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

Info

THE QUARTERLY MAGAZINE OF THE COUNCIL OF EUROPE DEVELOPMENT BANK #3 2019

Spotlight on...

Solving big challenges in small places

p04



Dear reader,



Europe has a considerably lower share of public investment than the rest of the world, according to the latest figures released by the World Observatory on Subnational Government Finance and Investment, a new OECD initiative supported, among others, by the CEB. Public investment is particularly low at the subnational level, which is problematic given the important role that cities and regions play in social development. Low public investment can seriously hamper productivity and socio-economic opportunities for regions and countries and have a negative impact on their resilience.

This is why over the past five years the CEB has approved more than €7 billion in financing for cities and regions in its member countries. In doing so, the Bank has closed funding gaps on key social investments in urban and rural infrastructure across a range of sectors, including education, health and social housing. These investments foster social cohesion, promote the economic inclusion of the most vulnerable, and safeguard communities against climate change.

In this new issue of **Info** you can read more about the work that the CEB does to support cities and regions in Europe. It features an oped on the role that small European cities can play in the integration of migrants and refugees, by Matthieu Tardis, Researcher at Institut français des relations internationals (Ifri), and an interview with Dorothée Allain-Dupré, Head of the Unit on Decentralisation, Public Investment and Subnational Finance in the Centre for Entrepreneurship and Local Development of the OECD.

You will also find information about the variety of social projects approved in the last quarter (page 12). These demonstrate our commitment to responding to the investment needs of cities and regions; more than 60% of this financing has been set to support social investments undertaken by subnational governments. Our commitment to identifying and promoting sustainable solutions for the social development of cities and regions is also illustrated by our latest publications as well as by our events. Do check page 17 of **Info** for more details and join us for our annual conference in Paris, on 5 December – an event dedicated to 'European regions and cities: Engines for growth and social development?'



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.

Translated from French



Integrating refugees: are small towns inventing a model for tomorrow?

Matthieu Tardis, Research Fellow at the Centre for Migration and Citizenship at the French Institute for International Relations (Ifri), describes how small towns and rural areas are welcoming refugees and enabling them to settle.

2015 represented a major turning point in the reception of migrants and refugees in Europe on at least two counts. On the one hand, owing to the large numbers of arrivals and the intensity of the political and media debate, the question went beyond the scope of the immigration authorities and of the associations providing assistance to migrants, and spread to a wider public space. Citizens, companies, local authorities and cities all reflected on the role that they could play in assisting the refugees and migrants.

At the same time, the reception of these population groups concerned a greater part of the territory of European countries, including small towns and rural areas, traditionally less accustomed to this phenomenon than the big urban centres. This is particularly the case within the framework of programmes for the resettlement of refugees, which have come to be a major pathway for legal access to Europe since 2015.

In effect, because these arrivals are organised and prepared, many member states have chosen to allocate the refugees to areas that suffer less from a shortage of housing than the major European conurbations. Small towns and rural areas have thus become laboratories for solidarity where another way of welcoming refugees is starting to emerge.

Areas of innovation and opportunity

Tensions between the member states since 2015 and the rise of the extreme right in Europe – although it started before that date – reflect a continent that is now questioning its tradition of welcoming persecuted populations. A study carried out in France by the Centre for Migration and Citizenship at the French Institute for International Relations at Ifri[1] shows quite another picture of small towns and rural areas. Conducted within the framework of the European project SHARE Integration (coordinated by ICMC Europe[2]), the study is based on some forty interviews with stakeholders on the ground, and presents these areas as places of welcome and opportunity for refugees. It is their capacity for action, facilitated by more direct interpersonal relations than in big urban centres and linked to a feeling that a new page of the history of these towns and villages is being written, that constitutes the driver of the inclusion of refugees in their new communities.

For these small towns and rural areas, the main asset is the local population. By mobilising in favour of the refugees, these local populations have become a powerful accelerator for integration and social

[1] M. Tardis, "Another Story from the Refugee Crisis. Resettlement in Small Towns and Rural Areas in France", *Les études de L'Ifri*, July 2019. Available at: https://www.ifri.org/en/publications/etudes-de-lifri/another-story-refugee-crisis-resettlement-small-towns-and-rural-areas). Also available in French at: https://www.ifri.org/fr/publications/etudes-de-lifri/une-histoire-de-crise-refugies-reinstallation-petites-villes-zones)

[2] See a presentation of the SHARE Integration project: https://www.resettlement.eu/page/welcome-share-network.

cohesion. Thus, contrary to received ideas about the absence of job opportunities, in fact, these areas often suffer from a shortage of labour. Moreover, contact between employers and the refugees is often established via the numerous volunteer workers, which means that the standard recruitment process – CV, letter of motivation and interview – which is often discriminatory for the new arrivals, can be avoided.

By re-establishing citizens as central to the reception of refugees, these areas are able to compensate for their own handicaps. But this does not release the local authorities from their responsibilities. Indeed, we observe that this type of integration works all the better in that the local authorities accompany and support this mobilisation and that a distribution of roles is established among the public services and social workers in state-subsidised associations. This then poses the question of the scope of the support provided by the national authorities and also by the European authorities by means of financial funds. In effect, these funds are often ill-adapted, complex and, paradoxically, their amounts too high to be fully mastered by local actors.

Overcoming common difficulties

This positive image of the reception and integration of refugees in small towns and rural areas should not hide the difficulties that the refugees encounter in these areas. These include problems of mobility, when the refugees have neither a driving licence nor access to a car, the lack of public services, including hospitals, and the small number of French classes on offer, which can be a real hindrance to the refugees' integration. Solutions do exist, however, such as training for volunteers who then propose language classes. Above all, many of these problems concern not only the refugees but also the local population.

Mobility is also a problem for an ageing population that is also particularly affected by the increasing "medical desertification" of these areas. Thus, the measures aimed at responding to the needs of the refugees can also benefit the population as a whole. Enhancing the reception and integration of foreign populations is achieved primarily by implementing policies for territorial development and cohesion. This therefore represents a way of escaping from the silo effect that plagues the asylum and immigration policies in Europe and highlights the fact that the reception of migrants is above all a social issue.

Lessons learnt from small towns

One of the channels for reflection stemming from this experience in small towns and rural areas is to ask what these areas can bring to large urban areas, which remain and will continue to remain the main places for the reception of migrant populations.

Big towns can learn from the good practices of small towns. The strong level of integration of the refugees in these areas lies in the mobilisation of the local citizens. They have created a model of integration in which citizens contribute "the little nothings" that help the refugees acquire the social and cultural codes of French society. This model is not limited to small towns and villages, but could be reproduced in large towns at neighbourhood level, where interpersonal relations are still possible. Here then is a project for the mayors of Europe that can contribute to re-forging the links between large urban areas and the countryside.



"By mobilising in favour of the refugees, these local populations have become a powerful accelerator for integration and social cohesion."

Matthieu Tardis



- Joined Ifri's Centre for Migration and Citizenship in February 2015.
- Graduate of the Institute of Higher European Studies in Strasbourg; also studied at the universities of Bordeaux and Oslo.
- Has worked for 15 years on immigration and asylum policies in France, Europe and also in Tunisia.
- Research focuses on asylum, integration, and international migrations and their impact on European policies.

"Is the EU Better Prepared for the Next Migration Challenges?" ***Politique étrangère,*** **vol. 84, n° 3, autumn 2019, details at: https://www.ifri.org/en/publications/politique-etrangere/articles-de-politique-etrangere/better-prepared-next-migration**

PAGE 10 **INFO** TALKS TO DOROTHÉE ALLAIN-DUPRÉ ABOUT THE WORLD OBSERVATORY

Reducing inequality and exclusion in Paris

In March 2016, the CEB approved a €200 million loan to the City of Paris to support its ambitious Social Investment Plan for the 2015-2020 period, with a focus on education and reception facilities for refugees and other vulnerable people.

The The investments have three broad goals: to bring the City's education infrastructure up to standard, create reception facilities for asylum seekers and other vulnerable people, and meet the City's climate targets.

Meeting education standards

Education is a powerful means of mitigating unemployment and exclusion among young people, and reducing gender and regional differences in skills and education levels. The City of Paris programme addresses all levels of education, from early childhood to adult education, and involves modernising school infrastructure and ensuring access for the disabled.

Responding to demographic change

Over the last three years, the French capital has seen a significant decline in its school-age population after several years of steady increase. As a result, the City has decided to invest more in school renovation rather than in new constructions, and to develop a new vision for multipurpose buildings – adapting them to serve different populations and varying public needs.

Achieving climate targets

The City of Paris has committed to ambitious climate targets. These are to reduce energy consumption by 30% in 2020, by 40% in 2030 and by 60% in 2050, and to cut greenhouse gas emissions by 50% by 2030 and by 100% by 2050 – making the City carbon neutral. The City's 650 schools account for one third of the energy consumption of all public buildings in Paris – so energy-efficiency retrofitting is vital to meet these commitments.

Clear benefits

Energy-Service-Company (ESCO)-type contracts have been used, instead of traditional retrofitting, which has led to significant progress in achieving the City's climate commitments. CEB financing has been instrumental in the renovation of 153 buildings on the basis of a 15-year operation period and with a global target of a 30% reduction in energy consumption. Annually, the contract provides for an estimated reduction in consumption of 14GWh – translating to over €1 million/year in savings and a reduction in CO_2 of over 3,000 tonnes/year.



Some 60 more schools are to be added to the retrofitting programme as part of a separate ESCO package, based on a 40% reduction in energy consumption over a five-year period. What's more, the experience of the first 100 schools now in operation shows that the target of a 30% reduction in energy consumption is achievable: the real consumption was reduced by 38%.

Responding to the needs of the most vulnerable

The CEB funding for asylum seekers, refugees, and other vulnerable people has helped the City of Paris to provide or adapt emergency reception facilities so that they meet increasing demand and promote long-term integration, including the expansion of welfare centres and specific French language tuition. The majority of

CEB loan:
€200 million

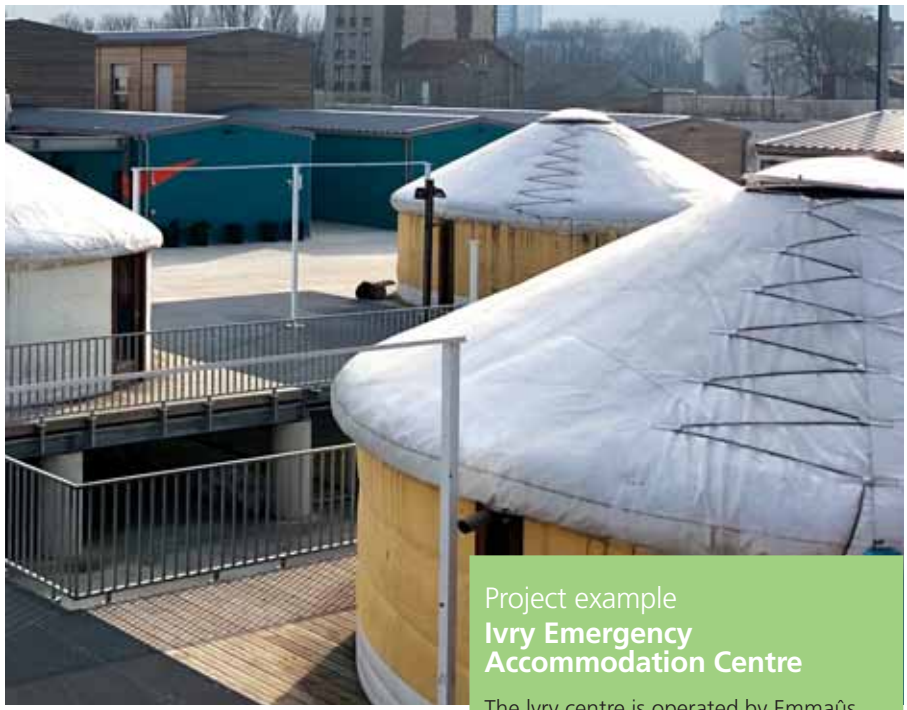
Partner institution:
City of Paris

Direct beneficiaries:
Pupils and the school community (education investments); asylum seekers and other vulnerable people (investments in migrants and refugees)

Project status:
Ongoing, with completion set for 2021.

CEB funding has gone into establishing two reception centres: one in Porte de La Chapelle (north of Paris) and one in Ivry-sur-Seine (on the southeast side). The centre at La Chapelle opened in November 2016 and operated until March 2018. The emergency accommodation centre built at Ivry has received 3,500 vulnerable people in two years, and the centre at La Chapelle has met the remaining target of 5,400 people.





Project example
Ivry Emergency Accommodation Centre

The Ivry centre is operated by Emmaûs (a humanitarian NGO), through a contract with the City, and it has become a best practice example for emergency reception facilities. Ivry targets vulnerable people who have applied for, or who qualify to apply for, asylum, including families, single women and children, and people with health issues. The centre's mission is to provide a safe place to sleep and eat and to support people to take the next step towards their integration. It is the only centre of its kind to include health and education facilities.

The Ivry centre consists of six 'living islands', each with 67 places. Each island includes an office space for administrators, a shared sanitary block and laundry facilities. Every family is assigned a room, which varies in size according to family needs. A centre space provides catering, social and educational activities. There are health consultation rooms and a school with four classrooms, a library, an IT space and a meeting room.



Project example
Beaujon School complex

The school complex caters for up to 400 preschool and primary school children. Renovation work included adding a new building to replace old and dysfunctional facilities, as well as retrofitting, developing kitchen facilities, and making accessibility improvements. Work was completed in two phases: the first comprised ten classrooms for the primary school, the second comprised eight classrooms for the preschool.

Strengthening local services in Žilina Region

In 2001 Žilina Region, in the Slovak Republic, took over some of the responsibilities that had previously been within the remit of the central government. The CEB has provided financial support to enhance local and regional transport, territorial planning, education, social services and healthcare, culture and tourism.

When Žilina Region took on these responsibilities from the central government, it meant, in practice, providing for:

- 1,422 km of roads including 786 bridges
- 26 social care facilities
- four hospitals and one polyclinic
- 22 cultural facilities (theatres, public libraries, museums, cultural centres, etc.)
- 61 educational facilities.

Almost the entire existing infrastructure needed maintenance and modernisation. The Region's hospitals and road network also needed expanding to cater for increased traffic flows and demand for services. In the health and transport sectors alone, the short- to medium-term rehabilitation and expansion needs represented €130 and €150 million respectively.

Meeting the challenge

The Region has developed medium-term strategies to develop existing infrastructure and services. It has targeted EU grant financing under Structural and Cohesion Funds to cover a part of the costs, and the CEB has ensured the financial support associated with the Region's co-financing of the EU-funded projects. The Bank has also contributed to the timely and efficient use of EU resources by providing 'bridge financing'. This has allowed for some of the investments to be implemented before the EU financing has been received.

To date, the CEB has helped to rehabilitate cultural landmarks, cultural and social service centres, museums, public libraries, and regional and local roads. It has enabled the retrofitting of general and vocational schools and the construction and modernisation of healthcare facilities.

Several bridges have been constructed or rehabilitated, and efficient road maintenance equipment has been purchased

Project example
Culture

Now a museum, Budatin Castle dates from the second half of the 13th century and was rebuilt in the Renaissance style in the mid-16th century. Facilities, such as stables, farm areas and footpaths, have been reconstructed or enhanced.



All photos © Žilinská župa

PAGE 12 SOME 19 NEW LOANS HAVE BEEN APPROVED BY THE CEB

CEB loan:
€49.5 million

Total investment value:
€69 million

Partner institution:
Žilina Region

Direct beneficiaries:
690,000 people

Project status:
Ongoing, with completion set for 2023

to ensure continuous and safe access throughout the region, including during the winter. Some 40km of regional and local roads have been rehabilitated, and work will continue until 2023.

Healthcare infrastructure focused on four hospitals. These are multidisciplinary and service some 70,000 residents. To date, emergency (intensive care) units in all four hospitals have been retrofitted and modernised, and an ophthalmology department has been built in the hospital at Liptovskv Mikulas. Work is continuing in all four healthcare centres, which includes installing state-of-the-art equipment.



Project example
Healthcare

Liptovská Nemocnica has a total of 280 beds and employs about 576 people. It caters to the needs of some 74,000 residents and a seasonal tourist population. All emergency care areas have been modernised and the entire hospital has been retrofitted.

“The CEB is one of the most important banks that Žilina Self-Governing Region cooperates with. We greatly appreciate that thanks to the very favourable conditions of the funding programme we have realized significant investment and projects in the field of health care and transport and we can also use advantageous resources in the pre-financing of projects funded by the EU. We will very likely continue to cooperate with the CEB in the future in the financing of other development projects.”
Erika Jurinová, President, Žilina Self-Governing Region



Project example
Education

The Secondary Technical School in Ružomberok has been fully retrofitted and new equipment has been added to its workshops and labs. As well as making the school a safe and pleasant environment for students, the work will reduce its energy costs.

About the Žilina Region

- **Third largest region in the Slovak Republic, contributing 11% of the country’s GDP**
- **690,434 residents (2016) and 6.92% unemployment rate.**
- **In 2014, the Region’s revenue was €147 million, and expenditure was €137 million. The total debt of €55 million in 2011 decreased to €43 million in 2014.**

Shining a light on cities and regions

Dorothée Allain-Dupré is Head of the Decentralisation, Public Investment and Subnational Finance Unit in the Centre for SMEs, Entrepreneurship, Regions and Cities at the OECD. She talks to Info about the World Observatory, which she leads, and its role in providing reliable data on subnational governments, finance and organisation.

Info: In June, the World Observatory on Subnational Government Finance and Investment published its second report and a web platform. What triggered the creation of the World Observatory, and what are its objectives?

DA-D: The World Observatory was jointly established by the OECD and United Cities and Local Governments (UCLG) to respond to growing international demand for reliable and comparative data on subnational governments, finance and organisation. Cities and regions are at the forefront of many challenges linked to current megatrends, such as climate, demographic changes, and digitalisation. Despite the significant and growing role of subnational finance, there is a critical lack of comparable data on the subject.

In 2016, a pilot Observatory was developed with the support of the French Development Agency (AFD) to assess its feasibility. The experience was successful, so the initiative was extended in 2017 with the creation of a Steering Committee to monitor the project. This Committee gathers representatives from national governments, subnational government associations, other European and international organisations, development banks and think thanks. Key partners, in particular the UNCDF, the CEB and DeLoG, joined the AFD to fund the initiative. By working together, we have generated the momentum behind this initiative – and at a very timely moment for the global agenda. The World Observatory's objectives are to:

- ensure standardised, reliable and transparent access to data on subnational government structure, finance and investment, which it has done for more than 100 countries
- support policy makers and their partners (including the financial community) to assess the strengths and weaknesses of countries' multi-level governance and fiscal frameworks
- serve as a capacity-building and learning tool for stakeholders at all levels of government, supporting international dialogue on issues relating to governance, fiscal frameworks and subnational investment.



There is a growing demand for information and data on multi-level governance and subnational finance

Info: Why is the World Observatory's 2019 report important?

DA-D: The report covers more than 120 countries, and it's the first time that such a systematic collection of data on subnational government finance and structure has been conducted. We have also extended the type of data and indicators that have been included, with more detailed data on

expenditure, revenues and debt as well as more "measures", introducing data in USD per capita in addition to ratios.

Beyond data, we have expanded the qualitative information presented. For example, we collect detailed information on the way responsibilities are assigned at the different levels of government, and on recent or on-going institutional and territorial reforms.

The web platform that accompanies the report makes all this data publicly accessible (www.sng-wofi.org) and includes tools to compare selected countries or selected indicators, and to build graphs.

Our objective is to make the World Observatory a practical tool – one that helps policy makers, practitioners, academics and financing partners better diagnose the challenges for subnational government and finance, and better assess the fiscal space for public investment and the priority areas for reform.

Info: Which findings are of most relevance for Europe, and would these entail any changes in current European governance practice?

DA-D: The first finding relevant for Europe is the fact that the level of subnational expenditure in Europe is high compared to the rest of the world. In Europe, on average, more than a quarter of public spending is realised at the subnational level (26.4% of public expenditure), compared to 24.1% worldwide and 18.3% in Latin America, for example.

The second finding is a worrying trend: in Europe we are seeing a lower share of public investment than in the rest of the world. In 2016, on average in Europe, public investment was 3.1% of GDP and 7.9% of total public expenditure, compared to 4.3% of GDP and 14.3% of public expenditure for the rest of world.



Dorothée Allain-Dupré

- In charge of the World Observatory on Subnational Government Finance and Investment, overseeing the programme of work on multi-level governance and decentralisation.
- Previous roles include working in the Budgeting and Public Expenditures Division of the Public Governance Directorate of the OECD, where she was in charge of public employment and budgeting issues.
- Holds a Masters degree in European Studies from the University of Sussex, UK; a Master of Public Policy from the Ecole Doctorale of Sciences-Po ; graduated from the Institute of Political Sciences (Sciences-Po), Paris.

"It is essential to support public investment in Europe, particularly at the subnational level. Sustained low public investment can seriously hamper productivity and socio-economic opportunities for regions and countries, as well as their resilience in the face of megatrends."

Public investment is particularly low at the subnational level, which is problematic given the strong role of cities and regions in investment. Subnational public investment declined sharply in Europe after the global financial crisis, and this trend only started to reverse in 2017. Data from the Observatory shows that in 2016 subnational public investment represented only 1.2% of GDP in Europe, compared to 1.8% in Asia Pacific and 2.6% in North America.

Info: What comes next for the World Observatory?

DA-D: We are committed to consolidating and expanding the World Observatory, in partnership with UCLG and with support from our key partners, including the CEB. We plan to regularly consolidate and update the database, extend the Observatory to new countries, include new indicators, and enhance the analysis by geographic region. We may also develop some specific thematic areas, and our partners will be instrumental in defining these priorities.

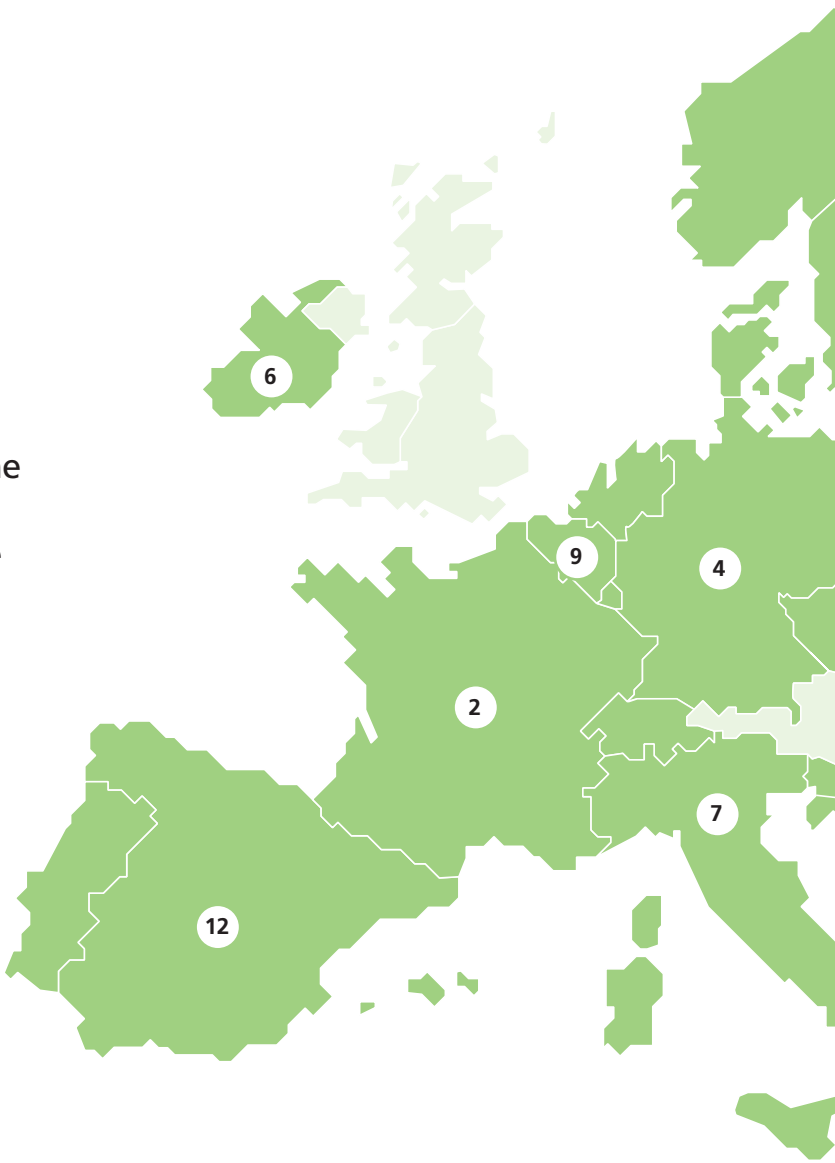
We also aim to build a global network of experts and generate a constructive and informed dialogue on how to strengthen multi-level governance frameworks around the world. We look forward to pursuing our fruitful cooperation with the CEB and all the other partners involved on the World Observatory.



PAGE 14 A RUNDOWN OF THE CEB MEETINGS AND EVENTS THAT TOOK PLACE IN LISBON THIS SUMMER

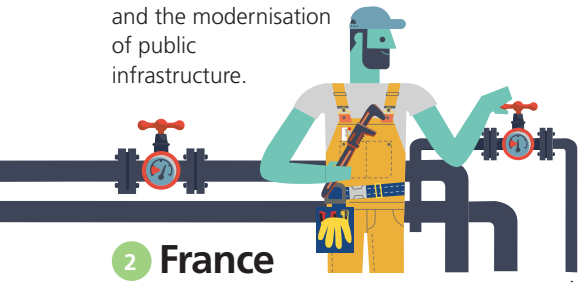
The CEB's new loan approvals

Nineteen new loans were approved by the CEB's Administrative Council in July and September. These will pull together more than €3 billion in total investments.



1 Czech Republic

Loan size: €150 million
Borrower: SG Equipment Finance
Aim: To finance investments in MSMEs in the Czech and Slovak Republic and the modernisation of public infrastructure.



2 France

Loan size: €100 million
Borrower: Syndicat des Eaux d'Ile-de-France
Aim: To finance new water pipelines and new water treatment technology for the benefit of some 4.6 million users.

Loan size: €100 million
Borrower: Métropole Aix-Marseille-Provence
Aim: To improve the metro system and network in Marseille.

3 Georgia

Loan size: €25 million
Borrower: ProCredit Bank
Aim: To support MSMEs to become more competitive, enhancing job creation/preservation.



4 Germany

Loan size: €58 million
Borrower: LWB
Aim: To promote the construction of social housing for people on low incomes.

Loan size: €150 million
Borrower: Investitionsbank des Landes Brandenburg
Aim: To finance eligible investments associated with Brandenburg's municipal infrastructure and social housing programmes.

Loan size: €63 million
Borrower: Stuttgarter Wohnungs- und Städtebaugesellschaft
Aim: To support the construction, acquisition and renovation of buildings for affordable and social housing, and to preserve Stuttgart's architectural heritage.

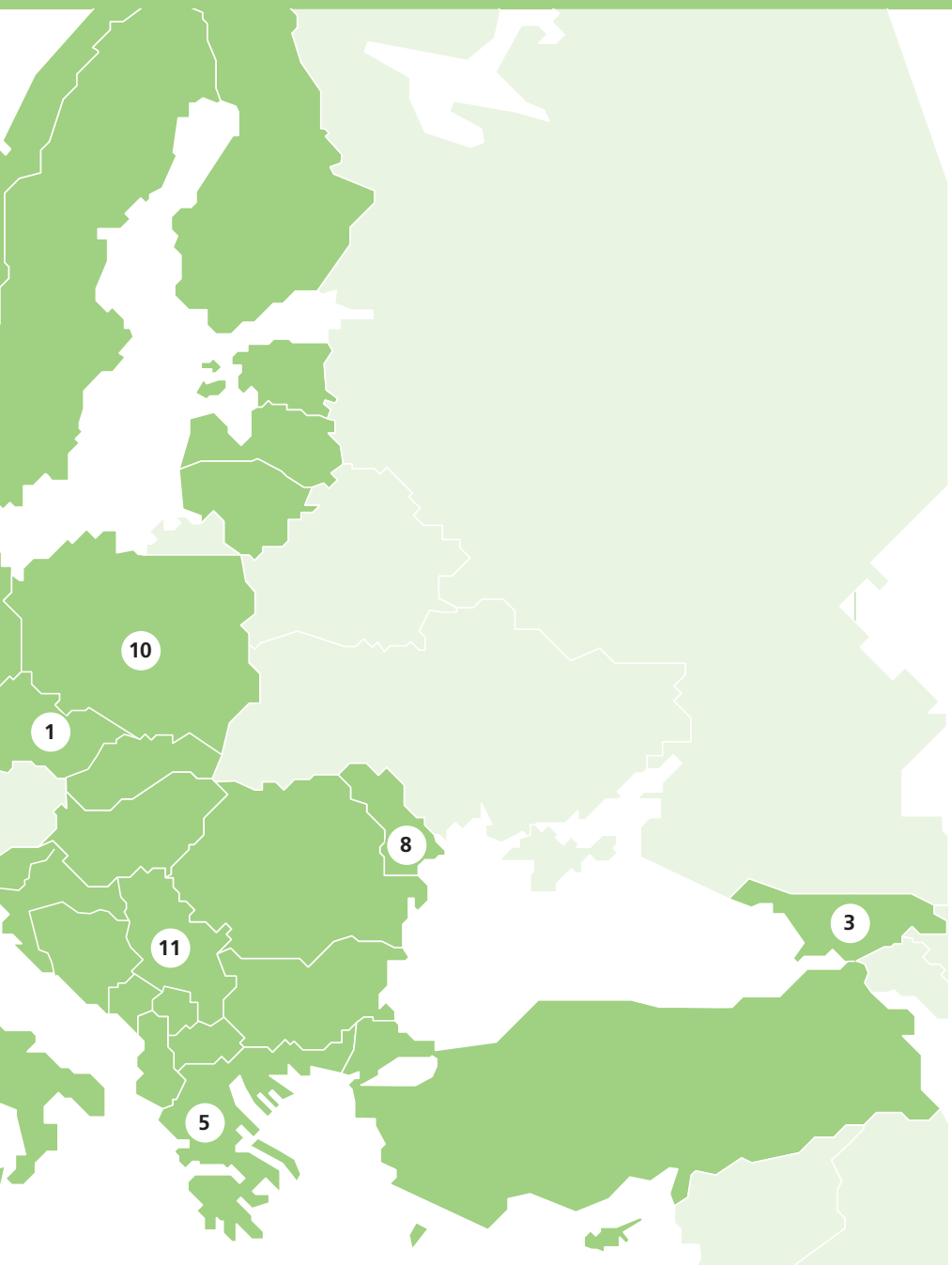
5 Greece

Loan size: €70 million
Borrower: Government
Aim: To reduce environmental damage caused by extreme floods.



6 Ireland

Loan size: €150 million
Borrower: Housing Finance Agency
Aim: To enable the construction of energy-efficient homes, and to retrofit social housing.



9 Netherlands

Loan size: €150 million
Borrower: Nationaal Energiebespaarfonds
Aim: To support home owners to undertake energy efficiency measures.

Loan size: €10 million
Borrower: Qredits
Aim: To finance micro-credits or SME-loans for entrepreneurs unable to access the financial sector.



10 Poland

Loan size: €100 million
Borrower: Pekao Leasing
Aim: To support Polish MSMEs with their productive investments.

Loan size: €34 million
Borrower: Region of Świętokrzyskie
Aim: To help the region develop an efficient transport infrastructure and provide better health services.

Loan size: €86 million
Borrower: City of Warsaw
Aim: To finance investments in culture, health, and public transport.



7 Italy

Loan size: €50 million
Borrower: Municipality of Genoa
Aim: To support investments aimed at reducing hydrogeological risk, and renovate public buildings and infrastructure.

Loan size: €300 million
Borrower: Cassa Depositi e Prestiti
Aim: To finance the renovation of 640 school buildings across the country.



8 Moldova (Republic of)

Loan size: €10 million
Borrower: Government
Aim: To build a new penitentiary facility.

11 Serbia

Loan size: €54 million
Borrower: Government
Aim: To finance the construction of a new building for the University Children's Hospital Tirsova in Belgrade.

12 Spain

Loan size: €100 million
Borrower: Nuevo Micro Bank
Aim: To support lending to microbusinesses and individuals.

CEB in Portugal

Early July saw Lisbon play host to a number of CEB meetings and events.

4 July – 'From Imperative to Urgency: Investment for Social Inclusion' Conference

This conference, held by the CEB and the Calouste Gulbenkian Foundation, brought together high level speakers and delegates from across Europe to review the role of investments in promoting social inclusion in Europe. The focus was on current demographic and inequality challenges and the policy and investment options available to address them.

Speakers discussed a wide range of topics, including digital transformation, labour market fragmentation and productivity, population ageing, gender, income and current social and cultural exclusion mechanisms.

Discussions were moderated by Carlo Monticelli, Vice-Governor of the CEB, and Clara Raposo, Dean, Lisbon School of Economics & Management. Carlos da Silva Costa, Governor of Banco de Portugal, rounded off the proceedings by emphasising the important role of the CEB in supporting social cohesion in Europe. He also argued in favour of policy-making at the national level, focused on three sectors conducive to inclusive growth: education, the labour market, and the business environment.



Mário Centeno, Portuguese Minister of Finance with Rolf Wenzel, Governor, CEB

5 July – Annual Joint Meeting, Administrative Council and Governing Board meetings

Portugal's Minister of Finance, Mário José Gomes de Freitas Centeno, opened the 54th CEB Joint Meeting. He commended the CEB on its continuing sound performance and capacity to meet the needs of its members. The Minister also highlighted the social development areas in which Portugal has been cooperating with the Bank.

Snežana Samardžić-Marković, Council of Europe Director General of Democracy, and Dominique Lamiot, Chair of the CEB Governing Board, emphasised the role that the CEB could play in the numerous and complex challenges facing European societies, and to benefit its member countries.

Miglė Tuskienė, Chair of the CEB's Administrative Council, stressed the good results which the CEB has continued to deliver in the past year, and stressed that social projects could make a difference when it came to supporting inclusive growth for all, so that no-one was left behind.

In the afternoon, the CEB's 313th Administrative Council meeting approved eleven loans, totalling almost €1.1 billion in financing. These were made available for investments in MSMEs, water supply, health and education infrastructure, social housing, energy efficiency measures, disaster prevention and preparedness, and penitentiary facilities in line with European Prison Rules. This financing is expected to raise some €2 billion in overall investments in the short term, in ten CEB member countries.

6 July – Project partners' meeting

Members of the Bank's Governing Board and Administrative Council met two of the Bank's partners in Portugal – the Enterprise for Alqueva Infrastructure Development and the Portuguese Refugee Council (PRC) – to learn more about their projects. Governor Wenzel signed a grant agreement with the PRC to finance improvements to the Reception Centre for Unaccompanied Minors in Lisbon.



Conference topics ranged from digital transformation to population ageing

Sharing knowledge, driving solutions

Today, over 70% of Europeans live in cities. Rapid urbanisation has resulted in social and economic inequality, which is characterised by a lack of access to decent housing. A new technical brief from the CEB looks at how not-for-profit private organisations can play a part in providing adequate housing to vulnerable social groups.

Metropolitan areas with more than one million people account for 39% of the EU population, 41% of jobs and 47% of wealth in terms of GDP (Eurostat, 2016). The relative economic weight of these – usually capital – cities is particularly high in Eastern Europe. In Bulgaria, for example, the Sofia region houses only 23% of the country's population, but accounts for 43% of the national GDP (Eurostat, 2016). In all Eastern EU member states (apart from Slovenia) employment rates in cities are higher than in rural areas.

Accessing affordable, quality housing

In 21 EU capitals, only around a third of inhabitants find it easy to obtain good housing at a reasonable price (European Commission 2015). In 2017, overburdened households[1] represented more than 10% of all households in Europe, and this figure was even higher in some Eastern European countries such as Serbia (33.6%), Bulgaria (19%) and Romania (12.5%) (Eurostat, 2018).

Housing quality is also an issue. In the EU, 27% of young people live in overcrowded homes, while the proportion is over 50% in Hungary, Croatia, Poland, Latvia and Slovak Republic, and over 60% in Romania and Bulgaria (Eurostat 2018). While only 6% of Europeans live in severe housing deprivation – overcrowded homes with leaking roofs, no sanitation or insufficient light – the situation is much worse in Eastern Europe.

[1] Households where housing expenses amount to more than 40% of total household revenue.



Launching a new technical brief

Low-income families, displaced people, migrants and people with disabilities have difficulty accessing housing or can only do so under extreme hardship. As a result, financing sustainable and affordable housing for these vulnerable populations is one of the CEB's priority areas.

The Bank recently launched a new technical brief, entitled 'Social and affordable housing provided by non-profit private organisations in Europe' which looks at the part the private sector can play in providing social and affordable rental housing in Northern and Western Europe. Private actors generally act as non-profits with a strong social mission, carried out in collaboration with the public sector. The technical brief argues that involving not-for-profit private actors could be part of a fully-fledged solution to provide adequate housing to the most vulnerable social groups. It discusses four distinctive models of social and affordable housing provision by private not-for-profit actors that could inform Eastern European countries keen to involve new partners in this sector.



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

News, events, and publications

CEB Environmental Statement

The CEB has formalised its commitment to minimising the environmental footprint associated with its operations. The Bank will continue to improve its environmental performance in a variety of ways, from using more efficient heating and cooling systems to reducing the environmental impact of business travel and staff commuting, and the consumption of office supplies, paper, plastic and water. The Bank's Corporate Sustainability Report – to be published next spring – will include more details.



CEB staff enjoying CEB Day in June

CEB staff support the most vulnerable

In June, CEB staff donated €3,500 to three not-for-profit organisations (NGOs) who assist young people from low-income families, refugees, and migrants improve their knowledge and skills and find a job. The donation was initiated on CEB Day, a regular event when CEB staff get together for off-site activities. The NGOs chosen were DUO for a JOB, Simplon and Kiron, and were selected from a pool of organisations supported by the EPIC Foundation, a global non-profit startup initiated by Alexandre Mars focused on disadvantaged youth.

MDB Heads of Procurement meet

Heads of Procurement (HOP) from all Multilateral Development Banks (MDBs) met in Luxembourg on 2-4 July for their annual meeting. Discussions and outcomes from the meeting included strengthening the need for more focus on well prepared projects and robust lender supervision mechanisms in large and complex projects. Increased procurement technical assistance was also considered necessary to strengthen project implementation units in borrowing countries. The next full meeting of the HOP will be hosted by the Asian Development Bank in Manila in the spring.

LATEST ON CEB CREDIT RATING

On 3 September, Fitch Ratings affirmed the excellent 'AA+' long-term issuer credit rating for the CEB, with an outlook revised from 'stable' to 'positive.' Earlier this year, on 26 July 2019, Moody's affirmed the CEB's long-term rating at Aa1 with stable outlook, while Standard & Poor's upgraded the Bank's rating from AA+, outlook positive to AAA, outlook stable, in February and confirmed on 1 July 2019. The CEB's 2019 credit rating reflects the Bank's very good and excellent performance against several of the three credit agencies' criteria.



LANDMARK HOME IN BOSNIA AND HERZEGOVINA

On 28 August, the Rajic family moved into their new home in the village of Grabovica, near Mostar. The house represents the 1000th housing unit delivered by the Regional Housing Programme in the country and it allowed the family to return home after 26 years of displacement.



Jozo and Janja Rajic with their granddaughter, August 2019 © EU

NEW SEMESTER, NEW FACILITIES

Renovations are now complete of the Mechanical Engineering, Transport, and Aeronautics Faculty at Riga Technical University (RTU). RTU, the largest science-based university in the Baltics, will continue improving three other campus facilities until late 2020, with financing support provided by the CEB in December 2018.

What's on October – December 2019

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



14 – 20 October
Washington D.C., U.S.A.

World Bank Group and International Monetary Fund annual meetings
Central bankers, finance and development ministers, academics and private sector executives come together to discuss global issues and the global economic outlook.
More at: worldbank.org/en/meetings/splash

11 – 13 November
Paris, France

Paris Peace Forum
An international event on global governance issues and multilateralism. The CEB and partners will be introducing the Regional Housing Programme.
More at: parispeaceforum.org

21 – 22 November
Paris, France

CEB Administrative Council meeting
The last of this year's Administrative Council meetings. Representatives of each member state will join together to approve new investment projects. **More at: coebank.org/en/about/structure-management/administrative-council/**

5 December
Paris, France

'European regions and cities: Engines for growth and social development'
This high-level conference, organised by the CEB and Caisse des Dépôts Group, will consider the growing challenges faced by cities and regions in Europe and discuss possible solutions to increase growth and provide opportunities for all.
More at: conference2019@coebank.org

6 December
Paris, France

CEB Governing Board Meeting
The final meeting of the Bank's Governing Board for 2018. The Governing Board oversees the general direction of the Bank.
More at: coebank.org/en/about/structure-management/governing-board/

Read our latest publications

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

LOOK OUT FOR THE NEXT ISSUE OF **Info** OUT IN JAN 2020

SOCIAL AND AFFORDABLE HOUSING PROVIDED BY NON-PROFIT PRIVATE ORGANISATIONS IN EUROPE

This technical brief argues how involving not-for-profit private actors in the provision of social and affordable housing can help to provide adequate housing to the most vulnerable social groups. Review prepared by Samir Kulenovic and Kristina Maslauskaite.



RHP NEWSLETTER MAY - AUGUST 2019

Quarterly newsletter on the Regional Housing Programme (RHP), featuring implementation highlights, beneficiary stories, and upcoming events.
The newsletter is available:
http://regionalhousingprogramme.org/wp-content/uploads/publications/RHP_Newsletter_2019_No_15.pdf



Interested in joining the CEB? Find out what we can offer from our latest video.

https://www.youtube.com/watch?v=F8wGx653Lfo&feature=youtu.be



CEB's Support for European Cities and Regions

Le rôle de la CEB en faveur des villes et régions européennes

Local authorities are best placed to identify which policies and projects need the most urgent financing to promote the economic inclusivity of the most vulnerable, safeguard against climate change, and foster social cohesion.

Over the past five years, the CEB has approved more than €7 billion in financing for cities and regions in its member countries.

Les collectivités locales sont les mieux placées pour identifier les politiques et les projets qui sont les plus urgents à financer afin de promouvoir l'inclusion économique des plus vulnérables, d'améliorer la résilience aux changements climatiques et de favoriser la cohésion sociale.

Au cours des cinq dernières années, la CEB a approuvé des financements de près de € 7 milliards en faveur des villes et régions de ses pays membres.

Direct lending to cities and regions and their utility companies

Des prêts directs aux villes, aux régions, et à leurs entreprises de services publics



How does the CEB support local communities?

Comment la CEB soutient-elle les communautés locales ?



On-lending operations through national/regional development banks, development funds, and other financial intermediaries

Des opérations de prêts intermédiés avec des banques de développement nationales/régionales, des fonds de développement et d'autres intermédiaires financiers

Financing support to EU-funded investments undertaken by cities and regions in the social sector

Un appui financier aux investissements réalisés par les villes et régions dans le secteur social, qui font l'objet d'un financement de l'Union européenne





Technical, operational and financial know-how to support cities and regions to prepare, implement and monitor projects.

Un savoir-faire technique, opérationnel et financier pour aider les villes et les régions dans la préparation, la mise en œuvre et le suivi de leurs projets



Promoting positive outcomes for everyone

The CEB has closed funding gaps on key social investments in urban and rural infrastructure across a range of sectors, most notably education, health, and affordable and social housing. This aims to foster social cohesion, promote the economic inclusion of the most vulnerable, and safeguard against climate change.

Promouvoir des résultats positifs pour tous

La CEB a comblé les déficits de financement d'investissements sociaux essentiels dans les infrastructures urbaines et rurales de plusieurs secteurs, plus particulièrement l'éducation, la santé, et le logement social abordable. L'objectif est de favoriser la cohésion sociale, de promouvoir l'inclusion économique des plus vulnérables et de se prémunir contre le changement climatique.

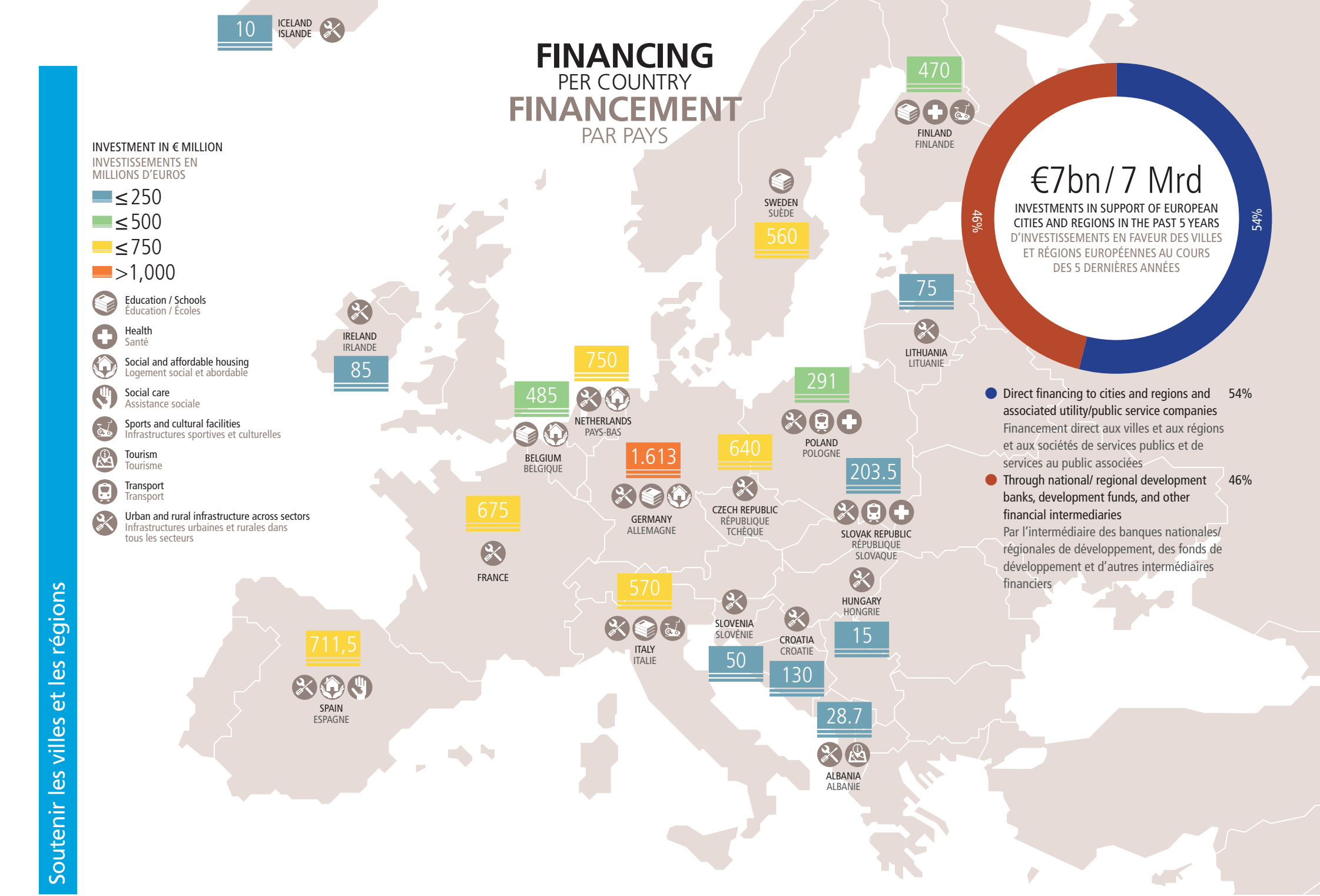
Soutenir les villes et les régions

FINANCING
PER COUNTRY
FINANCEMENT
PAR PAYS

INVESTMENT IN € MILLION
INVESTISSEMENTS EN MILLIONS D'EUROS

- ≤250
- ≤500
- ≤750
- >1,000

- Education / Schools — Éducation / Écoles
- Health — Santé
- Social and affordable housing — Logement social et abordable
- Social care — Assistance sociale
- Sports and cultural facilities — Infrastructures sportives et culturelles
- Tourism — Tourisme
- Transport — Transport
- Urban and rural infrastructure across sectors — Infrastructures urbaines et rurales dans tous les secteurs



- **Direct financing to cities and regions and associated utility/public service companies** — 54%
  Financement direct aux villes et aux régions et aux sociétés de services publics et de services au public associées
- **Through national/ regional development banks, development funds, and other financial intermediaries** — 46%
  Par l'intermédiaire des banques nationales/ régionales de développement, des fonds de développement et d'autres intermédiaires financiers