Social development at the CEB’s core

The CEB is a social development bank offering loans and grants all across Europe, with the support of its 41 member countries. While the Bank’s core mission is to exclusively finance projects with a social focus, the CEB also seeks to contribute to social development beyond providing finance by sharing its experience and its expertise.

The CEB: a multilateral development bank with a social purpose

Founded more than sixty years ago, the CEB has a distinct mission which is to actively promote social cohesion across Europe. Since 1956, the Bank has provided financing and technical expertise for socially-oriented investment projects. It has supported social infrastructure, responded to emergency situations and contributed to improving people’s lives with a focus on the most vulnerable.

The CEB’s mandate is defined in its “Articles of Agreement.”

The Bank’s action is underpinned by the Development Plan for 2017-2019, a comprehensive business strategy also encompassing sustainability. The three main pillars of this strategy are:

- Sustainable and inclusive growth
- Integration of refugees, displaced persons and migrants
- Climate action: developing adaptation and mitigation measures

Throughout the report, you will find project examples and case studies related to each of the three pillars.

How the CEB contributes to social development beyond finance

Why it matters to share expertise and knowledge

The CEB has longstanding experience in financing socially sustainable projects such as affordable housing and education facilities in member states. Contributing to socially and environmentally sustainable development resides not only in providing financing and technical expertise but also in sharing and disseminating the knowledge gained and lessons learned through the Bank’s longstanding experience. Via a range of different publications the CEB shares its expertise and learnings and highlight potential solutions.

Learnings from project execution

The Bank’s Directorate for Technical Assessment and Monitoring regularly shares the sector specific knowledge and best practices that it derives from its project preparation and monitoring in Technical Briefs, Thematic Reviews and other technical documents. This year four such reports were published:

- Social Care Systems in Europe: provides an overview of the institutional setting of social care systems in eight European countries, which illustrate the different care models in Europe, and discusses areas where the CEB could expand its activities.

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1 Albania*, Belgium, Bosnia and Herzegovina*, Bulgaria*, Croatia*, Cyprus*, Czech Republic*, Denmark, Estonia*, Finland, France, Georgia*, Germany, Greece, Holy See, Hungary*, Iceland, Ireland, Italy, Kosovo*, Latvia*, Liechtenstein, Lithuania*, Luxembourg, Malta*, Moldova (Republic of)*, Montenegro*, North Macedonia* (**), Netherlands*, Norway, Poland*, Portugal, Romania*, San Marino, Serbia*, Slovak Republic*, Slovenia*, Spain, Sweden, Switzerland, Turkey*. As a sign of solidarity among CEB member states, the Bank aims to provide increased support to a group of 22 “target countries” (marked with an asterisks*). (***) Following the Agreement of June 17, 2018 entered into force on February 12, 2019, as notified to International Organisations on February 14, 2019, “the former Yugoslav Republic of Macedonia” became the Republic of North Macedonia - short name North Macedonia.
• Investing in Effective Learning Environments: reviews the links between learning environments and learning outcomes and provides a number of ideas on how investments in learning environments can promote student learning and support better educational outcomes.

• Promoting Inclusive Growth in Cities: provides a framework for assessing initiatives for inclusive growth in cities focusing on economic and social inclusion as well as liveability. It also outlines how the CEB can support its member countries and cities in advancing the inclusive growth agenda.

• School Design and Learning Environments in the City of Espoo, Finland: is a thematic review that presents findings and recommendations for enhancing the effectiveness of education investments and describes good practices that can be shared with other countries.

In addition, Architectural Design Guidelines for Early Childhood Education (2018) was developed in the context of a project financed in Montenegro to promote design ideas that enable flexibility and efficiency in the use of space in educational facilities. The guidance will help reduce costs, encourage new teaching practices, facilitate access for children with disabilities, and enhance the environmental sustainability of school buildings.

Learnings from CEB in-house research

In 2018 the CEB’s studies department published a series of economic papers on the different ways inequality manifests itself in the education and housing sectors, to be completed, early 2019, by a standalone empirical research report on energy poverty in Europe.

The first paper found that inequality levels are rising in many parts of the continent; especially in Southern and Eastern Europe, where economic hardships have made inequality issues more apparent with “upward income mobility” worsening in the last decade.

A second paper looks at educational inequalities and their impact on educational attainment, life-long earnings, and public investment. The research found a lack of intergenerational mobility among children from socio-economically disadvantaged households and that higher-income households receive a better education and have easier access to the labour market. More investment in quality teaching and teaching staff is needed to even the playing field, including investment in pre-primary and life-long learning.

The final paper in the inequality series focuses on differences in housing between high and low-income groups. Low-income households have higher housing costs in relation to their disposable income, leading to higher levels of short-term debt. These households are also more likely to live in neighbourhoods with an under-provision of services such as public transport or healthcare.

Learnings from evaluation

The role of independent project evaluation at the CEB is guided by accountability and learning objectives. The Evaluation Department provides the Bank and its stakeholders with an impartial assessment of the social performance of the CEB’s action and their contribution to the Sustainable Development Goals. Moreover, evaluations enable the CEB to systematise and to share the knowledge generated in the evaluation process so as to improve the quality of on-going and future projects.

In 2018, the CEB completed an important evaluation cycle with findings derived from a sample of seven CEB-financed housing projects that targeted specific vulnerable groups, namely migrants, returnees and Roma. The report presents strategic reflections on the role of the CEB in the housing sector, observing that the Bank has the knowledge and experience required to support its member states’ efforts to improve access to safe, adequate and affordable housing, in line with the Sustainable Development Goals. It points to the challenges ahead in the face of rapid growth of European cities – leading to rising demand for social housing in particular – and highlights the importance of further strengthening its capacity to analyse and report on the social outcomes generated by its financed operations. Abstracts from evaluation reports can be accessed on the CEB’s website.

“Evaluation is an essential ingredient of international development financing; its added value is grounded in the assurance mechanisms for quality and credibility of its products, notably stakeholder engagement, breadth of the evidence base, transparency on standards and criteria used, timeliness of findings, and appropriateness of lessons learned and recommendations.”

— Rachel Meghir, Director Evaluation Department
The CEB’s alignment to the SDG agenda

The CEB’s action resonates with this development Agenda. As a social development bank, the CEB’s primary mission is to undertake socially oriented investments that promote economic inclusiveness, social cohesion, and environmental sustainability. The CEB’s action therefore takes place within the lines of the UN 2030 Agenda at various levels:

- The current Development Plan 2017-2019, structured around inclusive and sustainable growth, climate action, and migrant and refugee integration, defines the CEB’s share in the global effort and its contribution to addressing the key long-term challenges reflected in the SDGs.

- Social responsibility and sustainable development are embedded in the Bank’s structure, strategic planning and activities. The CEB promotes social responsibility and sustainable development in the way it conducts its project-related operations and dialogues with its beneficiaries and stakeholders.

- The Environmental and Social Safeguards Policy (2016) clarifies the way in which the CEB addresses environmental and social sustainability issues and what it expects from its borrowers. Several aspects of this policy directly contribute to achieving the SDGs across CEB member countries. In 2018, the CEB also recruited a new social safeguard specialist who ensures that the screening and assessment of social safeguard risks are carried out in a systematic, unified and integrated manner.

- The CEB’s Social Inclusion Bond Framework (2017) responds to the growing interest shown in the CEB and in its exclusively social mandate by socially responsible investors. The proceeds from the first two issuances in 2017 and 2018 have had clear positive social impacts that contribute to SDGs 1, 4, 5 and 11 - according to Sustainalytics, an ESG rating agency that provided the “Second Opinion” to the bond issuance.

The 17 SDGs touch upon a multitude of pressing economic, social, and institutional issues. The broad objectives set out in the SDGs share similarities with the CEB’s investment. However, the degree to which the CEB addresses each respective SDG varies; some SDGs are more relevant to the CEB’s action and investment than others.

Setting the course for future action

Multilateral development banks (MDBs), including the CEB, recognise the SDGs as an important driver for change and now seek how to link their respective actions to the SDGs. In this direction, they have already revised or are currently revising their strategies and results measurement frameworks to demonstrate and report on how their operations contribute to achieving the 17 SDGs.

Given the natural link between the CEB’s social mandate and the SDGs, the CEB sees the SDGs as an opportunity not only to reassert its distinctiveness and cement its position but also to help its member countries and beneficiaries generate long-term sustainable economic, social, and environmental outcomes by meeting the SDGs. In this effort, the CEB is striving to incorporate the SDGs into its future strategic and operational activities to be carried out within the upcoming Development Plan, as appropriate.

Overview of the 17 SDGs
How the CEB contributes to the UN 2030 Agenda for Sustainable Development

The adoption of the post-2015 Agenda for Development by UN member states in September 2015 has become an important driver for the work of international institutions such as the CEB for the next decade and beyond. This global, sustainable growth-oriented development programme, entitled “Transforming our World: the 2030 Agenda for Sustainable Development”, is all about universality, interconnectedness and indivisibility with “no one left behind”.

The Agenda sets 17 ambitious Sustainable Development Goals (SDGs) with specific targets to be reached by 2030. The 193 governments that signed it are responsible for achieving all the SDG goals in their domestic context and abroad. The CEB can assist its member states in realising these goals.

“We embrace the 2030 Agenda for Sustainable Development as an opportunity to further promote the CEB’s distinctive social mandate and role in helping our member countries realise the SDGs’ ambition to create a better, more equal and prosperous future, with no one left behind.”

— Jérôme Hamilius, Director European Cooperation and Strategy