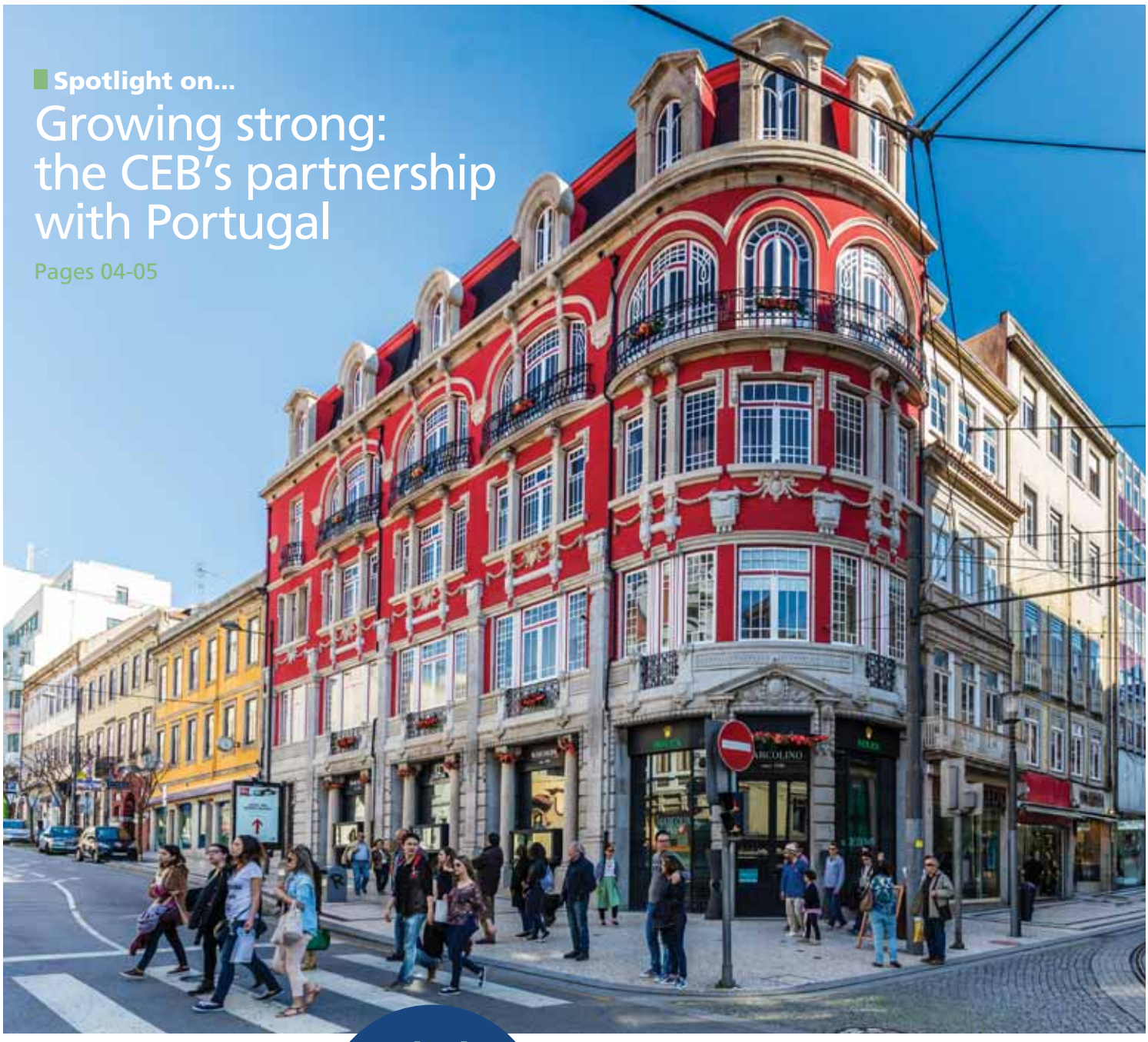
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CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

THE QUARTERLY MAGAZINE OF THE COUNCIL OF EUROPE DEVELOPMENT BANK



Spotlight on...

Growing strong: the CEB's partnership with Portugal

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Taking a closer look at three recently completed projects
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Dear reader,



In this issue of Info Portugal is in the spotlight, since Lisbon is hosting the CEB's 2019 Joint Meeting on 4-5 July. Mr Mário Centeno, Portugal's Minister of Finance and currently also President of the Eurogroup, discusses in an interview the main social challenges facing Europe and how to address them.

Co-operation between the CEB and Portugal has been excellent and has covered several areas since the country became a member of the Bank in 1976. Migration has been one of these areas right from the start. Back in the 1970s, in the wake of Angola's and Mozambique's declarations of independence, the CEB supported Portugal's efforts to accommodate some 800,000 displaced persons or one-tenth of the country's entire population at the time. In 2019, the CEB still supports the reception and integration of migrants and refugees in Portugal.

Over the years, the CEB has provided financing to help Portugal respond to numerous additional challenges to social cohesion, such as population ageing, rising regional disparities, and climate change. In this issue, you will find details on two ongoing projects in the country: the refugee reception facilities in Loures and Lisbon, built with funding from the CEB-managed Migrant and Refugee Fund (MRF), and the integrated urban regeneration programme initiated under the Financial Instrument for Urban Rehabilitation and Revitalisation (IFRRU) 2020.

More recently, an additional half a billion euros in financing has been made available to Portugal for several projects in sectors such as environmental protection, social housing, and education.

In this issue you will also find an interview with the newly-appointed CEB Vice-Governor for Target Group Countries, Mr Tomáš Boček, who talks about his mandate and immediate priorities. Until recently, Mr Boček served as the Special Representative of the Secretary General of the Council of Europe on Migration and Refugees and brings with him a strong knowledge of migration and its challenges. He will also contribute to strengthening the institutional co-operation with the Council of Europe.



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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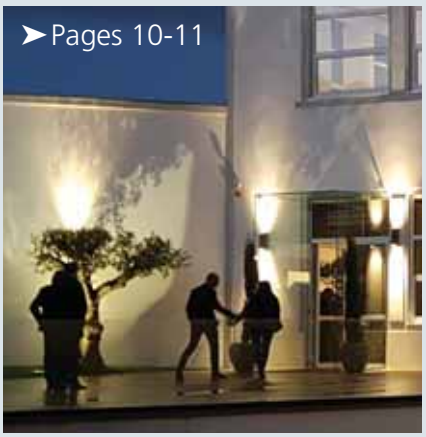
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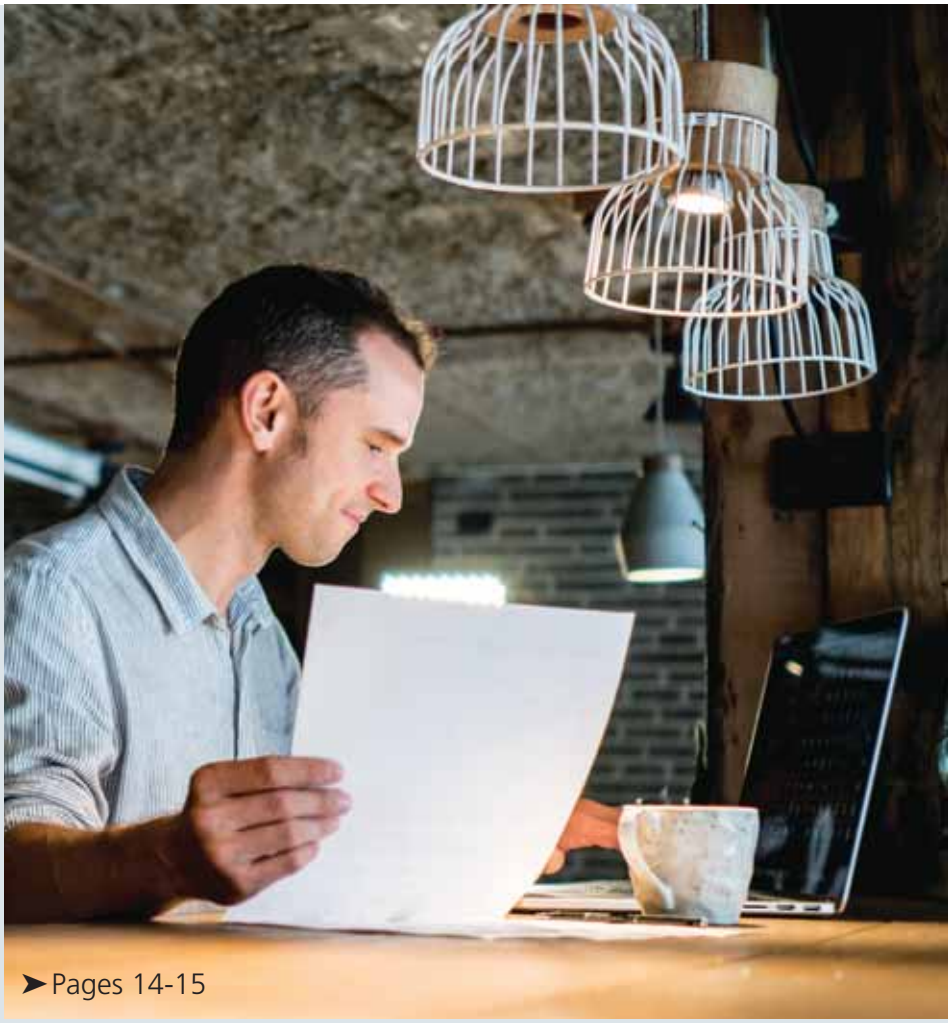
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FIND OUT MORE ONLINE **https://coebank.org**

Portugal and the CEB



PORTUGAL

Capital: Lisbon

Population: 10.3 million

GDP per capita (IMF): $32,023

Area: 92,212 km2

Life expectancy: 81 years

Portugal became a member of the CEB on 1st August 1976. In this profile we showcase how the Bank has worked with the Government of Portugal and other key stakeholders to meet its changing challenges during the course of the past 43 years.

The early days

Portugal's cooperation with the CEB began in earnest soon after the country became a member of the Bank. In the mid '70s the country had to accommodate some 800,000 refugees – a tenth of Portugal's population – following declarations of independence by Angola and Mozambique.

Financial assistance from the CEB continued into the 1980s, alleviating the impact of earthquakes in the Azores and floods throughout Portugal. In the 1990s, the portfolio diversified into education, health, urban and rural social and environmental infrastructure, and social housing.

Over the past 20 years, the CEB has helped to mobilise more than €1.1 billion in strategic social investments for the benefit of more than 5 million people throughout Portugal.

Portugal today

Portugal is performing very well today. Its GDP is back to its pre-2008-crisis level. Supported by strong employment growth, the unemployment rate is 7% - the lowest in over 16 years. What's more, according to the European Commission's Spring 2019 Economic Forecast, private consumption and investment are expected to continue to drive Portugal's economic expansion.

PORTUGAL AND THE CEB

Portugal joins the CEB:
1 August 1976

Total investments triggered by CEB loans:*
€1.1 billion

Direct beneficiaries of investments:*
5 million people

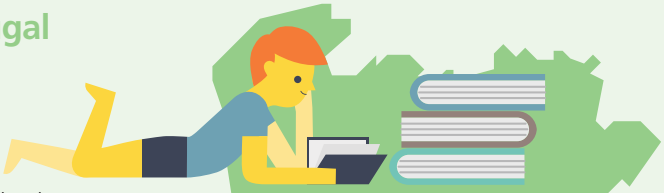
*Over the past 20 years

PAGE 10 HOW THE PORTUGUESE GOVERNMENT IS REGENERATING URBAN AREAS TO CREATE JOBS

Ongoing CEB projects in Portugal

Investments in Secondary School Facilities throughout Portugal (2009)

CEB financing: €250 million
Partner: Parque Escolar
Aim: Construction and/or rehabilitation of some 170 schools, in support of a €2.4 billion EU co-financed programme



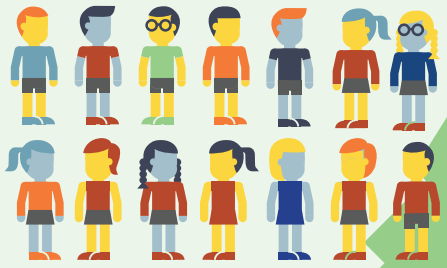
Urban Rehabilitation Programme (2014)

CEB financing: €15 million
Partner: Instituto da Habitação e da Reabilitação Urbana
Aim: Supporting the Government's social and affordable rental housing programme



Financial Instrument for Urban Rehabilitation and Renewal 2020 (2016)

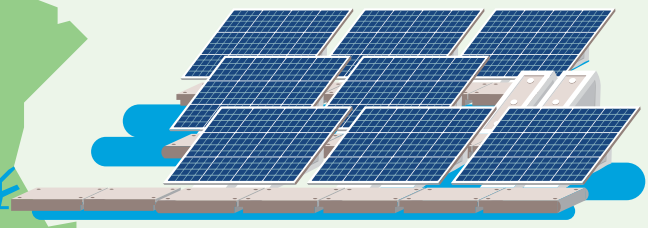
CEB financing: €80 million
Partner: Instrumento Financeiro de Reabilitação e Revitalização Urbanas
Aim: Complex urban regeneration programme in run-down urban areas, historic/industrial centres, and disadvantaged communities



Refugees Reception Facilities (2016)

CEB financing: €2.5million (grant)
Partner: Portuguese Refugee Council
Aim: Construction of a new refugee reception facility in Loures; expansion of existing facility in Lisbon for unaccompanied minors.





Floating solar plants in support of irrigation systems (2018)

CEB financing: €45 million
Partner: Empresa de Desenvolvimento e Infra-estruturas do Alqueva S.A (EDIA)
Aim: Floating solar plants on reservoirs around Alqueva Lake that will feed EDIA's irrigation system in south east Portugal, which faces irregular rainfall, desertification, and rural out-migration.



Irrigation System Rehabilitation and Extension (2017)

CEB financing: €80 million
Partner: Instituto de Financiamento da Agricultura e Pescas
Aim: Rehabilitation and extension of irrigation systems under the National Irrigation Programme

Support to MSMEs (2018)

CEB financing: €100 million
Partner: Instituição Financeira de Desenvolvimento
Aim: Access to financing for eligible MSMEs throughout Portugal for productive investments and working capital.



Building a prosperous Portugal

The Portuguese Minister of Finance, Mário Centeno, talks to **Info** about his country's relationship with the CEB, its economic recovery, approach to green energy, and the challenges ahead for Europe.

info: Portugal joined both the Council of Europe and the CEB in 1976. In 2019, Portugal is hosting the Bank's annual Joint Meeting. How do you see the cooperation between your country and the CEB?
MC: Portugal has been committed to the CEB since its adherence in 1976, supporting its high social impact mandate and its mission to actively promote social cohesion and integration.

Since 1994, Portugal has deepened its relationship with the Bank and benefitted from over €1 billion in financing to support investments in education, social housing, environment, MSMEs, and urban rehabilitation. Specifically, the €2.5 million-grant to the Portuguese Refugee Centre allocated by the Bank in 2016 has proven to be a timely support in view of Europe's refugee crisis. The Centre is up and running, and is able to host 90 people at a time, before their integration into society. This is one of the projects we will be visiting as part of the CEB's Joint Meeting in Lisbon this July.

We are very pleased to be hosting the 54th annual Joint Meeting of the Council of Europe Development Bank – the fifth time in Portugal and a first for Lisbon. Additionally, we welcome the seminar on social inclusion that will take place on July 4th – a topic that is key to CEB's investments and financing.

info: Could you explain Portugal's social investment needs? Which of these could be met with the help of CEB financing?
MC: Some of Portugal's main investments are focused on infrastructure and equipment to improve the coverage and quality of public services, such as health – five new hospitals (East Lisbon, Seixal, Sintra, Alentejo and Madeira) – and education (human capital development and social cohesion). Other important investments aim to improve and expand the railroad and urban public transport infrastructure, ensuring greater mobility and therefore greater social cohesion, not neglecting the environmental concerns and the national goal of carbon neutrality in 2050.

info: Economically, Portugal is performing very well today. Could you explain this economic recovery?
MC: The steady recovery of the Portuguese economy is grounded in lasting structural changes in skills, investment, export orientation, and in the labour market. Recent policy initiatives restored business and consumer confidence, included measures to strengthen the Portuguese financial system, to support domestic demand, and counter-cyclical, rigorous, and prudent management of public finances. All together, they have made great strides in addressing key structural weaknesses in the Portuguese economy and have thus helped to lay the foundations for a more resilient and prosperous economy.

info: Portugal has been investing in renewable energy for a long time. Currently around 55-60% of total energy produced is green. What can other countries do to boost their renewable energy?
MC: The Portuguese energy strategy is focused on reducing our fossil dependence and meeting Europe's targets. Between 2010 and 2017, we increased renewable capacity by 42%. Wind became the second contributor, after hydroelectricity; now, our focus is to explore solar and photovoltaic energy, whose costs have been falling, and to prevent the additional burdening of consumers through a new tariffs model.

info: Europe is facing significant challenges, including population



MINISTER MÁRIO CENTENO

Minister of Finance of Portugal since 2015. President of the Eurogroup and Chairman of the Board of Governors of the European Stability Mechanism since 2018.

Previous roles include: board member economist of the Bank of Portugal; member of the Executive Committee of European Association of Labor Economists (EALE); assistant director of the Central Bank Economics' Department; member of the Economic Policy Committee of the European Commission; Professor at University of Lisbon.

Studied economics and applied mathematics at the Technical University of Lisbon; awarded a PhD in economics by Harvard University in 2000.

Author of several publications on labour economics, econometrics, microeconomics, and contract theory.

> **"The steady recovery of the Portuguese economy is grounded in lasting structural changes in skills, investment, export orientation, and in the labour market."**
>
> Mário Centeno



ageing, rising inequality, technological disruptions, and climate change. How it addresses these will have an important impact on social cohesion and political stability across the continent. What is the best way to tackle these challenges, and how might a social development bank such as the CEB help?

MC: Facing these challenges must be a priority at national and European levels. Measures promoting the younger generation's access to high quality education, and a higher labour force participation rate for older workers, are required. Also, fundamental matters are access to the healthcare system (including long-term care) and sustainable and redistributive pension systems.

Moreover, European leadership in tackling climate change is demanding. As policymakers, we must deploy the best financial instruments available to support quality investments and yield social and economic dividends in the future. The CEB's present working plan mirrors the primacy of sustainable and inclusive growth. In fact, the alignment of policies with the Paris Agreement goals needs to be socially inclusive. The response to these challenges is fundamental to guarantee social cohesion. Here, the CEB plays an important role, as the social development bank in Europe.





PAGE 13 READ ABOUT THE CEB'S NEW TECHNICAL BRIEF ON MICROFINANCE

Welcoming refugees to Portugal



Photos (c) Portuguese Refugee Council

In 2015, Portugal committed to welcome 10,300 refugees stationed in other countries in Europe – 5,800 more than the country's allocation under the EU's refugee quota system. The CEB has funded two new reception facilities for adults, families and unaccompanied minors, which are open and welcoming migrants and refugees.

The Portuguese Refugee Council is the operational partner of the United Nations High Commissioner for Refugees to Portugal. The Council is a non-profit organisation that manages reception facilities and provides asylum and integration support to refugees based on protocols signed with the Portuguese Government, namely the Ministry for Internal Affairs (MIA) and the Ministry for Solidarity, Employment and Social Security (MISESS). Refugees are directly referred to the Council by MIA as soon as they have submitted their asylum application, while integration efforts are coordinated with MISESS.

The challenge of numbers

In 2015 it was becoming clear that the Council's reception facilities didn't offer sufficient capacity or facilities, given the number of refugees who needed to be housed and catered for while their asylum applications were processed, and integration solutions defined. Alongside the number of refugees being received under the EU resettlement programmes, Portugal has also been experiencing an increase in the number of asylum seekers arriving in the country directly.

To solve the challenge, the CEB, through the Migrant and Refugee Fund (MRF), agreed to fund the construction of an additional reception centre in the Municipality of Loures for adults and families, and fund the extension of another centre in Lisbon for unaccompanied minors.

Creating sustainable centres

Design and preparatory works for the Loures centre began in the second half of 2016, and on-site work started a year later. The work to expand the centre in Lisbon was able to start earlier than planned.

The new centre in Loures can accommodate 90 people, and includes open spaces, meeting and training rooms, dining and living rooms, and a library. Solar panels offset electricity costs and reduce the building's carbon footprint. The centre is close to an existing facility, managed by the Council, which has access to sports grounds and a kindergarten.

In Lisbon, a new administrative block has been built adjacent to the existing centre for unaccompanied minors, increasing the accommodation capacity from 13 to 26 children, and enhancing the quality of support services offered to children.

By January 2019 both locations were ready and began welcoming refugees.



The centre in Loures can accommodate up to 90 people.



The Loures facility includes open spaces and living rooms.

About the Migrant and Refugee Fund

- Established in October 2015.
- Supports CEB member states to accommodate and integrate migrants and refugees who arrive on their territories.
- All projects funded by the MRF must comply with the European Convention on Human Rights and the European Social Charter.
- Twenty-two CEB member states have contributed to the MRF; the CEB and the European Investment Bank have also provided funding.
- Total funds raised exceed € 28 million and all MRF resources have been allocated to projects benefitting migrants and refugees.

Key facts

MRF grant:
€2.5 million

Implementing entity:
Portuguese Refugee Council

Direct beneficiaries:
Refugees applying for asylum status in Portugal

Project status:
The new centre for adults already hosts 87 people and the centre for unaccompanied children, 26.

"The CEB's Migrant and Refugee Fund has been fundamental to enabling the Portuguese Refugee Council to increase its reception capacity of adult asylum seekers and refugees, and unaccompanied minors."

Mónica Farinha, Board Director, Portuguese Refugee Council



The Lisbon facility now accommodates double the number of refugees; it also features a new Library and Study Centre and an office for individual counselling.

PAGE 14 A VARIETY OF CEB-FUNDED PROJECTS HAVE BEEN RECENTLY COMPLETED

Integrate, rehabilitate, regenerate

Urban regeneration is a priority for the Government of Portugal. Urban regeneration is included in the Partnership Agreement between Portugal and the European Commission for 2014-2020, and it has even created a special instrument – Instrumento Financeiro de Reabilitação e Revitalização Urbanas/ Financial Instrument for Urban Rehabilitation and Revitalization (IFRRU) 2020 – to mobilise public and private funding to support key initiatives.

Portugal is facing increasing poverty and social exclusion in urban areas, as well as large regional disparities as a whole. With an investment gap estimated at €1.4 billion, the Government has been taking action to regenerate urban areas.

What is IFRRU 2020?

IFRRU 2020 brings together different sources of funding to support urban rehabilitation investment throughout Portugal. This has included an €80 million loan from the CEB, European funds from PORTUGAL 2020 (funding from seven EU-funded operational programmes), EIB, Portuguese public funds, and commercial banking resources.

IFRRU 2020 focuses on rehabilitating public and private buildings in run-down urban, historic and industrial areas and in disadvantaged communities. These centres often have an ageing and disadvantaged population. By improving the physical infrastructure, investing in energy efficiency measures, and creating job opportunities, the investment aims to revitalise these urban areas.

How it works

Any type of beneficiary, whether individual or collective, public or private, can apply for funding. Loans are provided under exceptionally advantageous conditions compared to those existing in the market.

Managing IFRRU 2020

IFRRU 2020 was set up in 2015. The IFRRU Management Structure is responsible for the management and monitoring of the Financial Instrument while an Investment Committee is in charge of the appraisal and approval of the investment policy and the action programme.

Find out more at: https://ifrru.ihru.pt.

Positive outcomes

As of 31st March 2019, 320 buildings have been rehabilitated and 1,479 jobs have been created under IFRRU.

About the CEB EU co-financing facility

The EU co-financing facility is one of the CEB's financing instruments which allows for the co-financing and/or ex-ante financing of EU-funded investment activities. These are developed in conjunction with different EU financing instruments, directly supporting current EU objectives and facilitating the better absorption of EU funds in the CEB's priority sectors.

More on CEB financing: https://coebank.org/en/project-financing/how-access-ceb-financing/

Key projects

1 Rehabilitation of residential and commercial buildings in Funchal, Madeira

Some 52 buildings in Funchal, the capital city of Portugal's Madeira archipelago, have been rehabilitated through IFRRU, which will result in an annual reduction in CO2 emissions by 119 tonnes.

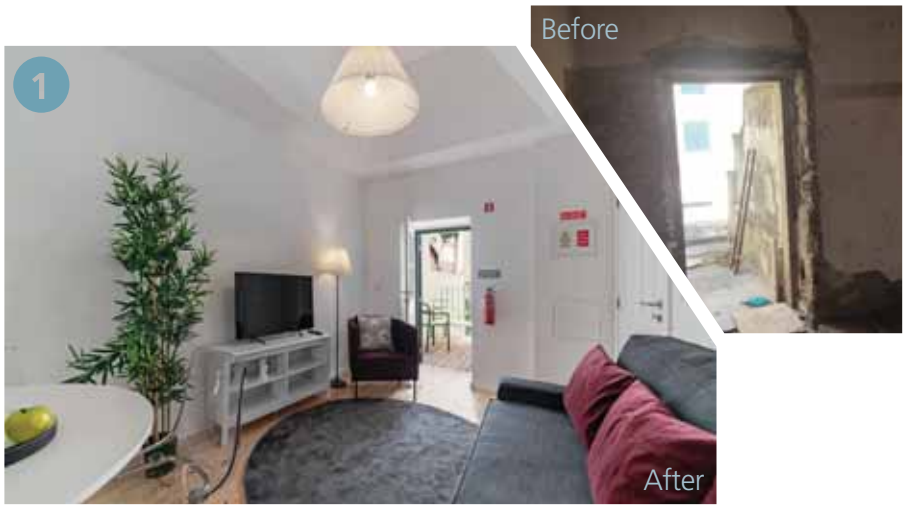
2 Tourist infrastructure in Gaia

Gaia – a city of about 178,000 people, located south of the city of Porto – is known for the cellars in which port wine is stored and aged. In response to a rise in tourism, this project will rehabilitate old wine storage buildings on the Douro River to become part of a museum and park complex dedicated to the history of Oporto wine and cork.

3 Turning a factory into modern office space in Trofa

The disused former factory of Rafia in Trofa – an industrial town in north Portugal of some 33,000 inhabitants - has been retrofitted and transformed into modern offices, ready to welcome new staff.

> **"By improving the physical infrastructure, investing in energy efficiency measures, and creating job opportunities, the investment aims to revitalise distressed urban areas."**





Key facts

CEB loan:
€80 million

Total investment value:
€1.4 billion

Implementing entity: Instrumento Financeiro de Reabilitação e Revitalização Urbanas (IFFRU)

Direct beneficiaries: Public entities, non-profit private entities, firms and individuals advancing initiatives in urban rehabilitation.

Project status: Ongoing, with completion set for
2023



Making Europe more equal for all

Info talks to Tomáš Boček, the CEB's new Vice-Governor for Target Group Countries[1] – namely 22 CEB member countries in Central, Eastern and South Eastern Europe – on his priorities, and ideas for promoting social cohesion and equality.

info: You were the Special Representative of the Council of Europe Secretary General on Migration and Refugees. If you were to pick one activity that had a significant, direct impact on the everyday lives of migrants and refugees in Europe, what would it be and why?
TB: I would select one of the activities associated with migrant and refugee children as this is what I focused on. I prepared (and later implemented) the Action Plan on Protecting Refugee and Migrant Children, which was then adopted by the Committee of Ministers.

There are many actions included in the Plan which have had a direct impact on the situation of migrant and refugee children but if I were to pick one, it would be the European Qualification Passport for Refugees. Many refugees cannot prove their education qualifications because they were not able to bring relevant documents with them, or they lost them on the way. This initiative has allowed them to get a job or continue their studies. Specifically, young people could continue their education or pursue a professional track of their desire. And all that based on a document, a 'passport', issued to migrants and refugees by an independent commission following an interview.

info: How do you see your new role as CEB's Vice-Governor for Target Countries, and what are your priorities?
TB: My role is to assist the CEB Governor in any activities associated with the Target Group Countries. My primary objective comes with the mandate to enhance the Bank's profile as a leading social cohesion and development institution in Europe, through close cooperation with the Target Group Countries. One way to do that is to take a close look, on the ground, at the social challenges faced by our members, and discuss and agree on solutions that the Bank may be best placed to finance. This is why I plan to meet with representatives of the Target Group Countries in the next few months.

> "I intend to play my part and contribute to strengthening existing cooperation agreements with our partners to enhance social cohesion in Europe."

info: In the context of current European challenges, how could the CEB further support Target Group Countries to deliver social cohesion and reduce inequalities?
TB: The challenges faced by Target Group Countries are the same as those faced by Europe in general and include climate change, labour market shifts, increasing health and education investment needs, rising inequalities, and increasing social polarization. The CEB has the means to assist Europe tackle such challenges. Given the complexity of these challenges and the associated investment needs, a coordinated approach is vital. Multilateral financial and international institutions, donors, and governments need to cooperate. CEB-managed initiatives such as the Regional Housing Programme or the Migrant and Refugee Fund are good examples of what the CEB can do from this perspective, and I intend to play my part and contribute to strengthening existing cooperation agreements with our partners in order to enhance social cohesion in Europe.

[1] CEB Target Group Countries are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Republic of Moldova, Montenegro, North Macedonia, Poland, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Turkey.



TOMÁŠ BOČEK

Appointed Vice-Governor for Target Group Countries on 29th March 2019; began his mandate on 2nd May 2019.

Previous roles include: Special Representative of the Secretary General of the Council of Europe on Migration and Refugees; Ambassador and Permanent Representative of the Czech Republic to the Council of Europe; Vice-Chairperson of the Governing Board of the CEB; Deputy Minister for International Relations and EU Affairs at the Ministry of Justice of the Czech Republic.

Studied Law at West Bohemian University in Pilsen and has a postgraduate diploma (DEA) in International Public Law from the Faculty of Law of Université Paris 1 Panthéon – Sorbonne.



Sharing knowledge, driving solutions

In 2017, 138 million Europeans were financially cut off from society – without a bank account or any method of payment.[1] Those most affected by limited or no access to financial services are the elderly, the unemployed, migrants and refugees, the less educated and the less well-off.[2]

Access to finance is key

Financial exclusion, or lack of access to formal financial services, can have significant negative financial, economic and social consequences for the businesses and individuals concerned and for the community at large. It often determines the patterns of household consumption, housing options and the ability to develop a business.

"Microfinance is… a growing sector in many European countries, where it contributes to financial, economic and social inclusion."

From *Supporting Inclusion in Europe Through Microfinance*

Microfinance in Europe

Over the past four decades, microfinance has emerged as an effective tool to serve low-income populations in developing countries and, more recently, has been gaining traction in Europe. Less than 10% of the global outstanding microfinance portfolio is in Europe, but it has increasingly become an important instrument for empowering the most vulnerable social groups.[3]

The CEB has been lending to micro-, small and medium-sized enterprises (MSMEs) in its member countries for over twenty years and has contributed to microfinance operations for over a decade. The CEB can provide funding for microfinance on a wide European level, to all its 41 member countries.

[1] Mastercard. Europe's Financially Excluded. Press Release, 2016. Available at: https://newsroom.mastercard.com/press-releases/europes-financially-excluded-33-are-employed-35-are-aged-18-34/

[2] Jérôme Coffinet and Christophe Jadeau. Household Financial Exclusion in the Eurozone: the Contribution of the Household Finance and Consumption Survey. Bank of France, 2017. Available at: https://www.bis.org/ifc/publ/ifcb46o.pdf

[3] BNP Paribas. Microfinance Barometer 2017: Global Trends of the Sector, 2017. Available at: https://group.bnpparibas/en/news/microfinance-barometer-2017-global-trends-sector



Technical brief: Supporting inclusion in Europe through microfinance

According to its social mandate, the CEB's microfinance lending aims to increase financial and social inclusion and is focused on, but not limited to, creating jobs through self-employment, addressing the needs of vulnerable populations and reducing gender inequality.

This technical brief provides an overview of the role of microloans in supporting social integration in Europe, highlights three key areas of intervention for international institutions, and explores possible further action to address the existing market gaps.

The brief was prepared by Isabelle Brun, Merve Akinci, and Kristina Maslauskaite (below) working at the CEB Technical Assessment & Monitoring Directorate with contributions from the European Microfinance Network).

Download the brief: https://coebank.org/media/documents/Technical_Brief_Supporting_inclusion_in_Europe_through_microfinance.pdf



PAGE 06 INFO TALKS TO MÁRIO CENTENO, PORTUGUESE MINISTER OF FINANCE

CEB support in action



Three recently completed projects financed by the Bank demonstrate the high social impact of our work in promoting health and social cohesion, and generating economic growth.

Helping small businesses thrive

SECTOR: **MSMEs**
LOCATION: **SPAIN**

Challenge

This project was created to enable individuals with limited means and with little or no access to the formal credit system, to access financing to start-up or expand a business.

Solution

The CEB worked in partnership with Nuevo MicroBank, granting a €100 million loan, which mobilised €200 million in investments. Potential beneficiaries could access the financing made available by Nuevo MicroBank in three ways:

1. Financial microcredits: These were mainly aimed at people with a sound business plan and the experience to launch a new enterprise or expand an existing one.

2. Social microcredits: These enabled people who need outside support (usually provided by NGOs or municipal-supported business advisory or help agencies) to prepare and launch a sound business plan.

3. Personal and family microcredits: These were designed to support families on low incomes through difficult times.

Results

The project supported more than 14,000 MSMEs. It enabled the creation of 15,706 jobs and maintained 16,211. As well as promoting entrepreneurship and economic growth and employment, this project has enabled individuals and their families to overcome temporary difficulties – thereby improving social cohesion.

Enhancing access to health services

SECTOR: **HEALTH**
LOCATION: **BOSNIA AND HERZEGOVINA**

Challenge

In 2006 just 5% of the population of Bosnia and Herzegovina was registered with a family doctor. The country's primary care infrastructure was under-resourced and not fit for purpose. It needed extensive reform.

Solution

This CEB project was part of a wider healthcare reform programme in Bosnia and Herzegovina which was initiated with support from the World Bank. The World Bank and the local and state authorities covered the cost of policy reforms and medical staff training to set up a family care model in the country, while CEB funds were used to refurbish or rebuild the outdated network of primary care facilities. CEB funds also partially covered the costs associated with new medical and IT equipment.

The CEB approved two loans for the project, worth a total of €19.9 million, plus €2 million in the form of an interest rate subsidy from the CEB's Social Dividend Account.

Results

The programme saw 585 primary care centres built or rehabilitated, and by the end of the second phase of the project (2018), 80.2% of the population were registered with family doctors - 10% above the programme's initial target.



Left: A care centre before restoration



Below: A refurbished care centre in Bocac, Bosnia and Herzegovina

Key facts

14,000 MSMEs

585 primary care centres

2600 housing units



A home for everyone

SECTOR: **SOCIAL HOUSING** LOCATION: **NORTH-RHINE WESTPHALIA, GERMANY**

Challenge

The federal state of North-Rhine Westphalia was experiencing an increase in social housing needs associated with a rise in unemployment and a reduction in social housing stock. The reduced availability of social housing was the result of existing dwellings reaching the end of their legally capped social rent regime period.

Solution

The CEB approved a loan of €150 million for the partial financing of NRW.BANK´s subsidised housing loan programme. The aim was to increase the social housing stock under rent control schemes by rehabilitating/retrofitting existing buildings and constructing new ones.

The CEB financing supported NRW Bank in granting long-term, fixed-rate loans to housing providers in exchange for their commitment to rent their dwellings to low-income households, students, and vulnerable people at pre-defined, sub-market rates.

Results

This programme created more than 2,600 housing units for subsidised rent.

News, events and publications

Governor Wenzel meets other MDB Heads

On 10 April, in the margins of the World Bank-International Monetary Fund spring meetings, Governor Wenzel met with the Heads of other Multilateral Development Banks (MDBs). After an initial closed meeting, the Heads discussed the opportunity to unlock financing through institutional investors, the concept of country platforms for a more coherent and effective approach to development activities, scaling up programmes aimed at skills development and job creation, and a preliminary proposal for joint MDB work on alignment with Paris Agreement goals.

CEB representatives meet their peers of major MDBs at various levels throughout the year to share knowledge, discuss and coordinate their policies in areas such as Human Resources, ICT, Operational Risk, Finance, Legal matters, Compliance, Environmental and Social Safeguards, Climate Change and Evaluation, to name but a few.



Multilateral financial institutions discuss sustainability issues

The CEB hosted the spring meeting of the MFI Working Group on Environmental and Social Standards on 14-16 May. Anton Spierenburg, Sara de Pablos and Ildiko Almasi and Representatives from all major financial institutions and bilateral partners discussed a range of agenda items, from green finance to meaningful stakeholder engagement.



CEB Chief Compliance Officer Katherine Delikoura

Women in Compliance Awards

Katherine Delikoura, CEB's Chief Compliance Officer, has won the Chief Compliance Officer of the Year Award at a ceremony in London. Nominations for the Women in Compliance Awards originate from private and public sector entities worldwide and are reviewed by more than 40 independent judges. Past recipients of WICA awards include compliance officers working for the African Development Bank and the World Bank.

Governor attends SNG-WOFI conference

Governor Wenzel attended the first international conference of the World Observatory on Subnational Governance Finance and Investment (SNG-WOFI) in Paris on 17th June. SNG-WOFI is an initiative led by the OECD and United Cities and Local Governments to promote dialogue among subnational governments and international institutions. It is part-funded by the CEB. The Governor spoke at a panel session, reviewing the first SNG-WOFI report and reiterating the CEB's support.

PAGE 12 INFO TALKS TO TOMÁŠ BOČEK, THE CEB'S NEW VICE-GOVERNOR FOR TARGET GROUP COUNTRIES

CEB JOINS ENMO

One 25 May the Bank joined the Ethics Network of Multilateral Organizations (ENMO), a forum for multilateral development banks, international financial institutions and international organisations to exchange information and experience, and collaborate on issues of common interest.

CEB ISSUES €500 MILLION SOCIAL INCLUSION BOND

On 5 April, the CEB concluded a €500-million social inclusion bond with a maturity of 7 years. It is the Bank's third social inclusion bond issue and it gathered investor interest of over €730 million. Proceeds from the bond will finance social housing, education projects and support job creation and preservation in MSMEs.



ISTANBUL DEVELOPMENT DIALOGUES

The CEB was present at the UNDP-led Istanbul Development Dialogues (IDD) on 28 May. The IDD is a global development forum for policymakers, business leaders and other experts. Lucia Athenosy introduced the CEB's Social Inclusion Bond and the Bank's role in Hémisphère - a social impact investment fund providing emergency accommodation for asylum seekers in France. Jasmina Glisovic took part in a roundtable on enhancing partnerships to unlock finance for development.

HOUSING SYSTEMS IN TRANSITION

A working group set up by Housing Europe* to support countries with housing systems in transition met on 16 April to discuss affordable and social housing business models and financing schemes. Diāna Bertjē, Karin Lepp, and Luigi Cuna introduced the CEB's work in addressing the needs of vulnerable groups; they also met housing providers and policy-makers to discuss project ideas.

* the European Federation of Public, Cooperative and Social Housing providers

What's on
July – September 2019

Find out more about forthcoming meetings and conferences at the CEB and beyond.



4-5 July
Poznań, Poland

Western Balkans Summit
The leaders of the Western Balkans countries and their European partners come together to strengthen political and security co-operation and increase economic stability.
More at: https://berlinprocess.info/

5-6 July
Lisbon, Portugal

CEB Joint Meeting
Members of the Bank's Governing Board, Administrative Council and senior management will meet in Lisbon for the annual Joint Meeting of the CEB. Proceedings include a policy debate on investment for social inclusion, co-hosted by the Calouste Gulbenkian Foundation.
More at: https://coebank.org/en/about/structure-management/

27 September
Paris, France

CEB Administrative Council meeting
The Administrative Council of the CEB meets regularly, bringing together representatives for each member state. The Council's role includes approving new investment projects.
More at: https://coebank.org/en/about/structure-management/administrative-council/

Read our latest publications

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



SUPPORTING INCLUSION IN EUROPE THROUGH MICROFINANCE

This technical brief reviews microfinance activities in Europe and highlights three areas of intervention for international finance institutions such as the CEB.



2018 OPERATIONAL REPORT

The CEB plays a key role in the Regional Housing Programme (RHP). The latest operational report provides an overview of its activities in 2018. By the end of that year, 12,000 vulnerable people had found a home. **The report is available: http://regionalhousingprogramme.org/wp-content/uploads/publications/RHP_Operational_Report_2018.pdf**

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

CEB's Second Social Inclusion Bond at a Glance
En bref : la deuxième obligation d'inclusion sociale de la CEB

The CEB launched a second Social Inclusion Bond in March 2018. The Bond was well received by a broad range of socially responsible investors, mainly from the Benelux, France and Germany.

Thanks to the proceeds of the bonds, more than 65,000 jobs have been preserved and almost 6,000 new jobs have been created with MSMEs. Some 6,400 people on low incomes have been provided with social housing solutions and 24,000 students in 31 institutions have benefitted from education infrastructure improvements.

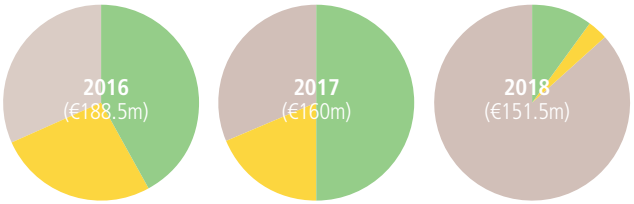
La CEB a émis une deuxième obligation d'inclusion sociale en mars 2018. L'obligation a été bien accueillie par un large éventail d'investisseurs socialement responsables, principalement du Benelux, de France et d'Allemagne.

Grâce aux produits de l'obligation, plus de 65 000 emplois ont été maintenus et près de 6 000 emplois ont été créés au sein de TPE/PME. Près de 6,400 personnes à bas revenus ont obtenu un logement social et 24 000 étudiants venant de 31 établissements ont bénéficié d'améliorations de leurs infrastructures scolaires.

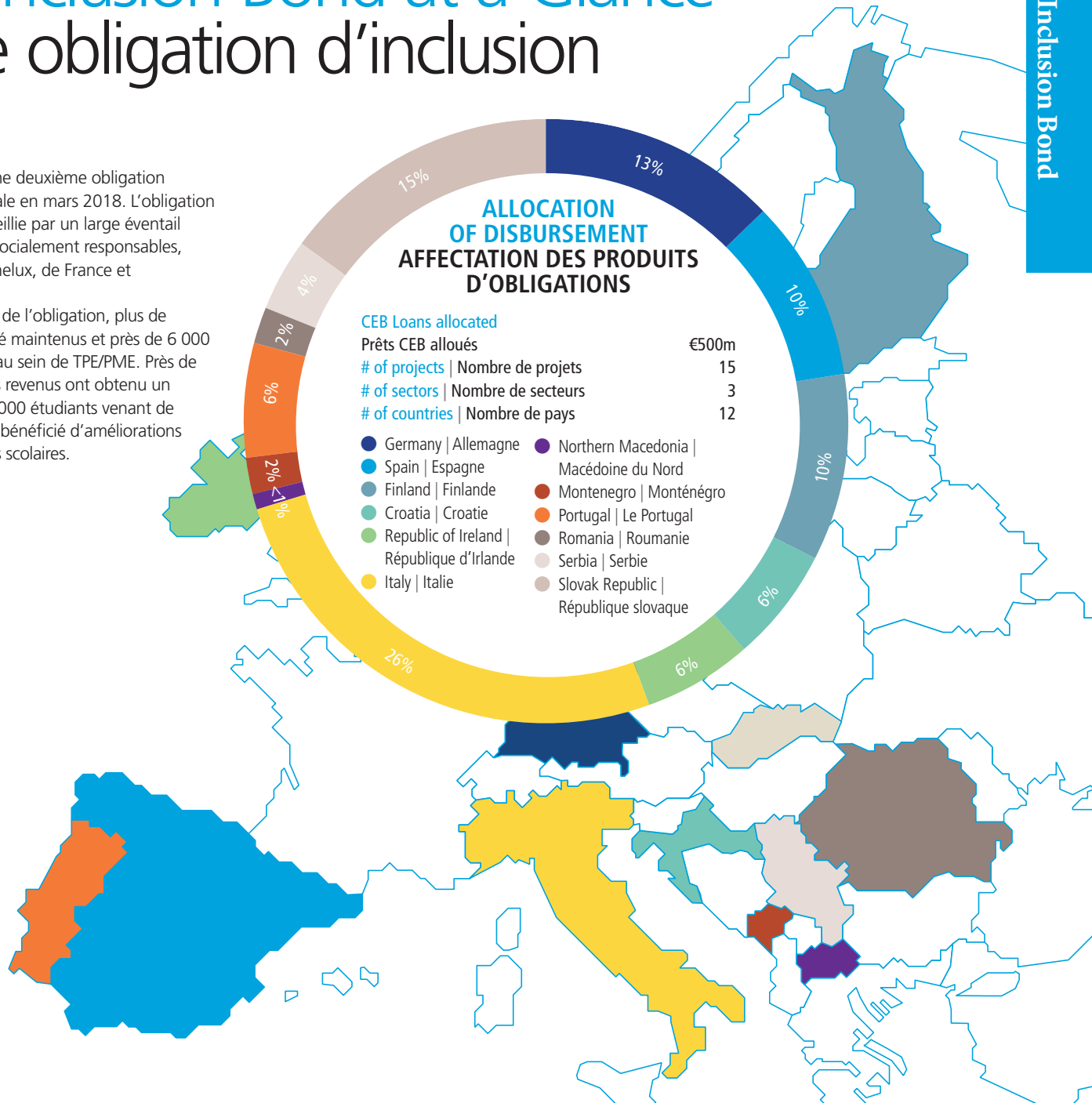
KEY DEAL CHARACTERISTICS
PRINCIPALES ARACTÉRISTIQUES DE LA TRANSACTION

Issue date | Date de lancement	27 March 2018
Amount | Montant	500 €M
Maturity | Échéance	27 March 2025 (7 years)
Rating | Notation	Aa1/AAA/AA+
Coupon | Date de lancement	0.375%
Second Party Opinion | Second avis	Sustainalytics

CEB LOANS ALLOCATED | PRÊTS CEB ALLOUÉS



- Social housing for low-income persons
  Logements sociaux pour les personnes à bas revenus
- Education and vocational training
  Éducation et formation professionnelle
- Supporting MSMEs for the creation and preservation of viable jobs
  Soutien à la création et au maintien d'emplois viables dans les MPME













SOCIAL IMPACT OF LOANS GRANTED
IMPACT SOCIAL DES PRÊTS ACCORDÉS

Social Housing | Logement social 35%
- Total Projects cost | Coût total des projets €534.1m
- Amount of loans disbursed | Prêts CEB alloués €175.8m
- 2,600 housing untis for 6,400 people | 2600 logements pour 6400 personnes

Rented housing | Logement loué 46%

Access to property Accès à la propriété 54%

Education | Éducation 17%
- Total Projects cost | Coût total des projets €412.2m
- CEB Loans allocated | Prêts CEB alloués €83.7m
- 212 establishments | établissements
- 23,719 students | élèves

Nursery Shool 5% Crèches

Primary and Secondary Schools Écoles primaires et collège 95%

Micro Small and Medium Enterprises | TPE/PME 48%
- Total Projects cost | Coût total des projets €592.7m
- CEB Loans allocated | Prêts CEB alloués €240.4m
- MSME financing | TPE/PME Financement €240m: Micro | Microentreprises €79m • Small | Petites entreprises €85m • Medium | Moyennes entreprises €75m
- 65,433 jobs preserved | emplois maintenus • 5,793 jobs created | emplois créés

Micro | Microentreprises 33%

Medium | Moyennes entreprises 31%

Small | Petites entreprises 36%