Strategic framework for social investments

In an environment where social issues are taking centre stage on the European policy agenda and social investment financing needs are growing, the CEB is well placed to respond to added demand and provide effective support.

The CEB’s lending activity, which had started to significantly increase in 2016, reached new record levels in 2017 and again in 2018 when a total amount of €3.9 billion in loans was approved for 45 social projects. Social investments are expected to further accelerate in the coming years as European countries step-up their social inclusion agendas.

Indeed, the growing social and economic inequalities will not be reversed by economic recovery alone. Moreover, years of underinvestment in infrastructure have exacerbated the already substantial investment gap in the European social sector. Long-term challenges facing Europe, such as demographic shifts and climate change, are set to aggravate these trends.

What the CEB offers

From a CSR perspective, the CEB consistently promotes a comprehensive approach to social inclusion. The Bank is committed to leveraging its impact through project quality, efficiency of operations and sustainability of financing via innovative instruments best suited to borrowers’ needs. It provides tailored financing solutions for projects with a high social or environmental impact, including those that may have difficulty attracting investment due to high upfront costs and lower financial returns. In 2017, it revised its project screening matrix in order to focus ever further on the expected social outcomes of the projects it finances.

The CEB actively attracts and manages donor funding, including sizeable contributions from the EU and has set up a number of earmarked trust funds in support of technical assistance programmes (see “Cooperating with donors” above). Furthermore, CEB’s engagement within the Regional Housing Programme and Migrant and Refugee Fund bear witness to the fact that the Bank is not only fulfilling its social mandate but inscribing its action within efforts extended by the wider multilateral development bank community.

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Striving for social impact at local level

Creating a more attractive, inclusive and sustainable living environment is key to establishing a more dynamic local economic base, spurring stronger social and cultural identities, while delivering services to all, including the most disadvantaged population groups.

CEB’s facility in support of a more sustainable and inclusive Barcelona Spain

This Public Finance Facility (PFF) has been developed in line with the city of Barcelona Citizen Commitment to Sustainability Strategy 2012-2022, a broadly-supported policy which defines principles, objectives and actions for a more sustainable, inclusive and resilient city. The PFF is to partially finance budgetary expenditures incurred in implementing the city’s social and environmental strategy over the coming years.

The PFF will partially finance public budgetary expenses aimed at improving municipal infrastructure such as health care and senior centres, public schools, nurseries, sport facilities and local roads. Investments in sustainable, environmentally friendly and energy efficiency measures are also foreseen.

Final beneficiaries will be the residents of Barcelona, including an increasing number of migrants, the elderly and students who will benefit from quality public education and social infrastructure as well as a better environment.