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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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Dear reader,



This issue of **Info** highlights the important role of social economy organisations in reducing inequalities, strengthening social cohesion and promoting inclusive growth. These are synonymous with the broad objectives of the CEB, which stem from its social mandate.

The Bank works closely with such organisations in order to support inclusive growth through job creation, social infrastructure development, the integration of vulnerable groups into society, and environmental sustainability.

For example, we are cooperating with Rabobank in the Netherlands to provide financing to social enterprises and associations in healthcare and education. And we are actively engaged in supporting the French social care sector through loans to major players in the field, such as Crédit Coopératif, Crédit Agricole and the BPCE Group.

The Regional Housing Programme (RHP) is yet another CEB programme which makes a lasting impact on human lives, through the provision of sustainable housing solutions to vulnerable displaced persons living in dire conditions. In this issue you can read more about CEB activity in the above areas.

Last but not least, the Director of Human Resources, Mr Terje Hagen, shares his vision for HR at the CEB. Mr Hagen, who joined the Bank in September 2017, has brought to the CEB the extensive professional experience he has gained in the international sector.

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**

CHAIRPERSONS OF CEB GOVERNING ORGANS ELECTED

The Governing Board of the Council of Europe Development Bank (CEB) re-elected Dominique Lamiot as Chair of the Governing Board and elected Miglė Tuskienė as Chair of the Administrative Council. Mr Lamiot, who is a French national, was re-elected for a second three-year term as Chair of the Governing Board. Ms Tuskienė, a Lithuanian national, has been serving as Lithuania's Vice-Minister of Finance since August 2017.



VICE GOVERNOR VISITS GEORGIA

CEB Vice Governor Rosa María Sanchez-Yebra Alonso visited Georgia in early November to meet senior officials and discuss ongoing and planned CEB-funded projects in the country.

The Vice Governor met Dimitry Kumsishvili, First Vice Prime Minister, Aleksandre Jejelava, Minister of Education, and Irakli Matkava, First Deputy Minister of Regional Development and Infrastructure. The Vice Governor also visited Credo Bank, which benefits from a CEB loan for microfinance, plus various international organisations, including the UNDP, IMF, Council of Europe and the World Bank.

CEB JOINS GLOBAL TAX TRANSPARENCY FORUM

The CEB has been granted observer status at the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, acknowledging the Bank's commitment to fighting fraud, corruption, money-laundering and harmful tax practices.

The Forum brings together 137 countries and jurisdictions to fight international tax evasion through improved standards of transparency and information exchange.

Governor Rolf Wenzel said, "Taking into account that the Bank has incorporated the outcomes of the Global Forum's reviews in its own policy guidelines, this decision is significant because it also reaffirms the CEB's increasing visibility at the international level and will strengthen our cooperation with the OECD in an important area."

New start for Konik camp families

Some 120 families have left the Konik refugee camp in Podgorica, Montenegro and moved into their new apartments.

At a ceremony on 15th November the families received the keys to their new homes, which were financed by the Regional Housing Programme (RHP), which is managed by the CEB.

The Konik camp is the largest refugee camp in the Balkans. It was settled by Roma who left Kosovo after the conflict in 1999 and came to Montenegro. The event marks a new start for hundreds of people who lost their homes almost a generation ago, and who now consider Montenegro home. The aim is to finally close the camp late next year when the final 51 apartments are handed over to the remaining families.

3,000

The number of RHP-funded housing units that will have been completed by the end of 2017 in Montenegro, Croatia, Serbia, Bosnia and Herzegovina.



Families receive the keys to their new homes

EU partners with CEB to fund new hospital in Turkey

The CEB and EU signed a delegation agreement in November to fund the building of a new state hospital in Kilis, a Turkish town ten kilometres from the Syrian border. The hospital will serve the Turkish community as well as Syrian refugees, thousands of whom have flooded into the town since the start of the Syrian conflict.

The population of Kilis has more than doubled, to 260,000 people, since the beginning of the conflict and the new hospital will provide at least 300 much-needed beds.

The CEB and EU are long-standing partners, and Turkey is a founding member of the CEB. The EU grant comes from its Facility for Refugees in Turkey, which was established in 2015 to support Turkey in its efforts to cope with the unprecedented numbers of Syrian refugees that it was receiving.



Governor in Brussels for EU-Turkey economic dialogue

CEB Governor Rolf Wenzel participated in the second edition of the EU-Turkey High-Level Economic Dialogue, which took place in Brussels on 7-8 December. This year's meeting addressed questions relating to the economic situation, ongoing reforms, and business opportunities in Turkey and the European Union.

Conference takes a city focus

Promoting inclusive growth by financing social infrastructure projects is a priority area for the CEB, and, in recent years, it has stepped up cooperation with cities and municipalities in its member countries to support social investment.

In October the Bank took part in the EUROCITIES conference in Vienna entitled 'Cities' long-term investment for a stronger European economy' where more than 100 representatives from city authorities from across Europe came together to share thinking around their cities' long-term investment.

Panel discussions and workshops ranged across a variety of topics, from affordable housing to energy efficiency, and included a speech from the CEB's Deputy Director General of Loans and Social Development, Stephan Sellen, who spoke about the need for long-term investment in housing, health and education in cities.



The CEB delegation at the EUROCITIES conference

Laying the foundation for affordable housing

Access to affordable, decent housing has been deemed a fundamental right, yet nearly 25 million people in Europe suffer from severe housing deprivation.

In Brussels, in late November, the CEB, along with the Friends of Europe, Housing Europe and FEANTSA, came together at a roundtable to discuss ways forward, and to lay the foundation for a Housing Solutions Platform.

CEB Vice-Governor for Social Development Strategy, Rosa María Sánchez-Yebra Alonso, delivered the opening speech and a reminder that the CEB has financed the housing sector since its inception in 1956.

Building more affordable and better quality housing requires financial mechanisms to be in place and readily available. This event identified the challenges and opportunities, helping to inform future policies and practices.

€11 billion

The total value of projects approved for social and affordable housing by the CEB since 1956.

PAGE 14 HOW THE CEB HAS TACKLED ITS UNIQUE ROLE MANAGING THE REGIONAL HOUSING PROGRAMME

Latest approved loans

The CEB's Administrative Council approved seven new loans in November, worth €367 million. This brings the total value of loans approved in 2017 to €3.9 billion, up €400 million from 2016.



IRELAND

IRELAND

Loan size: €85 million
Borrower: Limerick City and County Council
Aims: To enhance the sustainable development of the city, strengthen social cohesion and boost job creation.

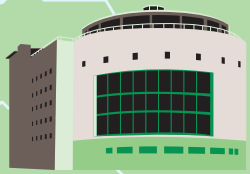


PORTUGAL

PORTUGAL

Loan size: €80 million
Borrower: Government of Portugal
Aims: To promote the development of sustainable agriculture and improve living conditions in rural areas.

These loans will support a range of projects, from enhancing access to finance for MSMEs, to supporting urban development and building new academic facilities.



LATVIA

LATVIA

Loan size: €12 million
Borrower: University of Latvia
Aims: To fund the construction of new campus buildings.



POLAND

POLAND

Loan size: €100 million
Borrower: Pekao Leasing Sp (Pekaol)
Aims: To finance investment projects for MSMEs, promoting job creation and preservation.

ROMANIA



ROMANIA

Loan size: €50 million
Borrower: Raiffeisen Leasing IFN SA Romania
Aims: To enhance access to financing for MSMEs, supporting job creation and preservation.



MONTENEGRO

MONTENEGRO

Loan size: €30 million
Borrower: Investment and Development Fund of Montenegro (IDF)
Aims: To improve access to long-term financing for MSMEs and to boost job creation.
Loan size: €10 million
Borrower: Government of Montenegro
Aims: To fund a subsidised mortgage scheme for 500 low-income households.

Supporting the projects that care



Social care plays a vital role in advancing social inclusion. Thanks to its considerable experience financing the social economy sector in France, the CEB is well-placed to respond to the challenges of increasing demand for social care across Europe.

The importance of social care

Social care is the support provided to vulnerable people of all ages who are in need or at risk in their daily lives. It is a combination of formal and informal care, and includes the role played by families as well as access to formal support.

Social care ensures that those who are not fully capable of self-care maintain the best possible quality of life, with the highest possible degree of independence and human dignity.

France and social care sector

As a social development bank, the CEB has significant experience of financing social care in France, one of its founding member countries. Here, support and services for older people and people with disabilities are provided by a large number of government programmes, regional and local initiatives, as well the not-for-profit sector.

The voluntary sector forms an integral part of the solidarity-based economy, which has traditionally been very strong in France. Most players in this sector are referred to as public interest organisations, and often operate under the legal form of associations. About 30% of services for older people and people with disabilities are provided by the not-for-profit sector. It supports 30% of all people who are dependent and 90% of those with disabilities.

The CEB's role

The CEB is already supporting major players in the French social care sector via loans to Crédit Coopératif, Crédit Agricole or BPCE (Group Caisses d'Épargne). In the last ten years the CEB has invested €850 million to provide, among other things, vital services to people with disabilities and those of all ages who are experiencing difficulties day-to-day.

The recipients of CEB funding include associations and foundations recognised as 'public utilities' according to French legislation, plus local associations approved by the community, under contract with the state or local authority. These private providers are financed with public money.

According to Murielle Déprez, Health and Social care portfolio manager at BPCE (Caisses d'Épargne) – one of the commercial banks financed by the CEB – the demand for the services of the social care sector has seen a significant rise in the past 20 years.

"The social care sector grew a lot. In the 2000s when the baby boom generation started retiring, we realised we were lacking places in the retirement homes. Moreover, there has been a wave of medicalisation of the sector. As we live longer, we need more treatment at

"The resources allocated by the CEB allow Crédit Coopératif to support, under favorable pricing conditions, projects for the creation, extension or renovation of institutions for the elderly or disabled, supported by associations, mutual insurance companies, or even foundations."

Magali Tarrin, Markets Manager, Crédit Coopératif.



France's social care sector

30,000
settings and services
Caring for
1.2 million
people, including older people and people with disabilities


© Sylvie Dupic

the end of life, which increases the need for medicalisation, and consequently for technology and financing."

Challenges of the sector

However, public interest organisations have not been spared by the economic crisis in France. They have had to contend with public spending restrictions and reduced lending by banks and other financial institutions.

As a result, many have had difficulties ensuring the continuity of their work and formulating investment projects. This is particularly the case with renovating and upgrading facilities, which is often a prerequisite for public financing.

Another challenge for not-for-profit organisations delivering social care services in France is that the sector is strongly regulated and monitored by French public authorities. Players are required to meet a specific legislative and regulatory framework: the Social Action and Family Code, the Social Security Code, a specific accounting framework, plus procurement rules in accordance with European standards. Organisations need significant resources to meet all the norms. However, this ensures a certain level of standards and quality.

"Managers of institutions and services in the social care sector must now face exponential social needs, while the budgets allocated to them are constrained. In this context, they need access to more funds to sustain their activity, which is often essential to the local economic fabric and the maintenance of certain jobs," says Magali Tarrin, Markets Manager at Crédit Coopératif

Benefits of CEB funding

The CEB's financing ensures stable long-term funding, allowing the continuity of vital services in the social care sector. This is the sector that traditional banks are reluctant to lend to and which often faces significant development obstacles because of challenges with accessing long-term finance and resources.

The projects funded by the CEB through intermediaries target vulnerable and often disadvantaged populations such as older people, people with disabilities, and people in dependent situations. The CEB-funded investments in health, medical, welfare and education facilities aim to provide these groups with functional premises and equipment in a safe environment that meets current standards while keeping the costs sustainable for the beneficiaries and the community.

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CEB funding ensures continuity of vital services

© Sylvie Dupic

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Common European challenges

All across Europe the provision and financing of social care are evolving in the light of changing welfare states, technological adaptations and changing societal norms. In the coming years, given the significant pressures arising from demographic changes and fiscal constraints, social care will become a major issue in social policies and investments across CEB member countries.

The number of Europeans aged 80+ is expected to triple in the next five decades. Additionally, social care services will have to be increasingly provided to vulnerable people of all ages, particularly those with disabilities.

Moreover, for both economic and societal reasons, many European countries are in a process of transitioning from a centralised social care model to a decentralised, community-based model, allowing for individuals to stay within their community.

These trends will create substantial new costs, both for providers and receivers of social care, and will challenge the fiscal sustainability of public systems. Additional private sources of funding will be required to continue to be able to fund care in the future.

Rising to the challenge

The development of the social care economy is a promising perspective to expand the supply of social care services under strained public budgets. In some CEB member countries, such as France and Italy, social enterprises are already playing an increasing part in meeting the growing need for social care services. Social care field is also increasingly attracting innovative funding mechanisms, such as social impact bonds, which have recently become part of the public services landscape in Europe.

The CEB can help to address some of the funding needs in the sector. Since 1997 it has been investing in multiple projects and programmes that support social care across Europe, often under the framework of health, education or housing. The Bank's involvement has had a very positive social impact.

While awareness to invest in social care is growing across the continent, the CEB as the social development bank in Europe is well positioned to develop its niche in the social care sector.

THE CEB – SUPPORTING SOCIAL CARE IN FRANCE

€850 million
for social economy in France, including:

€500 million in five loans to Crédit Coopératif

€200 million to Crédit Agricole

€150 million to BPCE

Supporting assistance-through-work

One example of a public-interest organisation benefitting from the CEB funds is GRAVIR (Groupement d'accueil et de vie en institution rurale) which, since its foundation in 1972, has managed a social care centre in the municipality of Diusse, in the south-west of France. Every day, the institution receives adults with disabilities, referred to it by the Maison Départementale pour Personnes Handicapées, as part of the assistance-through-work scheme (ESAT - *Etablissement et Service d'Aide par le Travail*).

An ESAT allows people with disabilities to work in protected environments, which is crucial for those without enough autonomy to be able to work in ordinary settings. GRAVIR proposes various types of rural or artisanal activities, including agriculture, gardening, masonry and craftwork.

In 2012, GRAVIR constructed a building to enable both young and older people with disabilities to pursue assistance-through-work. Funding provided by the CEB through Crédit Coopératif made it possible to finance the extension and refurbishment of three blocks of the residential home.



GRAVIR enables people to work in supported settings

PAGE 12 A CEB-FUNDED SOCIAL IMPACT LOAN IS SUPPORTING SMALL SOCIAL ENTERPRISES IN THE NETHERLANDS

Mobilising funding for social infrastructure

Info talks to Laurent Zylberberg, Director of Institutional, International and European Relations at Caisse des Dépôts (CDC), a public sector financial institution.

info: Supporting local development projects is a major challenge for Caisse des Dépôts. What does the Group do to support social infrastructure?
LZ: Financing local development, notably in the form of infrastructure, is one of the Caisse des Dépôts Group's historical missions. In particular, we are committed to financing social infrastructure which is crucial not only to maintaining territorial diversity but also to providing citizens with key essential services as close as possible to their doorsteps. Our financial support comes in the form of loans and via investments in equity. The different directorates within Caisse des Dépôts have all mobilised to meet these needs.

Thanks to our loans, Caisse des Dépôts is the number one financier in the social housing sector in France. Our subsidiary, the SNI Group, is the leading social housing lessor, providing accommodation for almost one million people across the country. We are also very active in the health sector, with 96 loans granted to health facility projects for a total of around two billion euros since 2008.

info: Promoting inclusive growth by financing social infrastructure projects is one of the CEB's priority lines of action. In your opinion, what are the possibilities for collaboration between our two institutions?
LZ: Having long been partners in a number of associations such as the European Long-Term Investors association (ELTI), our institutions know each other well. We have developed projects in common, including the financing of social housing via ADOMA, a subsidiary of the SNI Group. We are currently in the process of examining the possibilities for financing loans for the benefit of young workers' hostels. We also share the same essential concerns aimed at supporting public policies in financing social projects (social housing, infrastructure, urban development, education, health, etc.).

info: In France and in Europe, what contribution can financial institutions such as the CEB make to the process of reflection on the financing of social infrastructure, particularly in the areas of education, health and housing?
LZ: As I just mentioned, the CEB and Caisse des Dépôts are active members of the European Long-Term Investors association. Within this association, we have set up a High-Level Task Force, chaired by Romano Prodi and Christian Sautter, in order to reflect on innovative methods of financing that could be used in the field of social infrastructure within the European Union. This work has mobilised numerous high-level experts who have drafted a report proposing an innovative approach and this will be submitted to the European Commission in the coming weeks.

The long-term finance institutions not only possess expertise in matters of financing but also in-depth knowledge of their respective domestic markets, and these are features that will have to be capitalised upon when it comes to putting the recommendations of the above-mentioned report into practical effect. Moreover the extension of the European Investment Plan ("Juncker Plan") should allow for a greater allocation of funds for social infrastructure. Finding solutions for financing social infrastructure that have positive externalities and a controlled risk profile for a reasonable return is, without any doubt, a major challenge for institutions such as ours.

LAURENT ZYLBERBERG

Has been at CDC since October 2014, and is a member of the CDC and Group Management Committees

Has held senior roles in the private sector, including working for many years at Orange France Télécom, including as Group Chief Compliance Officer

In his earlier career he worked as a government political advisor and as Social Affairs Counsellor at the French embassy in London

> **"Social infrastructure is crucial not only to maintaining territorial diversity but also to providing citizens with key essential services as close as possible to their doorsteps."**
> Laurent Zylberberg



Doing well by doing good

Through its partnership with Rabobank in the Netherlands, the CEB is providing financial incentives for businesses that do social good.

For over a decade now, the health care and education systems in the Netherlands have been decentralised and 'open'. The state sets the basic policy, regulatory framework and operational conditions, but the individual is left free to choose the service provider that best suits their personal needs.

The reforms in 2006 that brought this about created a shift away from the provision of centralised and institutionalised care, and allowed the development of a market for small, mostly private, social enterprises able to provide innovative and customised care, including community services for the old, the young, people with disabilities or on low incomes.

The challenge for social enterprise

A recent study showed there was a deficit in funding for growth capital for these businesses, as some institutions that provide regular financing for MSMEs are more reluctant to support social enterprises. Meanwhile, the demand in the Netherlands for healthcare, and for these types of services, is only increasing, due to the country's ageing population.

"The Netherlands is a champion of healthcare costs," explains Marleen Jansen, Sector Manager for Healthcare at Rabobank. "The country's healthcare expenses are among the highest in Europe." This is of concern to Rabobank, the Netherlands' major cooperative bank and funder of social entrepreneurs.

"Our goal is to support sufficient health care in all parts of the Netherlands, which is important for the livability of those areas. To achieve quality, accessibility and affordability we have to fundamentally change the system – and the drivers of this transformation are entrepreneurship and innovation."

Rewarding sustainability

Rabobank developed a social impact loan (SIL), which financially rewards clients for their sustainable behaviour. The SIL is aimed at helping emerging social sector providers to develop their activities by offering them incentives to adopt environmental and social best practices. However, currently only 10% of all eligible Rabobank clients fulfil the loan's criteria.

So, this year, with €100 million in funding from the CEB, Rabobank launched its new Rabo Impact Loan for Healthcare and Education, focusing on two sectors that have great social value in the Netherlands. "Thanks to our partnership with the CEB, we are going to strengthen organisations with a social impact in primary care and primary and secondary education," says Bas Rüter, Director of Sustainability at Rabobank.

What is a social enterprise?

- A business that makes its money in a socially responsible way, providing improvements in human or environmental wellbeing.
- Some 10% of all European businesses are social enterprises.
- They employ more than 14.5 million Europeans.
- Often forerunners in the health, social and environmental sectors, thanks to their capacity to respond to social issues.

Source: European Commission



RABOBANK AND THE CEB

- Rabobank's cooperative set-up, strong local presence and integrated sustainability strategy fit well with the CEB's social mandate.
- The two institutions have long collaborated on funding, but the Rabo Impact Loan for Healthcare and Education was the first joint project between them on the assets side.
- The SIL is expected to bring additional value by providing tenor-specific financial resources to Rabobank.
- The SIL now enables the CEB to support MSME clients in the Netherlands who have high social or environmental impact but who may present high risk. These clients nevertheless have a high job creation impact and promote entrepreneurship in the social economy – key factors for sustainable economic growth.

PAGE 08 FIND OUT HOW THE CEB IS FUNDING SOCIAL CARE IN FRANCE AND EUROPE



The CEB and Rabobank teams at the launch of the new Rabo Impact Loan

Beneficiaries of the programme will be entrepreneurs, family businesses and MSMEs that operate in the social sector, that generate social added value and have been certified to one of the different eligible certification schemes. The main focus areas will be social care providers, education providers, and the integration of disabled people. Those involved may range from GPs and dentists, to mental health and addiction centres, domiciliary care providers, and care services for older people and people with special needs.

The loan to Rabobank is the CEB's first ever operation in the Netherlands, a member country of the Bank since 1978.

"Entrepreneurship is a crucial driver for economic growth and job creation in the Netherlands. In addition, it can be a very efficient vehicle for providing social services that are tailored to local needs. We are entering into cooperation with Rabobank to realise concrete improvements at social and sustainable level in healthcare and education," says Holger Seifert, Country Manager for Netherlands at the CEB.

"Europe can only be successful in the long run if it becomes more cohesive. We need to invest in helping an ageing population to remain healthy. We need to find ways to keep people living longer at home, and we need to work together – public and private – to make this happen."

Bas Rüter, Director of Sustainability, Rabobank

Joining forces in Roden

With people living longer, and many keen to continue living independently for as long as possible, there's a need for high quality local healthcare facilities. A Rabo Impact Loan for Healthcare and Education will enable a brand-new health centre to be built in the town of Roden in the Dutch province of Drenthe.

The centre will provide consulting space for three GPs, a pharmacy, a physiotherapist and a blood testing laboratory. A nutritionist and a domiciliary care service may be added in the future. This integration of a range of primary care services under a single roof promotes collaboration and improves the quality of care and patient experience.

The driving force behind the project is BCN Groep, a company that specialises in solving accommodation issues. Managing Director, Aeijolt Keuning, says, "A general practitioner or physiotherapist would not be likely to set up a comprehensive development project like this one, even though it could really benefit them and their patients.

"In the process of developing the plans for the health centre, they provided the healthcare know-how, while we shared our expertise in property and sustainability. I can see opportunities to establish similar care centres elsewhere, particularly in non-urban areas where there are fewer services and facilities and providers tend to share the same patients."



Aeijolt Keuning's BCN Groep is driving the creation of a new integrated health centre, funded by a Rabo Impact Loan

Creating a lasting impact

The CEB's role in managing the Regional Housing Programme has generated unrivalled opportunities to learn and enhance our working practices.



The Regional Housing Programme (RHP) aims to help resolve the situation of the most vulnerable refugees in Bosnia and Herzegovina, Croatia, Montenegro and Serbia (the "Partner Countries") who were displaced following the conflicts in the former Yugoslavia. This flagship initiative has had a significant positive impact on fostering reconciliation and improving regional cooperation.

The programme, which is part of the larger Sarajevo process and is endorsed by the international community, was founded by partner stakeholders: the four Partner Countries, the EU, the U.S., the UN Refugee Agency (UNHCR), and the Organisation for Security and Co-operation in Europe (OSCE).

Creating a robust structure

The founding partners entrusted the management of the RHP and the RHP Fund to the CEB – the first time the Bank would implement a programme of this size and complexity.

In 2012, in consultation with the stakeholders, the CEB established a multi-level governance and coordination structure for the RHP, which it has since managed through its roles as the programme's finance institution, fund manager and secretariat. The CEB is a flexible institution, responsive to challenges, and the support from its many departments has enabled the Bank to create a multifaceted structure that continues to work well.

"We have been very lucky to put together a team which consists of highly qualified people with strong expertise in their own specific field and who know the Western Balkans' region," explains Marja Seppala, Head of the RHP Secretariat and RHP Coordinator.

An opportunity to learn

The Bank's unique and vital role in the programme has also opened up valuable opportunities to learn on an international level.

For example, the EU has pledged €232 million to the programme, making it by far the largest RHP donor. This close co-operation with the EU has deepened CEB's understanding of how to channel EU funds. It is also the first time the Bank has obtained grant funds from the U.S., which has to-date made three contributions to the RHP Fund.

"Both the EU and the U.S. are very active in daily RHP operations," says Marja Seppala. "This brings us a lot of expertise and valuable support, also thanks to their extensive presence in the region." The other main donors - Germany, Norway, Switzerland and Italy - have also been active counterparts, bringing further added value to the implementation.

The CEB's involvement in the programme has also presented a unique opportunity to create successful 'modus operandi' with the UNHCR and OSCE. Both organisations contribute much to the RHP in the areas of beneficiary selection and protection, as well as sustainability aspects, through their strong expertise and presence on the ground.

Tackling challenges together

Marja Seppala concludes: "The RHP is a big and complex programme. But, so far, we have always managed to deliver up to the expectations, and – very importantly – in a good atmosphere. By combining different skills under one team, complex issues can be tackled efficiently, fully in line with the CEB's legal framework, rules and regulations."

More at regionalhousingprogramme.org

RHP IN NUMBERS

28,000
beneficiaries

€217 million
cost of projects

1,900
housing units completed in 2017 alone

"We have been very lucky to put together a team which consists of highly qualified people with strong expertise in their own specific field."
Marja Seppala, Head of the RHP Secretariat

PAGE 06 FIND OUT ABOUT THE LATEST CEB LOAN APPROVALS



The retreat day involved a quarter of the Bank's workforce

Keep the momentum

All CEB operational teams that contribute to project financing have been sharing ideas and opinions on how to work more efficiently.

In a constantly changing environment, it is important to continuously anticipate and adapt, even when all the indicators are green. Which is why the CEB recently called upon PriceWaterhouseCoopers, one of the world's 'big four' accounting firms, to conduct a corporate efficiency review followed by a day of reflection and exchange between the CEB's work teams.

Focusing on cooperation and the future

The reflection day, on 18th October, brought together all operational staff involved in project financing. This included country managers from the Projects Department as well as colleagues from Operations Support, technical advisors, lawyers, trust account managers, credit risk managers, financial analysts and procurement officers. In all, some 53 people – more than a quarter of the Bank's workforce – took part, while members of the General Management Committee took a back seat to promote a bottom-up approach.

The multidisciplinary workshops were preceded by presentations from different departments where speakers competed to use the best metaphor.

Cristian Tabacaru, Director of the Projects Department, and Melanie Wieschollek-Lacroix, in charge of Operations Support, compared the project cycle to a running track... sometimes strewn with hurdles.

Fruitful exchanges

Five workshops covered the wide spectrum of problems facing operational teams:

- climate action projects
- recourse to technical assistance and grant money
- use of innovative financing instruments
- how to improve the efficiency of the project cycle without jeopardising quality
- how to translate the strategic objectives of the Development Plan 2017-2019 into operational objectives.

Anton Spierenburg, Technical Advisor for Sustainable Development, presented the new policy on measures for the prevention of social and environmental risks under the guise of an alternative straitjacket or tracksuit (representing constraints versus opportunities) before giving his own answer in the form of a life jacket.

Rafael Ruisanchez, speaking on behalf of the Credit Risk Management Department, denied that he heads a 'business preventing unit', although he was keen to stress the importance of having a sound credit risk culture at the CEB. In all, the presentations brought to light the specific challenges facing each business area and enabled each to measure the contribution made by their colleagues.

Discussions were intense, sometimes lively, and always constructive; the atmosphere studious yet relaxed. What's more, the reports on the discussions that were made to the Management in the plenary session opened up a number of interesting channels for reflection.

Thank you to everyone involved.

HR strategy is my number one priority

Terje Hagen was recently appointed Director of Human Resources and International HR Cooperation at the CEB. In this interview we discuss his approach and aims.

Info: What would you say are the key principles that guide you in your role?
TH: I want Human Resources to be a valuable partner in the organisation and to facilitate the work of operations. We need HR that is helpful to everybody.

The management of human resources should be predictable, transparent and fair. You cannot make everybody happy all the time, but if you make the organisation work better on average in all the decisions that are made, you are still achieving what is important.

What is good for business is good communication, sound management and a motivated workforce. We are first and foremost looking after people in terms of resources, and we are doing this because it's good for business.

Info: How would you describe Human Resources at the CEB right now?
TH: By necessity, HR has worked on operational issues, such as making recruitment work, making sure everyone gets paid. There was little time or resource to look beyond into the future and decide where we want to be.

We need clear policies. While we have some practices and rules, we need better clarification on how things work to be able to set standards and ensure we do things right every time. I think it's fair that everybody knows what rules apply.

I also think we are doing a good job with recruitment, but it is such an important point of decision-making in the organisation. The people you recruit define your capacity for the future, so we must not only have a good process but also solid tools to help us make such decisions.

Info: What are your priorities over the coming months and years?
TH: My number one priority is to launch an HR strategy that structures our way forward. We will work on four pillars:

- Optimise support to the organisation
- Right people in the right jobs
- Value for money – more efficiency, better processes, manpower planning
- Motivated and representative workforce, in terms of gender and geographical representation

In the medium term I also want to review the job classification. If we want to apply transparency and fairness, we have to know that an A3 grade is worth an A3 everywhere in the organisation. In addition, we need to establish a competency model that will help us articulate current and future needs of the bank, as well as support training/development and recruitment.

Finally, an international organisation that does not have explicit views on gender today is lagging behind. The Governor has instructed me to look into this issue and first gender policy for the bank is underway.



TERJE HAGEN

Senior HR executive with 20 years' experience in international organisations and the private sector.

Formerly Director of Department of Human Resources at the Organisation for Security and Cooperation in Europe (OSCE), where he undertook radical change of performance management.

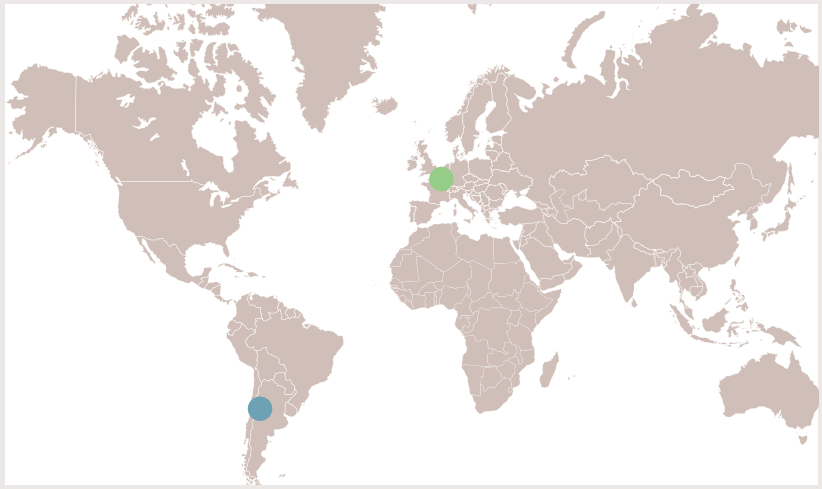
Has also served as Deputy Assistant Secretary General for Human Resources at NATO, where he developed a new HR strategy and built an HR business partner model.

Background in international management.

"What is good for business is good communication, sound management and a motivated workforce. We are first and foremost looking after people in terms of resources, and we are doing this because it's good for business."

What's on in early 2018

Find out more about forthcoming meetings at the CEB and beyond, plus the Bank's latest publications.



January and March, Paris:

CEB Administrative Council meetings

The first Council meetings of 2018 will be taking place on 26th January and 15th-16th March. The Administrative Council's role includes approving new investment projects.

More at: coebank.org/en/about/structure-management/administrative-council

22nd-25th March, Mendoza, Argentina:

Annual meeting of the Inter-American Development Bank, and the Inter-American Investment Corporation

The Boards of Governors of these two multilateral organisations will be discussing ways to improve the lives of people in Latin America and the Caribbean.

Find out more at: events.iadb.org/calendar

5 April, Paris:

Meeting of the CEB Governing Board

The Governing Board meets three times a year to set the general direction for the Bank and oversee key activities, including approving the Bank's accounts.

More at: coebank.org/en/about/structure-management/governing-board/

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

Read our latest publications

All CEB publications can be downloaded from our website. Visit coebank.org and click on news and publications.



INCLUSIVE CITIES

Cities drive Europe's economic growth. This brochure explains how the CEB is partnering with cities, enabling them to diversify their financing of crucial social infrastructure projects.



TECHNICAL BRIEF ON SOCIAL AND AFFORDABLE HOUSING

A de-brief on ongoing and recent CEB lending in the social and affordable housing sector.

Did you know?

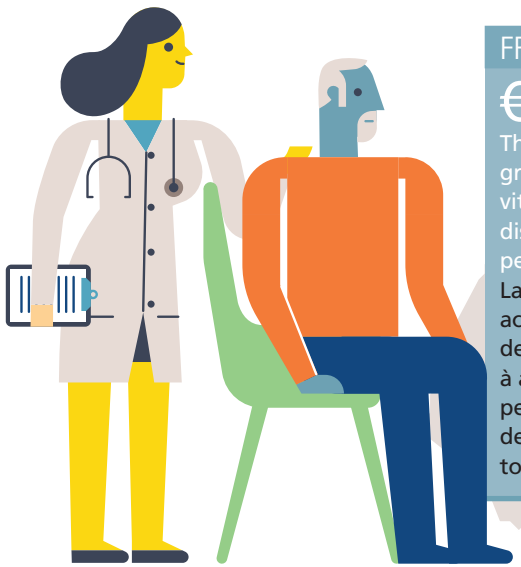
The Bank's Evaluation Department assesses CEB-financed projects on the basis of cycles. In this way, the Bank is always improving its approach and role in projects. The Evaluation Department is independent from the CEB's operational services and reports directly to the CEB's Governor.

DOWNLOAD CEB PUBLICATIONS **http://www.coebank.org/en/news-and-publications/ceb-publications/**

Making a positive impact
Exercer un impact positif

Since 1997 the CEB has invested in many projects that support social care across Europe, including in health, education and housing.

Depuis 1997, la CEB a investi dans de nombreux projets soutenant l'aide sociale à travers toute l'Europe, notamment dans les secteurs de la santé, de l'éducation et du logement.



DENMARK DANEMARK

€400 MILLION MILLIONS

The CEB funded rental housing units for older people, including sheltered housing, as well as residential and nursing homes.

La CEB a financé la construction de logements locatifs pour les personnes âgées, dont des établissements médicalisés, ainsi que des foyers résidentiels et des maisons de retraite.

LITHUANIA LITUANIE

€2.3 MILLION MILLIONS

With the focus on community-based provision, CEB funds supported services for disabled people, the elderly as well as vulnerable children.

En se concentrant sur les services rendus par la collectivité, les financements de la CEB ont permis d'améliorer les services fournis aux personnes handicapées, aux personnes âgées et aux enfants vulnérables.

FRANCE

€850 MILLION MILLIONS

The Bank is helping to promote greater accessibility by funding vital services for people with disabilities as well as vulnerable people of all ages.

La Banque contribue actuellement au financement de services essentiels qui aident à améliorer l'accessibilité des personnes handicapées et des personnes vulnérables de tout âge.

POLAND POLOGNE

€47.3 MILLION MILLIONS

CEB funding has helped to modernise and develop the country's network of social aid centres, including nurseries for pre-school children, and older people's care centres.

Les financements de la CEB ont contribué à moderniser et développer le réseau national de centres d'aide sociale, y compris des crèches pour les enfants d'âge préscolaire et des centres d'accueil pour les personnes âgées.

ROMANIA ROUMANIE

€23.3 MILLION MILLIONS

CEB funding has been used in Romania to convert and update large orphanages into more family oriented settings, to enhance maternity centres and day-care centres and develop more community-based services.

En Roumanie, les financements de la CEB ont permis d'adapter et de moderniser de grands orphelinats afin de les transformer en structures plus familiales, d'améliorer les centres de maternité et les crèches, et de développer des services plus axés sur la communauté.

The value of social enterprise
La valeur de l'entreprise sociale

In France, the CEB has helped to finance a major building refurbishment for people with disabilities who take part in an assistance-through-work scheme.

En France, la CEB a contribué à financer un large projet de rénovation de bâtiments destinés aux personnes handicapées participant à un plan d'aide par le travail.



CEB funds worth €100 million are behind a new 'Rabo Impact Loan for Healthcare and Education', providing much needed finance for social enterprises in the Netherlands.

Aux Pays-Bas, le nouveau prêt à impact social en faveur des secteurs de la santé et de l'éducation « Rabo Impact Loan for Healthcare and Education" adossé aux fonds de la CEB à hauteur de € 100 millions, a constitué une source de financement très attendue par les entreprises sociales du pays.





As well as their positive social or environmental impact, social enterprises create jobs and promote entrepreneurship. They are at the heart of economic growth.

Outre leur impact social et environnemental positif, les entreprises sociales créent des emplois et encouragent l'entrepreneuriat. Elles jouent un rôle central dans la croissance économique.



Stable long-term funding enables social enterprises to plan and develop, find premises and buy equipment.

Des financements stables à long terme permettent aux entreprises sociales de planifier et développer leurs projets, de trouver des locaux et d'acheter des équipements.

A Rabo Impact Loan is helping to create a brand new health centre, bringing together GPs, a pharmacy and a physiotherapist to improve quality of care.

Un prêt "Rabo Impact Loan" a contribué à la construction d'un centre médical flambant neuf regroupant des médecins généralistes, une pharmacie et un kinésithérapeute, en vue d'améliorer la qualité des soins.

