#1 2017

info

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

THE QUARTERLY MAGAZINE OF THE COUNCIL OF EUROPE DEVELOPMENT BANK



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Where water builds bridges

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Dear reader...



The social projects financed by the CEB have one thing in common: they improve the living conditions of people, and they do so by covering a wide range of sectors. Education, public infrastructure, and environmental protection are some of the areas in which the Bank is particularly active, as demonstrated in this issue of CEB INFO by landmark CEB projects in Cyprus.

A member of the Bank since 1962, Cyprus is now seeing the tangible results of CEB financing in vital areas such as high education, waste water management, and other municipal and public infrastructure projects.

Indeed, the Bank is active in larger and smaller states, financially better-off and developing countries alike. The main purpose is to help improve the living conditions of people, with emphasis on some of the most vulnerable population groups in Europe.

The CEB had an outstanding performance last year, with €3.5 billion approved for 35 social projects across the continent, and has already made a very strong start to 2017, with €1.5 billion allocated to 17 projects and many more projects under preparation. Equipped with our new Development Plan for 2017-2019, we will spare no effort in supporting our member countries' social policies.

Some of our key areas of operation are job creation and preservation, public infrastructure development, and social housing. Aid to migrants and refugees, including through the provision of financing in the areas mentioned above, is a constant priority for the Bank and central to its social mandate. Our Migrant and Refugee Fund, a dedicated grant-based instrument, continues to provide short-term support to some of the countries most affected by the inflow of migrants and refugees.

As we are preparing for our annual Joint Meeting, to be hosted by Cyprus in June, we look forward to an excellent performance in the second half of 2017 to match our activity so far this year.



Rolf Wenzel
Governor, CEB



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About the CEB...

Set up in 1956, the CEB (Council of Europe Development Bank) has 41 member states.
As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available resources raised in conditions reflecting the quality of its rating. It thus grants loans to its member states, to financial institutions and to local authorities for the financing of projects in the social sector, in accordance with its Articles of Agreement.

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FIND OUT MORE ONLINE **www.coebank.org**

2016 FINANCIAL RESULTS

In 2016, the CEB successfully achieved and exceeded the activity objectives set in the Development Plan 2014-2016. Its sound financial performance enabled the CEB to pursue its social mandate in Europe.

Net profit reached €104.9 million, decreasing by 17.4% compared to 2015, mainly due to the negative impact in the valuation of derivative financial instruments and the lower return on the fixed rate long-term portfolio for financial assets in the context of the low interest rate environment. However, excluding IFRS volatility effects with no economic or financial impact on the CEB, core earnings for 2016 amount to €111 million, representing a decrease of only 6.2% compared to 2015.

The CEB achieved record highs in its business activity objectives. Some 35 new projects were approved in 2016 reaching €3.5 billion, a significant increase of 50% compared to 2015 (€2.3 billion for 22 projects). The stock of projects rose considerably by 19.7% totaling €5.6 billion in 2016 (2015: €4.7 billion) and loan disbursements amounted to €2.0 billion in 2016, i.e. +10.5% compared to €1.8 billion in 2015. Loans outstanding reached €13.7 billion, an increase of 4.9% compared to €13.1 billion in 2015.

The CEB expects to pursue this excellent performance level during 2017 as set out in the objectives of the new Development Plan 2017-2019.

VICE-GOVERNOR VISITS IOM

On 16th March the CEB's Vice-Governor for Social Development Strategy, Rosa María Sánchez-Yebra Alonso, visited the International Organisation for Migration (IOM) in Athens, plus some of the accommodation centres supported by the CEB. In December 2015 the CEB provided a grant of €925,000 to the IOM to improve living conditions for refugees and migrants in response to the mass arrivals into Greece.

Don't miss our interview with Rosa María Sánchez-Yebra Alonso in the next issue of INFO.

CEB LAUNCHES NEW STUDY

The CEB released its latest economic study, called 'Investing in Public Infrastructure in Europe. A local economy perspective', on 23rd March. The study gives an overview of the CEB's experience of improving living conditions in urban and rural areas across Europe and assesses recent trends and challenges in the provision and financing of local infrastructure across CEB member states and their implications for future lending to this sector.



RHP returnees receive keys to new homes

Bosnia and Herzegovina hosted a ceremony in Derventa on 10th February to mark the handing over of keys to 24 beneficiary families, within the framework of the Regional Housing Programme (RHP), which is managed by the CEB. The selected beneficiaries are returnees from Croatia, who will now be moving to their reconstructed pre-war houses.

http://www.coebank.org/en/news-and-publications/news

CEB lends €80 million to Portugal for urban regeneration

On 3rd March the Governor of the CEB, Rolf Wenzel, signed a €80 million loan agreement to fund urban renewal and environmental protection in Portugal.

The Government of Portugal set the goals for urban regeneration and energy efficiency in its operational programmes for the period 2014-2020. The CEB's loan, in the form of an EU Co-financing Facility (ECF), will co-finance eligible investments along with European Structural and Investment Funds, EIB and commercial banks.

Loans granted under the ECF facilitate better absorption of EU funds in the CEB's member countries. This helps countries, regions and municipalities to address social investment needs, advance economic development, and reduce regional imbalances. Portugal's urban renewal programme aims to create jobs and attract younger populations to declining urban centres and address poverty and exclusion in disadvantaged outlying urban areas.





Members of the UNDP and CEB agree to extend cooperation

UNDP and CEB to boost Development Goals in Europe

On 6th February, the United Nations Development Programme (UNDP) and the CEB agreed to extend their cooperation for another five years, aiming to scale up their support for achieving the Sustainable Development Goals (SDGs) in South Eastern Europe, Turkey, Moldova and Georgia.

The agreement, signed by CEB Vice-Governor Carlo Monticelli and the Director of UNDP's Regional Bureau for Europe and the CIS, Cihan Sultanoğlu, will help to address climate change and energy efficiency, respond to challenges such as the migration and refugee crisis, and promote inclusive social and economic development in the region.

Governor visits the Baltic states and Finland

In late March Rolf Wenzel, the Governor of the CEB, visited the Baltic states of Latvia, Lithuania and Estonia as well as Finland, a Nordic state. During the official visits, Governor Wenzel met with representatives of the state governments and financial institutions to discuss the economic situation in Europe as well as ongoing CEB support in the region.

Finland and the Baltic states became members of the CEB in the 1990s and have received loans from the Bank.

PAGE 15 OUR WORK WITH CYPRUS UNIVERSITY

The CEB's new CEB USD 1 billion 3-year global benchmark transaction

On Thursday 19th January 2017, the CEB priced a successful USD1 billion three-year SEC registered global benchmark.

Navigating a busy new issuance window, the CEB announced the mandate at 14:00 London time on Wednesday 18th January 2017, along with initial price thoughts of mid-swaps +15 basis points area.

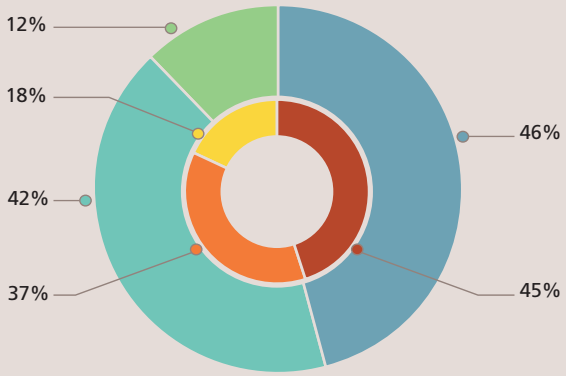
The transaction built steadily through the London afternoon with early interest coming predominantly from European bank treasury accounts. Further participation overnight, including high quality central banks, resulted in indications of interest in excess of USD1.2 billion when books opened just after 08:00 London time on Thursday 19th January.

Price guidance was subsequently tightened by 1bp to mid-swaps +14 basis points area. The order book continued to grow, reaching in excess of USD1.65 billion within two hours. The high quality of the order book allowed the spread to be set at mid-swaps +13 basis points.

Final books closed in the New York morning at USD1.9 billion from over 50 accounts. The transaction was priced shortly after 15:00 London time with a semi-annual coupon of 1.875% and a re-offer price of 99.930%, equating to a re-offer yield of 1.899%.

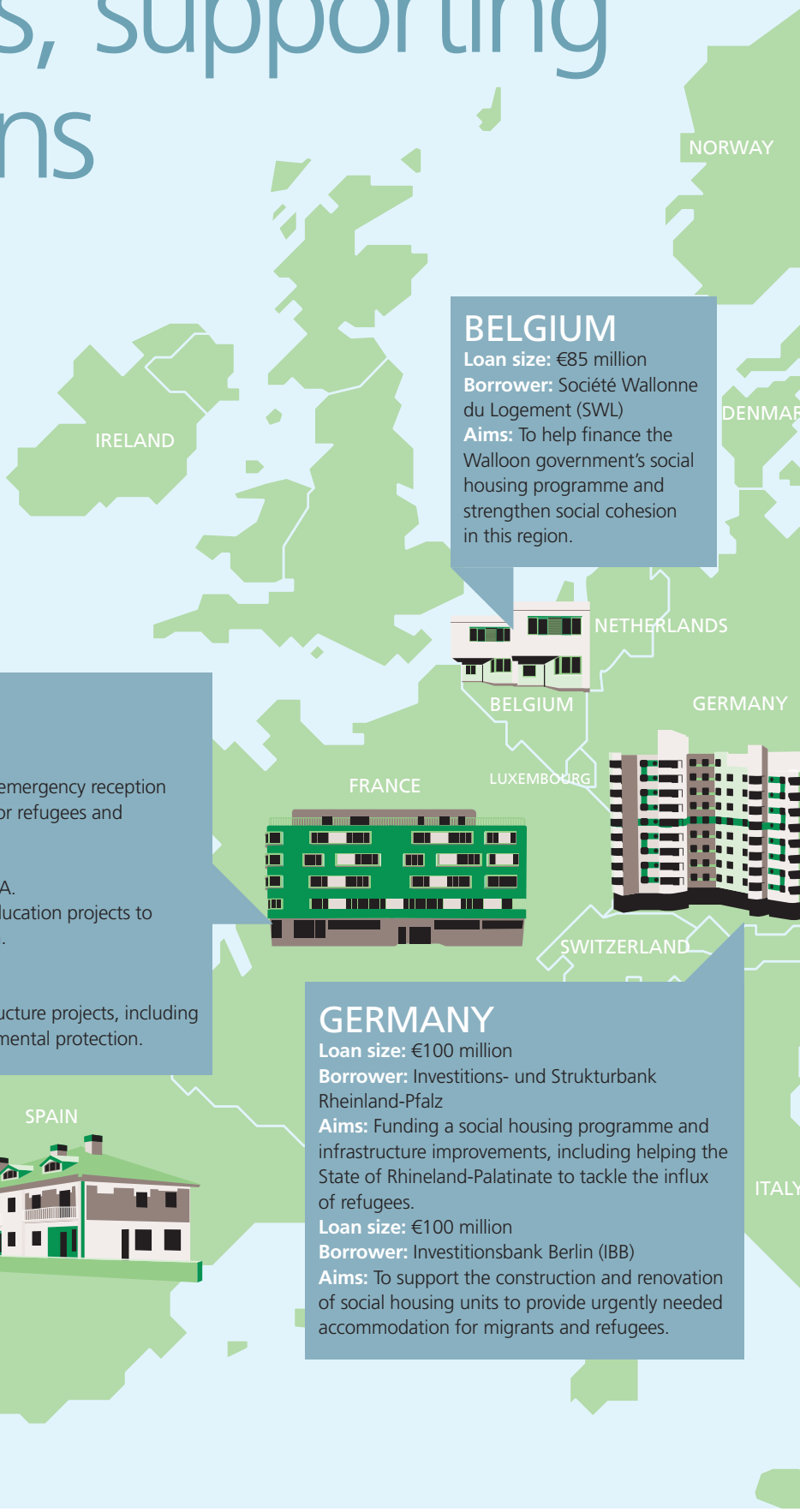
This transaction successfully kicks off the CEB's 2017 funding plan and demonstrates the continuing demand for the CEB from investors across all regions.

Investor participation



Strengthening small businesses, supporting populations

The CEB has recently approved a variety of loans ranging from €50 million to €200 million. The total amount approved in loans so far this year is almost €1.5 billion.



BELGIUM

Loan size: €85 million
Borrower: Société Wallonne du Logement (SWL)
Aims: To help finance the Walloon government's social housing programme and strengthen social cohesion in this region.

FRANCE

Loan size: €100 million
Borrower: Hémisphère SCI
Aims: Helping to finance new emergency reception and accommodation facilities for refugees and asylum seekers.
Loan size: €80 million
Borrower: Société Générale S.A.
Aims: To finance health and education projects to help strengthen social cohesion.
Loan size: €75 million
Borrower: Crédit Agricole
Aims: Financing public infrastructure projects, including land development and environmental protection.

GERMANY

Loan size: €100 million
Borrower: Investitions- und Strukturbank Rheinland-Pfalz
Aims: Funding a social housing programme and infrastructure improvements, including helping the State of Rhineland-Palatinate to tackle the influx of refugees.
Loan size: €100 million
Borrower: Investitionsbank Berlin (IBB)
Aims: To support the construction and renovation of social housing units to provide urgently needed accommodation for migrants and refugees.

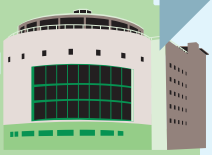
SPAIN

Loan size: €100 million
Borrower: Nuevo Micro Bank S.A.U.
Loan size: €100 million
Borrower: Banco Santander
Aims: These loans will help finance the strong MSME sector, promoting job creation and sustainable economic development.

Many of the loans will help finance micro, small and medium-sized enterprises (MSMEs), which are key to sustainable economic development.

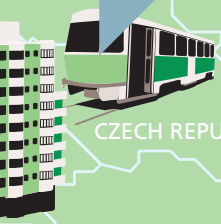
SWEDEN

Loan size: €200 million
Borrower: City of Gothenburg (Sweden's second largest city)
Aims: Financing a major construction and renovation project of the city's schools, helping to address its demographic needs and enhance its capacity to integrate migrants.



CZECH REPUBLIC

Loan size: €100 million
Borrower: Československá obchodná banka, a.s.
Aims: The funds will finance projects aimed at modernising public infrastructure and investment in small businesses to promote job creation and entrepreneurship.
Loan size: €100 million
Borrower: SG Equipment Finance Czech Republic
Aims: Providing finance to MSMEs, and investing in public transport, water processing and waste management.



POLAND

Loan size: €100 million
Borrower: Société Générale Equipment Leasing Polska S.A.
Loan size: €50 million
Borrower: Bank Ochrony Srodowiska
Loan size: €100 million
Borrower: BZ WBK Leasing
Aims: These loans will help to finance MSMEs, promoting job creation, boosting sustainable economic development and improving living conditions.





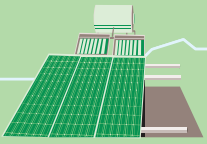
SLOVAK REPUBLIC

Loan size: €12 million
Borrower: Trnava (a self-governing region contributing around 11% of the country's GDP)
Aims: To promote inclusive growth and improve living conditions for the region's population.



SLOVENIA

Loan size: €50 million
Borrower: Slovene Export and Development Bank
Aims: Modernising local infrastructure, investing in energy efficiency, enhancing living conditions and protecting the environment.



BULGARIA

Loan size: €20 million
Borrower: Raiffeisen Leasing Bulgaria
Aims: Bulgaria was severely affected by the economic crisis, so these funds will promote access to financing for MSMEs to help create jobs.

One tool. A world of difference

A revised version of the already-successful MAPS procurement tool will be launched this year, and will have sustainability and transparency at its core.

Public procurement is a crucial component of public services delivery, good governance, and a sustainable economy, and governments around the world spend approximately 12-20% of their GDP on public procurement. Yet it remains the government activity most vulnerable to waste and corruption, due in a large part to the size of the financial sums involved.

The challenge of procurement

Increasing the effectiveness, efficiency and transparency of procurement systems is an on-going concern of governments and of the international development community. All have recognised that better use of public funds demands an adequate national procurement system that meets international standards and operates as intended.

Strengthening public procurement systems is central to achieving concrete and sustainable results and to building effective institutions. "If the procurement is not done properly, the projects will not be sustainable," says Kitty Villani, Director of Procurement at the CEB.

A ground-breaking tool

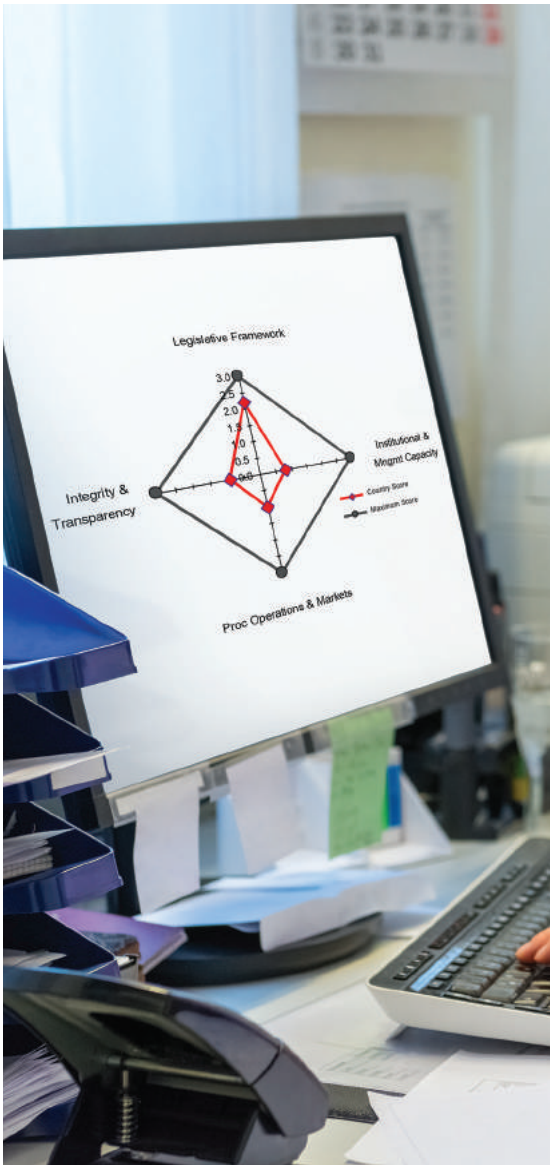
This is why countries and bilateral and multilateral donors worked together some years ago to develop a set of tools and standards that provide guidance for improvements in procurement systems. In 2004 the Methodology for Assessing Procurement Systems (MAPS) was launched as a common tool for countries and development agencies to use to assess the quality and effectiveness of procurement systems across the globe.

"MAPS is used by the countries to determine the areas of procurement which need further improvement. It is a universal instrument that can be applied in any country in the world to determine the public procurement reforms that are required to fulfill the requirements of transparency and efficiency," says Kitty Villani.

Since it was introduced, MAPS has been used by more than 60 countries and institutional partners alike to scrutinise public procurement systems and, based on the identified strengths and weaknesses, to develop strategies and implement reforms. These reforms have typically focused on creating the foundation for a well-functioning public procurement system by establishing robust legal, regulatory, and institutional frameworks.

Making improvements

In the light of new public procurement challenges such as e-procurement and the evolution of international standards, a revision to the original MAPS tool was initiated at the Global Procurement Conference in Manila in 2015. The CEB is one of the stakeholders engaged in revising the MAPS, together with other MDBs, international organisations, development agencies and countries. To date, the Bank has hosted six meetings of the working group.



Following a rigorous process of public consultation on the revised document, MAPS is currently being tested in two pilot countries, Senegal and Norway. Testing in countries with different infrastructure development levels, procurement standards and techniques aims to assess the efficiency and universality of the new instrument.

"The revised MAPS has shaped up to be a universal tool – for public procurement systems of all countries, regardless of their income level or development stage, incorporating the most advance thinking and international standards on the topic," says Paulo Magina, Head of the Public Procurement Unit at OECD. "At the same time, the revised MAPS introduces a new paradigm about collaboration between international organisations, partner countries and donors, as it is the product of constructive discussions in the stakeholders group, coordinated by the OECD."



The revised MAPS has shaped up to be a universal tool

Procurement is the government activity most vulnerable to waste and corruption.

The CEB's involvement

In addition to the joint work on the core of the revised document, the CEB is particularly involved in agency-level assessment and sustainable public procurement, together with the UNEP. Despite its modest size, the Bank brings to the table 60 years of lending experience and analysis of national procurement practices across Europe. "We have experience of assessing specific agencies in the countries we work in. Putting our findings on the table alongside the experience of other organisations helps us to identify any gaps," says Kitty Villani.

Following the testing phase and subsequent modifications, the new MAPS is expected to be launched by the end of 2017. Kitty Villani is keen to stress the usefulness of this tool, especially for an institution of the CEB's size: "This is important for us: because we are small we do not have the time and resources to dedicate to conducting analysis like this on our own. With MAPS, we can rely on what others are doing in this area."

Enhancing systems, minimising risk

According to Kitty Villani, the ability to provide an objective, standardised assessment that can be implemented in all countries, regardless of how big they are or how developed, is the strongest benefit of MAPS. The assessment will provide a basis upon which a country can formulate a capacity development plan to improve its procurement system.

Similarly, donors can use the common assessment to develop strategies for assisting the capacity development plan and to mitigate risks in the individual operations that they decide to fund. The long-term goal is that countries will improve their procurement systems to meet internationally recognised standards, making them more effective in using funds.



"MAPS is a universal instrument that can be applied in any country in the world."

Kitty Villani, Director of Procurement, CEB

PAGE 12 INVESTING IN WASTEWATER TREATMENT IN CYPRUS

CHANGING MAPS: MAKING PROCUREMENT SUSTAINABLE

Revising the MAPS tool is a timely initiative – coming in the wake of the launch of the U.N. Sustainable Development Goals (SDGs). Like the SDGs, MAPS will be relevant for all countries, irrespective of income level or development status.



MAPS is related to Goal 12, which calls for the promotion of sustainable procurement practices, in line with national priorities and policies.



It also relates to Goal 16 which calls for effective and accountable institutions.



The revision of MAPS is underpinned by the principles of value for money, transparency, fairness, and good governance.

Contextual elements have also been integrated to ensure that implementing MAPS promotes effectiveness. Among those considerations are national policy objectives, including sustainable development targets, support for the private sector, and civil service reform as well as other factors that promote a well-functioning procurement system: good public financial management, accountability, legal certainty and workforce capacity.

http://www.coebank.org/en/news-and-publications/news/ceb-hosts-maps-working-group/

Enhancing education and the environment

Cyprus has been a valued member of the CEB for over 50 years. It was the first country to contribute to the CEB's Migrant and Refugee Fund in 2015 to support member states coping with the influx of migrants and refugees



Cyprus's economy

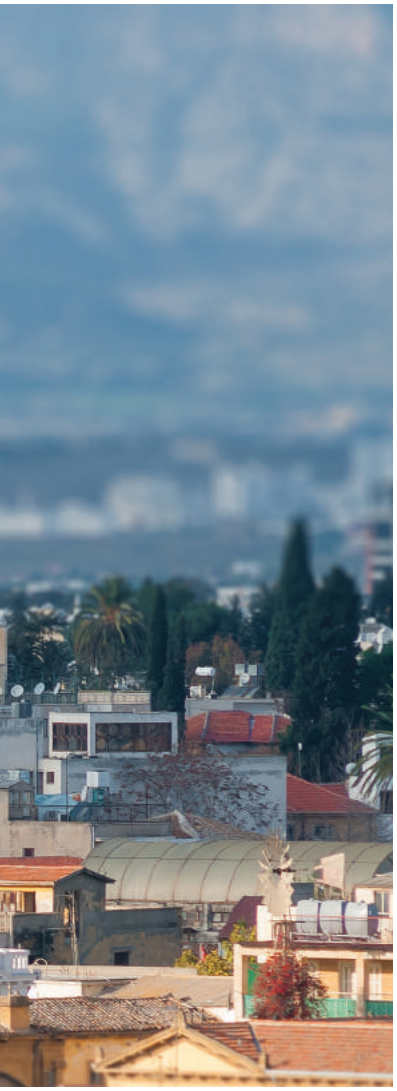
Cyprus is a country of resilience. After being hit hard in the financial crisis, when it received an international bailout, it returned to growth in 2015, a year earlier than projected.

- While the island's economy was traditionally based on agriculture, in recent decades the south has successfully diversified into a service-based economy, including a large tourism sector.
- According to the EU, the most important sectors of Cyprus's economy in 2015 were wholesale and retail trade, transport, accommodation and food services (28.7 %), public administration, defence, education, human health and social work activities (20.2 %) and real estate (11.1 %). Main export partners are Greece, Ireland and the UK, and main import partners are Greece, the UK and Italy.
- Shipping and offshore banking, especially for investors from Russia and Eastern Europe, are also growing in importance.
- The economy of the Turkish north depends on agriculture, tourism and aid from Turkey.

Go to www.coebank.org/en/news-and-publications/news/ for the latest on Cyprus and the CEB



Cyprus is Chair of the Council of Europe's Committee of Ministers until May this year, and will host the CEB's annual joint meeting in June.



AT A GLANCE

REPUBLIC OF CYPRUS

Capital: Nicosia

Population:
1.1 million (combined)

GDP: €17.421bn

Area: 9,251 sq km (combined); Cyprus is the third smallest country in the EU, after Malta and Luxembourg.

Life expectancy:
78 years (men),
82 years (women)

Currency: Euro,
(Turkish lira in the north)



Over 200 schools across Cyprus are being built or enhanced with CEB funds



AT A GLANCE

1962: The year Cyprus joined the CEB

34: number of loan requests approved

5: number of active projects with the CEB

€2.3 billion: total sum of loans approved (€1.82 billion disbursed)

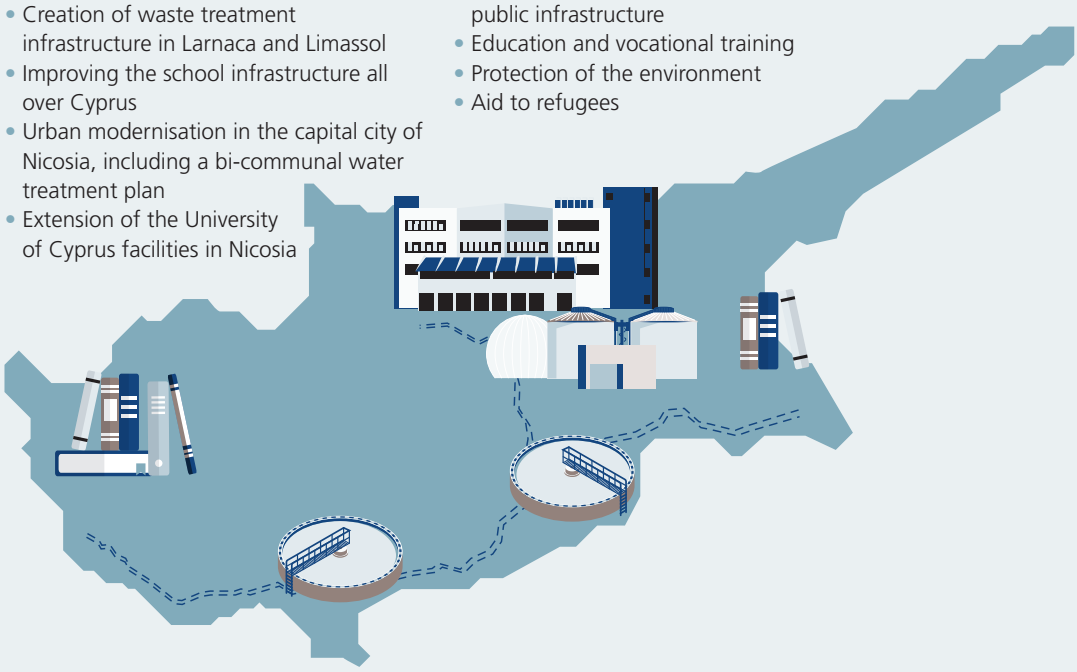
Projects approved 2007-2017

What are the CEB projects currently active in Cyprus?

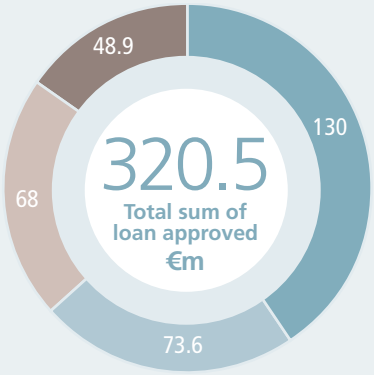
- Creation of waste treatment infrastructure in Larnaca and Limassol
- Improving the school infrastructure all over Cyprus
- Urban modernisation in the capital city of Nicosia, including a bi-communal water treatment plan
- Extension of the University of Cyprus facilities in Nicosia

Areas of focus:

- Construction and rehabilitation of public infrastructure
- Education and vocational training
- Protection of the environment
- Aid to refugees

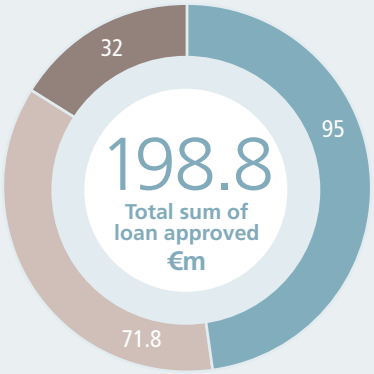


Protection of the environment



- Sewerage, Limasol
- Sewerage and drainage, Larnaca
- Wastewater treatment, Nicosia
- Sewerage, Paphos

Educational and vocational training



- Construction/Improvements to schools across Cyprus
- Development of University of Cyprus, Nicosia
- Extension of facilities at University of Cyprus, Nicosia

Pooling efforts for cleaner water



A new high-tech waste water treatment plant in Nicosia, funded with a €68 million loan from the CEB, is meeting the growing needs of both Greek and Turkish communities.

Water scarcity has always been a serious problem for Cyprus. The island has a dry climate and its underground waters are largely insufficient, so the country depends almost entirely on rainfall for its water resources.

It is not unusual for Cyprus to experience two or three consecutive dry years but, in recent years, climate change has led to more frequent droughts. This, coupled with increased demand from tourism, is worsening the water scarcity problem on the island.

Decades of water initiatives

Since the 1970s, the CEB has continuously provided financing to the country to better manage its water resources. CEB funds have been used to build dams, construct irrigation networks, bring drinking water to communities or build new sewerage systems.

The government's water policy focuses on making the most of non-conventional water resources, such as recycled water. Since joining the European Union, Cyprus has also implemented the Urban Waste Water Treatment Directive, necessitating substantial investment in wastewater infrastructure.

Cyprus currently has five active projects with CEB, two supporting the creation of infrastructure for waste treatment in the municipalities of Larnaca and Limassol. In the past decade alone the CEB has invested €320 million in the island's water infrastructure.

Bi-communal wastewater treatment plants

Water scarcity knows no borders and the communities on both sides of the divide suffer consequences. Faced with a common challenge, the Greek and Turkish communities of Nicosia have worked together over the years to manage water resources. When a joint water recycling plant was built in the village of Mia Milia, located north of the Green Line, in the north-east of Nicosia, the project was hailed as an example of bi-communal cooperation.

As the city grew, however, the Mia Milia/Haspolat wastewater treatment plant (WWTP) began experiencing severe capacity overload and was unable to meet treatment requirements or environmental constraints. The outdated processing technology and overloading led to heavy environmental burden for the neighbouring areas and unpleasant odours for nearby Nicosia residents.

With the forecasted growth in the respective catchment area, the construction and commissioning of a new WWTP at Mia Milia became a priority. The CEB financed the new plant with a €68 million loan to the Sewerage Board of Nicosia.

The project had a number of key objectives:

- expand and upgrade the sewerage and drainage facilities in the Greater Nicosia area to improve the quality of life of the population
- safeguard economic development for one of Cyprus's main commercial and tourism centres
- protect the environment as a major asset of the tourism industry.

A state-of-the-art solution

The new WWTP protects the shared environment and natural resources of both communities, and provides both communities with a modern, high-tech plant with the capacity to accommodate future needs.

The plant is equipped with state-of-the-art wastewater treatment technology that uses membrane bioreactors. In membrane technology physical, chemical and organic processes serve to remove contaminants from wastewater and make it safe for reuse in agriculture. The Nicosia plant is now the second largest WWTP in Europe to use membrane technology.

The Nicosia plant has a capacity to produce ten million cubic metres of treated water a year, which is used to irrigate agricultural land. It also produces dry bio-solids, which can be used as a natural fertiliser. It is fitted with an anaerobic sludge digester and a combined heat and power (CHP) unit to produce green electricity from biogas. The plant also helps check pollution levels in the River Pedieos.

Since the 1970s, CEB funds have been used to build dams, construct irrigation networks, bring drinking water to communities or build new sewerage systems across Cyprus.

MIA MILIA WASTE WATER PLANT



270,000
people from both Greek and Turkish communities are served by the new plant

30,000 m^3
of wastewater treated in the plant per day

10 million m^3
of recycled water can be used for irrigation per year

500
hectares could be irrigated every year with recycled water from this plant



An ongoing project

The current project continues the Bank's support to provide basic sewer and drainage facilities in priority areas of the Nicosia municipality. During the first phase, a new sewage treatment plant was constructed in Vathia Gonia; the treatment capacity of the existing Anthoupolis plant was tripled; eight pumping stations were constructed, and more than 800 lateral sewers and force mains were installed.

Savvas Hadjineokleous, General Manager of the Sewerage Board of Nicosia, says that both communities faced challenges during the project: "However, today they continue to work together, in cooperation with the contractor-operator, to ensure the proper operation of the plant."

Mrs Tiziana Zennaro, Programme Manager from UNDP, the implementing partner on the project says, "By joining resources and technical expertise, the Mia Milia Wastewater Treatment Plant now represents one of the largest and most modern wastewater treatment plants in Europe. More importantly though, it is an excellent example of how the collective efforts of both communities have helped to achieve a more sustainable future in the greater Nicosia area."

Reviving a capital city

INFO caught up with Athina Papadopoulou, who manages many of the co-funded revitalisation development projects in Nicosia, to learn more about how CEB-funded projects are helping to benefit the city's communities.

info: Nicosia is often described as the last divided capital of Europe. What are some of the challenges facing the city today?
AP: The division of Nicosia has transformed the island's capital into a 'frontier' city from the central capital city it used to be. The buffer zone runs east to west through the city's historic heart. As a result, Nicosia has suffered decades of functional problems, from traffic management issues to underdevelopment. A poor public infrastructure and derelict, decaying historic building stock have been unattractive for residential and business use.

Since the 1980s and the initiation of the bi-communal Nicosia Master Plan project, numerous public infrastructure upgrade projects have been implemented in the historic core on both sides of the buffer zone – recognising the key role both communities play in the regeneration of the city and in the vision of a future united city.

info: How are the urban revitalization project, and CEB funds, breathing new life into the city centre around the buffer zone?
AP: Since Cyprus became a member of the European Union, Nicosia Municipality has benefitted from ERDF Structural Funds, which have helped to support urban revitalization projects. Since 2010 the Municipality has also been significantly supported by the CEB and EIB loan, which has enabled it to invest in infrastructure projects that enhance the quality of life of people living and working in the center of the city. Upgrades to the urban environment have included the redesign of streets and open spaces, the restoration of façades, and streetscape improvements, including better street lighting and furniture.

info: How are these investments improving the lives of Nicosia's citizens?
AP: The old neighbourhoods of Nicosia have regained a sense of quality and are attracting residents and small businesses back into the area. The improvement of the city, most evident in the last seven years, has brought new life into the historic core of Nicosia adjacent to and along the buffer zone, creating potential investment opportunities for business, residential, cultural, educational, and research and development use.

Currently, under the Structural Funds Programming Period 2014-20, Nicosia Municipality is implementing projects which fall within its 'Strategy for Integrated Sustainable Urban Development'. This includes provision for tackling sustainable mobility, environmental and energy issues as well as waste management. The current Mayor, Mr Constantinos Yiorkadjis, and the Municipal Council, place top priority on implementing the strategy in order to transform Nicosia into a sustainable, smart, all-inclusive capital for Cyprus.

ATHINA PAPADOPOULOU

A qualified architect who heads the Nicosia Master Plan (NMP) office in Nicosia Municipality

In the Greek Cypriot team, she works closely with Turkish Cypriot colleagues to plan and implement joint regeneration projects

Manages most of the co-funded revitalisation development projects, including those funded by the CEB



"The old neighbourhoods of Nicosia have regained a sense of quality and are attracting residents and small businesses back into the area."

A vision of the future

Another CEB loan is set to enhance the facilities of the University of Cyprus and make a positive long-term difference to the people of Cyprus.

When the University of Cyprus (UCy) was established in 1989 it was the first public university in the country. It opened its doors to its first 486 undergraduate students in 1992. Over the course of three decades it has become the leading – and largest – educational institution in Cyprus. Today it has more than 7,000 students, and competition for places is fierce as the University only has places for around a third of applicants each year.

UCy has been undergoing phased development since the late 1990s, and in 2001 the CEB granted a €72 million loan to the University to support the first phase of improvements.

In June 2016 a second loan, for €32 million, was approved by the CEB's Administrative Council to enable UCy to finance its following phase of development, with the aim of providing world class teaching, research and accommodation facilities for 10,000 students by 2020.

The University today

UCy is currently housed in facilities at the New University Campus in Athalassa. Located on the outskirts of east Nicosia, the campus covers an area of 1.2km^2. It has other facilities at the former Pedagogical Academy of Cyprus, and owns or rents various buildings around the area, including in Latsia, around 8km south west of the main campus.

The new CEB investment will enable the University to extend its facilities at the Athalassa campus, renovate the Academia campus, and upgrade the Shakoleion Educational Health Centre to house the medical faculty. The aim is to move most of the faculties, departments and teaching activities to the main Athalassa campus.

Fulfilling potential

Through its development plan, the University aims to become the leading research and teaching institution in the eastern Mediterranean. By creating new jobs and attracting quality academic staff and students, UCy will be able to make a substantial contribution to the academic and research community in this area and across Europe as a whole. What's more, by providing quality tertiary education in a variety of fields, UCy aims to keep Cypriot students and young graduates on the island.

Speaking at the signing of the loan agreement in June 2016, CEB Governor, Rolf Wenzel, said, "This is an important project for Cyprus. It will not only improve the energy efficiency of UCy buildings and create new jobs, but it will also enable the University to admit more students, which means that more Cypriots will be able to pursue their university studies in Cyprus. The CEB is very pleased to be contributing to the financing of this project."

Minister of Finance Harris Georgiades, who signed the loan agreement on behalf of Cyprus, underlined the excellent cooperation between Cyprus and the CEB, saying: "The economic benefits of the project to society will comprise more scientific research and a better educated population, which will lead over time to more innovation, productivity gains and lower unemployment."

"This project enables the University to admit more students, which means that more Cypriots will be able to pursue their university studies in Cyprus."
Rolf Wenzel, CEB Governor





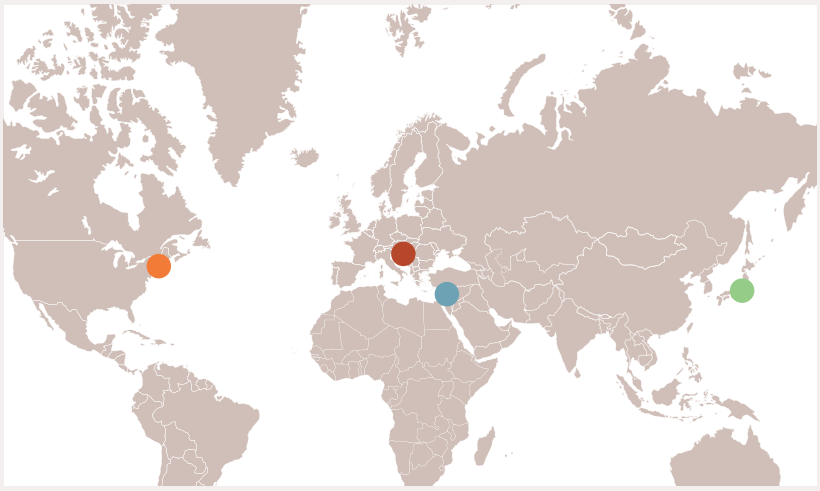


The University of Cyprus is the leading educational institution in Cyprus.

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What's on April-June 2017

A variety of development sector meetings and events are set to take place throughout the spring and early summer. Below is a round-up of the key events, alongside the latest publications launched by the CEB.



21-23 April, Washington DC:

Spring meetings of the World Bank Group and the International Monetary Fund

A range of events focused on the global economy, international development and the world's financial markets.

More at: www.imf.org/external/Spring/2017

4-7 May, Yokohama:

50th Annual Meeting of the Asian Development Bank

Over 3,000 people are expected to attend discussions about developments in Asia and the Pacific, including finance and development ministers.

More at: www.adb.org/annual-meeting/2017

9-11 May, Nicosia:

Annual Meeting and Business Forum 'Targeting Green and Inclusive Growth' of the European Bank for Reconstruction and Development

Senior businesspeople, investors and policy-makers meet for three days of discussion and debate in Cyprus.

More at: www.ebrd.com/news/events/ebrd-2017-annual-meeting-and-business-forum.html

16 June, Nicosia:

Joint Meeting of the CEB

The CEB's Governing Board, Administrative Council and Management will meet for the 52nd Joint Meeting to discuss Europe's ongoing social challenges and the role of the CEB.

27 June, Belgrade:

Assembly of donors of the Regional Housing Programme

Donors and partner countries meet for an update on the latest developments in RHP implementation.

LOOK OUT FOR THE NEXT ISSUE OF **info** OUT IN JUNE

Hot off the press!



INVESTING IN PUBLIC INFRASTRUCTURE IN EUROPE

An overview of the CEB's experience of improving living conditions across Europe. The study assesses recent trends and challenges in the provision and financing of local infrastructure across member states, and their implications for future lending to this sector.



ACTIVITY REPORT 2016

This report, named "Report of the Governor" details the CEB's activities during the year, particularly regarding projects financed by the Bank.



FINANCIAL REPORT 2016

This report presents the financial statements in accordance with IFRS along with related explanatory notes.



CORPORATE SOCIAL RESPONSIBILITY REPORT 2016

CSR is inextricably linked with the CEB's existence and purpose. This latest report describes our overall contribution to socially and environmentally sustainable development.

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