACs): one for about 60 asylum and subsidiary protection seekers (as per relevant international conventions) awaiting screening and registration; and one for 40 asylum-seeking unaccompanied minors. (2) The provision of administrative and support services to the asylum seekers in the OACs.

Housing integration projects

Resettlement of refugees and displaced persons

Bosnia and Herzegovina (2004, 2013)	The reconstruction of the housing stock damaged during the war.
Croatia (2000, 2003)	The reconstruction of damaged houses and basic infrastructure; the provision of alternative accommodation for temporary users and repossession of property by rightful owners for the return of internally displaced persons in Croatia.
Republic of Moldova (2006)	The development of the rental housing stock in favour of socially vulnerable families, including Transnistrian internally displaced persons.

Housing for migrants

Germany (2009, 2013)	The construction and rehabilitation of social rental dwellings in North-Rhine Westphalia.
France (2015)	The rehabilitation and retrofitting of Adoma's housing stock.

Projects facilitating access to education and healthcare infrastructure

Finland (2013)	The construction of 15 new and supplementary buildings, and the renovation and retrofitting of 86 existing facilities (covering around 25% of all educational premises in Helsinki).
Spain (2012)	Improved access to education and health services for excluded social groups and enhanced employability and labour insertion capacity for people with particular difficulties in finding a job, in order to facilitate their social integration.

Labour inclusion projects

Italy (2013)	Business lending to micro-firms, mostly of migrant origin and excluded from traditional banking channels, for the purpose of creating jobs and helping financial inclusion.
Spain (2008, 2009, 2011)	Job creation and self-employment via access to microcredits for vulnerable persons or families with limited or no access to the formal banking sector.

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

[1] These examples make no distinction between projects directly targeting populations with a migrant background and projects more broadly targeted to socio-economically disadvantaged, vulnerable or diverse populations. In each project, the year of its approval is indicated in brackets.



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