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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 #4 2019



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Dear reader,



It is a pleasure to share with you in this issue of **Info** information about the CEB's medium-term strategy as set out in our new Development Plan 2020-2022. The Plan takes into account the current situation in Europe and has been designed to achieve the maximum, targeted impact from CEB activity by promoting inclusive and sustainable growth and supporting vulnerable population groups in CEB member countries. You can read more about the Development Plan 2020-2022 in the supplement to this issue and on our website (www.coebank.org).

The overarching theme of this **Info** has to do with microfinance as a means of boosting employment. The right to work, the free choice of employment and protection against unemployment are all included in the Universal Declaration of Human Rights. In practical terms, however, having a job is an essential prerequisite for leading a productive, happy life – it is as simple as that.

In many European countries, there is still a visible need to repair the damage that was done by the financial and economic crisis and to help their economies overcome the lingering effects of weak or no economic growth.

This is why promoting employment and entrepreneurship have been among the top priorities of the CEB, which in recent years has stepped up its efforts to support job creation and preservation especially through microfinance.

In this issue of **Info**, you can read more about how the CEB, thanks to its partnerships with microfinance institutions around Europe, helps to keep people in employment or gives them the support they need to start their own business, and how this can bring positive change to so many people's lives.



Rolf Wenzel
Governor, CEB

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The CEB is launching an annual competition to showcase outstanding contributions to social cohesion.
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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.

The CEB Award for Social Cohesion

In January 2020 the CEB launches a new annual competition which will showcase remarkable contributions to social cohesion. CEB Governor, Rolf Wenzel, talks to **Info** about this new initiative.



Info: Governor, this month the CEB is launching the CEB Award for Social Cohesion. Can you tell us a bit more about how this came about?

RW: The CEB Award for Social Cohesion stems from the CEB's exclusively social mandate and the need to encourage, through recognition and reward, outstanding contributions to social cohesion. The CEB itself has been working for over 60 years to strengthen social integration and eliminate social and economic inequalities in Europe.

Knowing that there are numerous initiatives out there in CEB member countries serving the same purpose and making their own contribution to the promotion of social cohesion, we sought a way to give those initiatives credit and set them as positive examples to be emulated. That is how the CEB Award for Social Cohesion was born. We very much hope that it will become a well-established annual institution in the world of social development in Europe.

> **"The winner of the CEB Award for Social Cohesion will receive recognition and serve as an example for other similar initiatives across Europe."**
> CEB Governor, Rolf Wenzel

Info: How will contributions to social cohesion be assessed? And what will the role of the CEB be in the selection process?

RW: Innovation and effectiveness are key words when it comes to the assessment process. We will be looking for projects at an early stage of implementation, or for advanced project ideas which address pressing social issues in an innovative and effective way. The impact, sustainability and replicability of these initiatives will be carefully taken into account, bearing in mind that both the project and its beneficiaries must be in a CEB member country.

Selecting only one winner is not going to be easy, so we have put a lot of thought into the selection process. Following a careful examination of all applications, an independent, international jury of experts will decide on the winning initiative, supported by a CEB panel with an expertise in various aspects of social development.

Info: What does the award consist of?

RW: The award consists of a CEB trophy, accompanied by €25,000 in prize money to be used for the implementation of the winning initiative. More importantly, however, the winner will receive recognition and serve as an example for other similar initiatives across Europe. This is very much what we are hoping to achieve with this award. Each year, there will be an award ceremony in the margins of the annual CEB Joint Meeting. The first ceremony of the CEB Award for Social Cohesion is scheduled to take place in Dublin on 2 July 2020.

For more information on the CEB Award for Social Cohesion and the nomination and selection procedure, please go to www.coebank.org

Our strategic roadmap for 2020-2022

The CEB's Development Plan 2020-2022 was approved by the Bank's Governing Board at its December meeting, on recommendation by the Administrative Council. Info talks to Cristian Tabacaru, Head of the CEB's Projects Division, about the Bank's medium term strategy.

Info: **The newly-approved Development Plan details how the CEB will strengthen social cohesion and ensure more inclusive and sustainable societies in its member states. What are some of the main points to look out for in the Plan?**

CT: The new Plan centres on the three 'lines of action' that underpin the CEB's social mandate: that the Bank's investments will promote inclusive growth, support vulnerable groups (including migrants and refugees), and safeguard environmental sustainability in all social projects.

"The Development Plan provides the CEB with a clear strategic vision for the medium term. It highlights our firm commitment to financing projects with a strong social content, which are also environmentally sound. The Plan will help us to remain focused on our priorities and continue to support the social development policies of our members in accordance with our mandate, delivering strong results."
CEB Governor, Rolf Wenzel



Download the full Development Plan 2020-2022 at www.coebank.org

As such, the CEB is aiming to provide €4 billion annually in new loan approvals of social projects. This lending will be complemented by technical assistance – via grant funds – which will strengthen the capacity of its borrowers to absorb CEB loans and help projects to fully realise their social goals. Such grant-backed technical assistance will be most needed in the Bank's target group countries, which will continue to be a priority for the CEB's overall investment strategy.

At this point, it's important to note that the Bank will maintain a balanced approach in terms of risk and geographical distribution, and a prudent risk management policy to sustain its financial health.

Info: **A central theme of the new Plan seems to be the Bank strengthening its cooperation with sub-national governments. Why is this?**

CT: Public investment in the social sector is increasingly decentralised in many European countries, with sub-national governments shouldering much of the responsibility to implement social policies. The CEB will also be seeking to diversify its range of borrowers and to expand its long-standing partnerships with national promotional banks, who can work with the CEB to better identify investment needs. Together we can leverage each other's funds towards high impact social projects.

Info: **How do the UN Sustainable Development Goals (SDGs) feature in the new Plan?**

CT: The SDGs take centre stage, with the Bank advocating for, and supporting the shift towards, more sustainable and socially-responsible finance. The CEB will be systematically working to identify how its social investments are helping to advance relevant SDGs. The Bank will also be stepping up efforts to "green" the social projects it funds to the fullest extent possible.

Info: **How does the new Development Plan support the work of the Council of Europe?**

CT: The Plan reinforces the Bank's special relationship with the Council of Europe and, therefore, the CEB's social mandate. The Bank will strive to help member states finance the implementation of the policies approved by the Council. What's more, with social development increasingly at the forefront of policy discussions in Europe, the Bank's historic work in the social sector is helping to foster closer relationships with the European Union, and other national and international organisations and academic institutions.

Having a social impact in Spain

Juan Carlos Gallego González, the President of MicroBank, looks at the role MicroBank plays in promoting social cohesion and wellbeing in Spain, its vital partnership with the CEB, and its change of focus.



In 12 months, 9,561 new businesses have been launched with the support of microcredits

The economic slowdown affecting Europe and beginning to be noticed in our country highlights the persistence of significant imbalances, which are evident if we analyze the levels of unemployment, job insecurity and risk of poverty. Spain cannot afford to look the other way if it wants to build a fair and cohesive society. To be an active agent in social progress, we need to respond to the challenges posed by society: improving the wellbeing of families and reducing inequalities. Only the sum of efforts on the part of all citizens will make it possible to reverse this situation.

Taking a stand against inequality

MicroBank, the social bank of CaixaBank (located in Spain), has a firm commitment to follow a model of responsible banking and bring us closer to the fulfillment of the UN's Sustainable Development Goals (SDGs), with special attention to the eradication of poverty and the reduction of inequalities.

Our institution is always attentive to citizens' concerns so it can respond to them and contribute to boosting productive activity and job creation. At the same time we aim to improve access to credit for people who may have more difficulty accessing financing through traditional banks.

The trigger for a social bank in Spain

MicroBank's launch in 2007 coincided with the start of the financial crisis that led to the hardest recession in recent decades. These were difficult times for everyone. As a result of the global situation, families and entrepreneurs found it difficult to obtain the necessary financing to carry out their projects or meet specific needs. It became clearer than ever that there was a need for a social bank to meet the demands of groups that might be left out of the financial system because of their level of income or inability to provide guarantees.

Support from the CEB

Breaking traditional banking schemes, MicroBank took a step forward to facilitate access to credit for these people – something that wouldn't have been possible without the support of major European institutions, including the CEB. The Bank has supported us since the beginning by providing funding so that we can carry out our mission. The funds we have received (€480 million) have enabled us to grant new microcredits and offer particularly competitive conditions adapted to the needs of our clients. Together, we have

PAGE 18 SEE A ROUND-UP OF ALL CEB LOANS APPROVED IN 2019



Juan Carlos Gallego González

- President of MicroBank and Executive Director of the Technical Secretariat of the Presidency of CaixaBank in Madrid.
- Chair of the Madrid Board of Directors of the Spanish Association of Executives (AED); Chair of the Financing Committee of the Spanish Chamber of Commerce; Member of the Executive Committee of the Real Instituto Elcano; Member of the Madrid Business Confederation (CEIM), and Trustee of the Spanish-Chinese Council Foundation.

made it possible for MicroBank to become a European benchmark in microfinance.

It is essential to highlight the social value of what we do – what our clients appreciate so much and what contributes to the development and wellbeing of society as a whole. For this reason, MicroBank plays an outstanding role in the Socially Responsible Banking Plan of the CaixaBank Group. We are entrusted with the mission of promoting financial inclusion, facilitating access to credit for certain groups, and for strengthening the Group's commitment to socioeconomic development by providing different forms of finance with a social impact.

A friend to families and small business

MicroBank has been growing year-on-year since its creation. We closed the third quarter of 2019 with an outstanding portfolio of €1,595 million, €22 million more than in the same period last year. We granted 60,943 microloans to families between January and September 2019 to cover specific needs and 14,806 loans to entrepreneurs to help them launch or consolidate a business. We have also granted financing amounting to €10 million for the new EaSI line, aimed at social enterprises with a positive social impact.

During the course of the 12 years that MicroBank has been operating, we have progressively reoriented our microfinance activities to target those customer segments that still encounter problems accessing credit. Over time we have been able to test the solidity of our operating model, and our confidence in it is now enabling us to go a step further.

A new focus

Our strategic plan 2019-21 reflects our new orientation: to contribute to the progress and wellbeing of society by providing financing to groups and projects with a positive social impact. In this new challenge we hope to continue to count on the support of the CEB, so that we can contribute to making a better world together.

"Breaking traditional banking schemes, MicroBank took a step forward to facilitate access to credit for people who might be left out of the financial system because of their level of income or inability to provide guarantees. This move wouldn't have been possible without the support of major European institutions, including the CEB."



Microcredits and other financing with a social impact

(Information to September 2019)

- **75,826** microcredits granted
- **€552.6M** granted
- **€9.7M** in other loans with a social impact
- **4,045** number of CaixaBank branches through which MicroBank operates
- **598** collaborating institutions

Contribution to economic growth and job creation (in the last year)

- **25,820** jobs created with the support of microcredits
- **9,561** new businesses launched with the support of microcredits
- **€1,718M** contributed to the Spanish GDP by financed companies
- **66,000+** jobs linked to companies that have received funding from MicroBank

Contribution to personal and family development

- **60,943** families received a family microcredit
- **96%** were able to meet the need for which they requested the microcredit
- For **68%** the microcredit helped with making financial decisions with greater confidence

Contribution to financial inclusion

- **€0.49M** in microcredits for people exposed to high social vulnerability
- **€21.8M** in microcredits aimed at customers who have been supported by institutions

Empowering women through business

MI-BOSPO is a Bosnian microfinance institution (MFI) that works mainly with micro and small enterprises owned by women – who often have no stable income. A CEB programme loan is helping the MFI to address women's economic empowerment and inclusion, and improve their living conditions.



Photos © Amel Emric

The CEB programme loan of €2 million, which was approved in September 2018, will be channelled through by MI-BOSPO in the form of micro-loans limited to amounts up to €5,100 (equivalent to 10,000 Bosnian Convertible Marks, or BAM). This is the legal limit for non-profit microcredit foundations, and will mean that a minimum of 800 households and microenterprises could benefit from the programme. This CEB loan is the first to serve mostly low-income women entrepreneurs with limited or no access to bank loans.

The challenge of unemployment

Bosnia and Herzegovina has one of the highest levels of unemployment in Eastern Europe. In March 2018 its registered unemployment rate was 37%, with 466,330 people unemployed. According to data from the statistics office, only 794,505 people were in formal employment out of a population of 3.5 million*.

The country is still suffering from the consequences of the 1992-1995 war, which affected all the larger companies in the

"In the 23 years since its formation, MI-BOSPO has financially supported almost 70,000 women entrepreneurs. Today, the participation of women in the MI-BOSPO portfolio is 65%."

*2011 census

CASE STUDY: A driving ambition

Tuzla is the economic, cultural, educational and tourist centre of north east Bosnia. It's a busy place, with plenty going on. Mersija Begović, who comes from the city, used her first MI-BOSPO loan to found a taxi company with her husband. That was in 1998, when the couple began the business with one old rented car. Today Mersija has just received her twentieth loan from MI-BOSPO, and her taxi company owns four cars and a van, and has three employees.

Mersija has stepped back to enable her son to manage the day-to-day running of the business (she's mindful of how hard it is for young people to find work in Bosnia and Herzegovina). However, she still keeps an eye on business – she's in charge of administration.

About MI-BOSPO

MI-BOSPO's mission is to promote entrepreneurship by providing access to credit and non-financial services to people, especially women, on low incomes.

MI-BOSPO is affiliated with the Women's World Banking network, a global nonprofit devoted to giving more low-income women access to the financial tools and resources they require to build security and prosperity.

country. Ongoing political and economic uncertainty continues to deter foreign investors who could create vital new jobs.

The issue for women

Women in Bosnia and Herzegovina have lower employment rates and are economically less active compared to men. Women make up 45% of the unemployed population, and are 62% of the inactive labour force, since many are homemakers or unpaid family carers. The International Labour Organization estimates male and female labour force participation at 55% and 33.5%, respectively.

A host of other factors also contribute to gender imbalances, including:

- Insufficient childcare facilities
- An education system that reinforces the traditional roles of men and women
- Gendered labour roles
- A lack of financial resources for the self-employed.

"MI-BOSPO has created special favourable credit products from the CEB funds. By strengthening women's entrepreneurship, it strengthens women's position in society and helps to reduce poverty in general."

Safet Husić, MI-BOSPO Director

CASE STUDY:

Creating a beauty business

Ever since she was little, Selma Ćatović, from Lukavac, in the north east of the country, had only one desire: to own a beauty salon. For years after finishing high school she searched for work. But at the end of 2013 a new path opened for her when she finished an educational programme in Tuzla and decided to start up a beauty business, called 'Butterfly'.

MI-BOSPO loans are always used for the purchase of new equipment, materials and educational purposes, and with the help of funds from the microfinance institution (MFI) Selma opened a salon where she provides everything from facials and pedicures to eyebrow shaping and nail extensions.

There are four salons close to Selma's, but she is happy with the amount of work she has. Selma says, "It was very difficult, at first, to stand out from the competition and to gain clients' trust that they can get a quality service from me that's different from the rest. But I was very confident and I knew what I wanted."

In 2014 Selma won first place at an international competition held in Sarajevo. "I am always updating my knowledge," she says. "I follow seminars and workshops." Business was sufficiently strong for her to hire another person in late 2015.

Selma loves her job. She's proud to have so many satisfied clients and to have gained so many through recommendations. While she continues to work long hours, and finds it difficult not spending much time with her family, she knows she's helping to improve their quality of life. "That makes it easier to deal with the separation," Selma says.



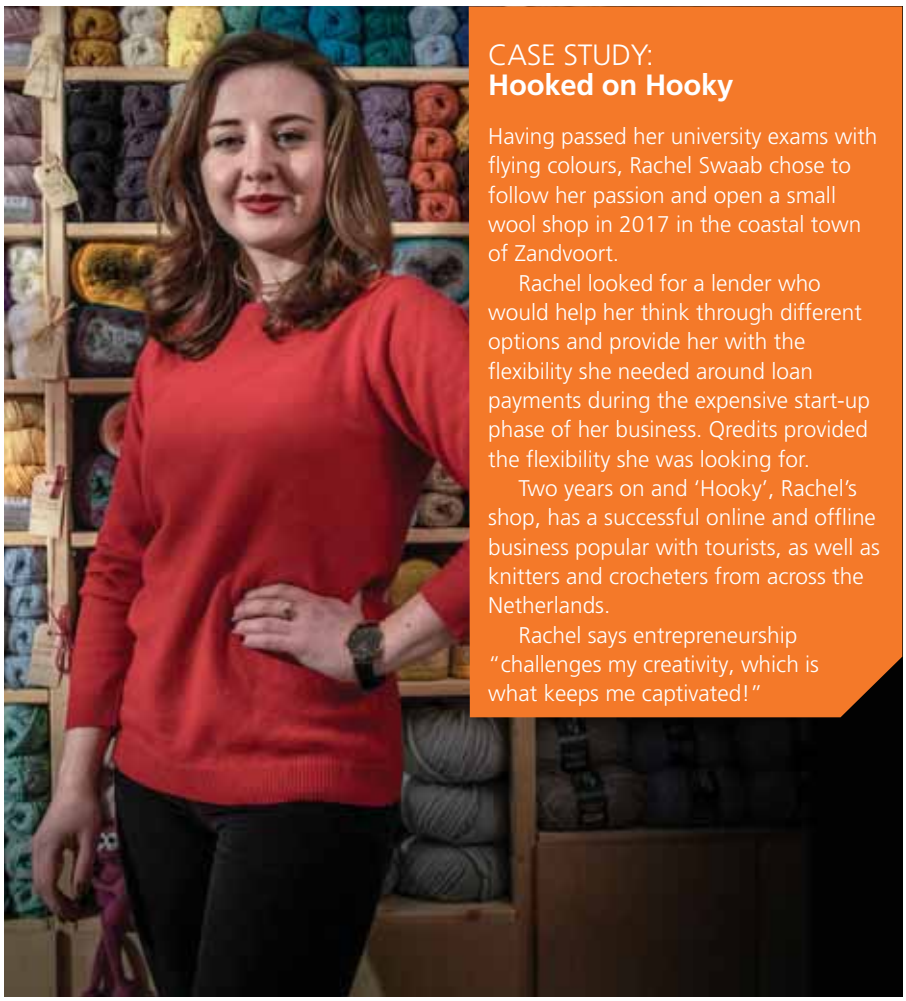
Inspiring entrepreneurs

Qredits is an innovative Netherlands-based microfinance institution that provides credit and business development services to micro-entrepreneurs. Established in 2009, it has created 25,000 jobs and approved 15,000 business loans.

Qredits focuses on businesses with a viable business plan but unable to obtain financing through regular channels. Its forward-thinking approach to microfinance comes from leveraging the intensive use of technology while retaining the personal character of microfinance.

Loan officers, who oversee a specific geographical area, visit applicants at home or work. The loan assessment process is fully tailored to the applicant's needs – a vital element given that start-ups and small businesses cannot be assessed through standardised methods and criteria.

The way Qredits bundles loans with business development services has also proved critical to enhancing its economic sustainability.



CASE STUDY:
Hooked on Hooky

Having passed her university exams with flying colours, Rachel Swaab chose to follow her passion and open a small wool shop in 2017 in the coastal town of Zandvoort.

Rachel looked for a lender who would help her think through different options and provide her with the flexibility she needed around loan payments during the expensive start-up phase of her business. Qredits provided the flexibility she was looking for.

Two years on and 'Hooky', Rachel's shop, has a successful online and offline business popular with tourists, as well as knitters and crocheters from across the Netherlands.

Rachel says entrepreneurship "challenges my creativity, which is what keeps me captivated!"

Support from the CEB

A CEB loan of €16.6 million, approved in 2018, has enabled Qredits to lend to micro, small and medium-size enterprises (MSMEs) with the aim of creating and preserving jobs and entrepreneurship. The CEB loan has promoted Qredits' financial sustainability, allowing it to lower its interest rate from 10.75% to 8.75% and provide free e-learning materials.

Courses and services

Qredits provides coaching to its clients and the general public via a network of some 600 coaches who are entrepreneurs, accountants and marketing experts. All for free. There is a range of e-learning and in-person training programmes for different target groups, including:

- A free e-learning course on 'How to write a business plan' for starting entrepreneurs. This offers a business plan template plus step-by-step guidance on writing a compelling business plan.
- In-person training on marketing and social media, book-keeping and personal effectiveness.
- Group training for entrepreneurs on writing a business plan and creating a marketing strategy.
- Entrepreneurship programmes in some 800 schools.
- Training on entrepreneurship for migrants and refugees, with the aim of increasing the number of loans offered to these vulnerable groups. Qredits works in partnership with cities and local government, for example, the City of Rotterdam, to develop customised training for migrants.

"As a result of the CEB's financial support, Qredits can finance more start-up entrepreneurs who are unable to get a loan from a commercial bank. The CEB is having a macro-economic impact on micro-entrepreneurs – positively impacting their lives as they try to improve their social and economic welfare."

PAGE 14 A VISUAL GUIDE TO THE CEB'S SUPPORT FOR MSMES



CASE STUDY:
'Mission impossible' becomes a reality

Tucked away in the Van der Pekstraat in Amsterdam North is 'Coloured Goodies', a shop full of beautifully made dark-skinned dolls, from Barbies and Miffy characters to Asian, Arabian and African dolls.

Ellen Brudet, the shop's owner, was born and raised in Amsterdam North and is of mixed heritage – her father was from Surinam and her mother was from the Netherlands. Growing up, Ellen's first experience of playing with a dark-skinned doll she could identify with was when she was nine years old - when her mother was finally able to find one for her.

"It was true mission impossible for my mom to buy a coloured doll for me to play with in the 1960s and it made her sad," says Ellen. "Mom said, 'Every child should have access to a coloured doll.'" It was those words that led Ellen to found the Coloured Goodies shop, with a €10,000 loan from Qredits.

"This is the first black doll giftshop in the Netherlands," says Ellen. "When I enter the shop, I think to myself: I did it, this is mine."

Success fuels success

Qredits has become one of the most innovative and forward-thinking microfinance organisations in Europe. Some 86% of the businesses established with support from Qredits still exist after three years, compared to a benchmark of an average of 74% for start-up businesses in the Netherlands. Qredits is now sharing its know-how globally through Qredits International, established in July 2018.

"Qredits' business model has proven to be financially sustainable; however, its main challenge now is to ensure this continues and that it can manage the growth in the volume of loans while maintaining the quality of its loan advisory services. Qredits has approached the CEB to request fresh funding now its original loan has been disbursed," says Holger Seifert, Country Manager for Netherlands at the CEB.

Formed in **2009**

25,000 jobs created

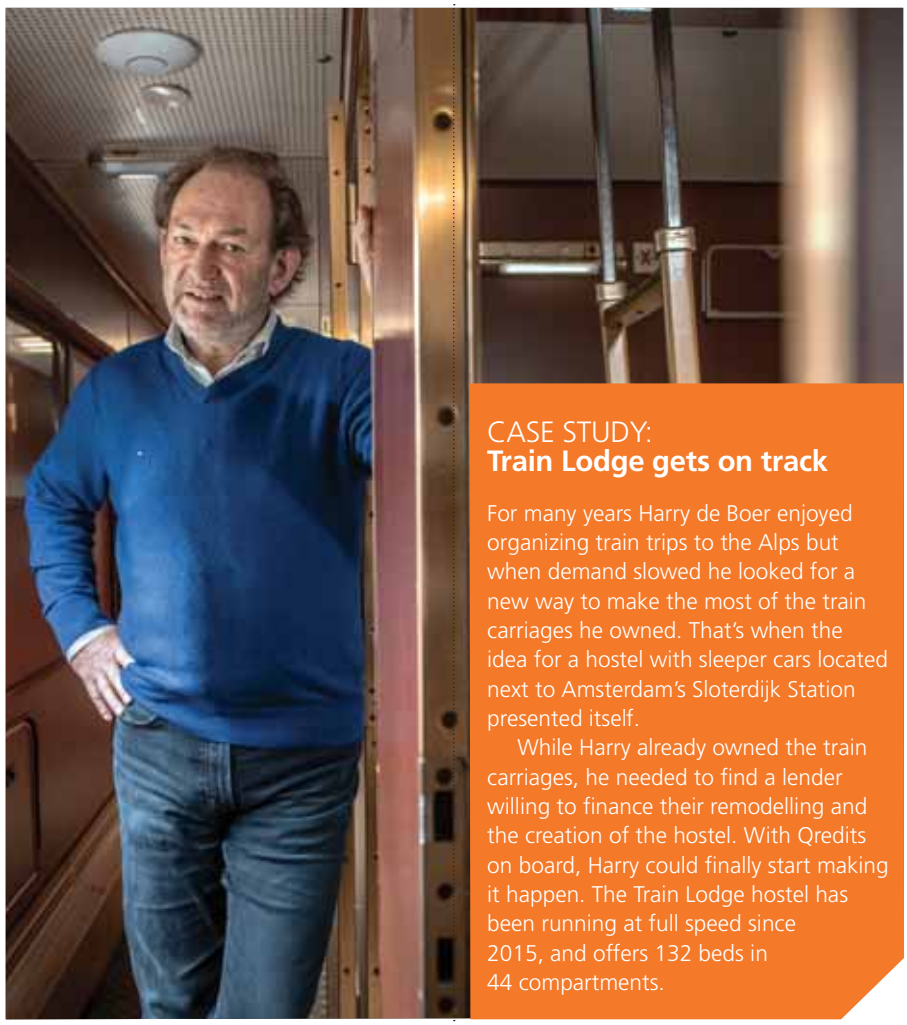
15,000 business loans approved

14,000 clients

Disburses over **5,000** new loans each year

86% of Qredits' clients' businesses still exist after three years (vs c.74% for start-ups in the Netherlands)

Enabled the government of the Netherlands to save over **€47m** in social welfare benefits



CASE STUDY:
Train Lodge gets on track

For many years Harry de Boer enjoyed organizing train trips to the Alps but when demand slowed he looked for a new way to make the most of the train carriages he owned. That's when the idea for a hostel with sleeper cars located next to Amsterdam's Sloterdijk Station presented itself.

While Harry already owned the train carriages, he needed to find a lender willing to finance their remodelling and the creation of the hostel. With Qredits on board, Harry could finally start making it happen. The Train Lodge hostel has been running at full speed since 2015, and offers 132 beds in 44 compartments.



The European microfinance sector has more than one million clients.

Fulfilling a social mission

Elwin Groenevelt is the founder and CEO of Qredits Microfinance, and President of the Board of the European Microfinance Network (EMN). He talks to **Info** about the challenges for microfinance institutions, and improving access to financial support.

Info: **The EMN was founded in 2003. How has the state of microfinance in Europe evolved since then?**

EG: EMN is a young organisation, mainly because the European microfinance sector is also quite young. Since its early years, the sector has evolved tremendously, from a movement composed of a mix of researchers and social organisations to a full-grown industry with a two-digit annual turnover growth rate and more than 1 million clients across the continent.

Info: **Your network currently has more than 100 member organisations in 24 countries. What are some of the most common challenges they are facing?**

EG: One of the main challenges for microfinance institutions (MFIs) is to receive adequate support to increase their institutional capacity. The sector is still mostly composed of micro and small organisations with a high degree of institutional diversity. Larger and more adapted resources are fundamental to allow the sector to fulfil its social mission. This support should include a variety of financial

PAGE 4 DISCOVER MORE ABOUT THE CEB AWARD FOR SOCIAL COHESION



Elwin Groenevelt

- Founder and CEO of Qredits Microfinance (2009) in the Netherlands.
- Studied business administration for the financial sector in Amsterdam and started his financial services career as a management trainee at Credit Lyonnais Bank.
- Roles include Senior Account Manager for Generale Bank and Regional Director for Fortis Bank.
- While at Fortis Bank, Elwin initiated a successful microfinance project. Following its success, he was asked to work with the Ministry of Economic Affairs in the Hague to set up the country's first national microfinance programme.
- Elected President of the EMN Board in June 2017.

"The CEB's programmes with Qredits in the Netherlands are very good examples of how a strong and trustful cooperation between stakeholders can achieve excellent results for all parties."

instruments that go beyond funding and provide guarantee schemes, equity instruments and subsidies, combined with adapted technical assistance services that reinforce their institutional capacity.

Just like any other sector, microfinance needs to enhance its digitalisation process, in terms of internal management but also in its relationship with final beneficiaries. This process will be fundamental to increase its effectiveness and outreach, but without losing its human component. It will also help the sector to demonstrate its value within the overall economy and to compile and manage the required data in order to report on its social impact.

Last but not least, some European countries are still lagging behind in terms of adapted regulatory frameworks that could allow MFIs to operate independently.

Info: **EMN has contributed to the CEB Technical Brief on inclusion and microfinance. In your opinion, what role can international financial organisations like the CEB play in supporting microfinance in Europe?**

EG: The Technical Brief was a great experience to better understand each other. As highlighted in the document, International Financial Institutions (IFIs) have been instrumental in the development of the sector in Europe and their support will remain crucial in the coming years. Nevertheless, the support offered by IFIs could be more adapted to the sector's needs and explore alternative options for increased efficiency. As mentioned before, a more diversified financial instruments offer, complemented with adapted technical assistance services, will be key in the coming years. Exploring alternative channels for the provision of this support in partnership with other IFIs will also be essential.

Info: **Your network keeps growing and so does the scope of your activities. What will you be focusing on in 2020?**

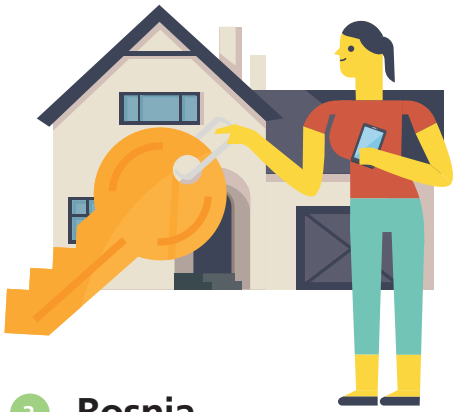
EG: Our priority for the coming years is to tackle all of the challenges I've mentioned and convert them into concrete opportunities. In addition to our traditional support of the sector in terms of capacity building (e.g. streamline the digital revolution or facilitate comparative social impact studies) and advocacy (e.g. assist in the design of instruments best adapted to support the sector, or act at national level with our members for better regulatory frameworks), EMN strives for improved access to financial support.

We have identified a big gap in the market in the support offer for medium sized and greenfield MFI's in Europe, and we must propose alternative channels and instruments that bridge that gap and reach out to smaller operators. We will need to join forces with a wider spectrum of stakeholders and institutions to achieve this, and we will count on organisations like the CEB, whose mission perfectly aligns with that of the microfinance sector. The CEB's programmes with Qredits in the Netherlands are very good examples of how a strong and trustful cooperation between stakeholders can achieve excellent results for all parties.



Microfinance in numbers

A visual guide to CEB funding in support of micro, small and medium sized businesses.



1 Spain

€480 million

Since 2008, the CEB has approved five loans in support of Spanish MSMEs, as well as MicroBank's lending to microbusinesses and individuals with limited access to credit.

2 Italy

€13 million

Two CEB loans, in 2013 and 2018, aimed to promote financial inclusion, particularly by creating/preserving stable jobs in MSMEs.



3 Bosnia Herzegovina

€12 million

As well as creating stable jobs in small businesses, CEB loans to Bosnia Herzegovina have helped to finance energy efficiency projects for MSMEs.

4 Belgium

€6.4 million

A CEB loan in 2015 aimed to create/preserve stable jobs via microcredit.

5 Georgia

€2.5 million

A 2016 CEB loan aimed to strengthen the competitiveness of microbusinesses while creating and preserving jobs.

6 Netherlands

€16.6 million

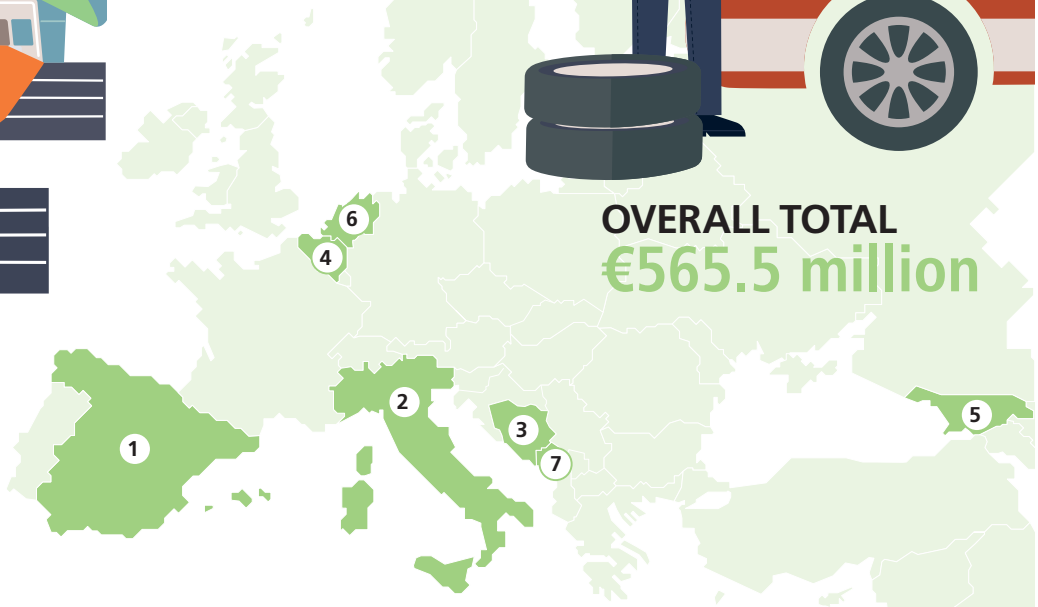
In 2017 the CEB approved a loan in the Netherlands to facilitate microcredits.

7 Montenegro

€30 million

In 2017 a CEB loan was approved to enable the partial financing of eligible MSME investments.





OVERALL TOTAL
€565.5 million

Sharing knowledge, driving solutions

The Department of Seine-Saint-Denis has been tackling economic and social challenges with ambitious investment programmes in its lower secondary schools – part-funded by the CEB. A new CEB report ('Technical Review') highlights the programmes' achievements and opportunities.

The Department of Seine-Saint-Denis is the poorest in mainland France, one of the most densely populated, but also one of the youngest and most diverse with about a third of the population of foreign origin. Despite its dynamism, it suffers from a high unemployment rate and lower education performance.

Since 2010, local officials have been responding to these socio-economic challenges with a high commitment to the education sector. Education spending per student was €3,000 in 2014, or twice as much as the national departmental average per student.

Two flagship programmes, the Plan Exceptionnel d'Investissement (2010-2015) and Plan Ambition Collèges (2015-2020), have seen the Department of Seine-Saint-Denis invest a total €1.3 billion in the modernisation, retrofitting, and construction of lower secondary schools. In June 2014, the CEB approved a €200 million loan to support these important investments.

As part of the CEB's regular monitoring process, its Technical Assessment & Monitoring Directorate has carried out a review of the links between school design and learning environments. The findings have been put into a recently published Technical Review 'School Design and Learning Environments in Seine-Saint-Denis, France'.

Highlights of the report

The review acknowledges the excellent quality of the construction and retrofitting works, the IT enriched learning environments, and the well-equipped sport and catering facilities. The 'Centres for Knowledge and Culture' created in each school offer a unique place to read, to collaborate, and to do research in a relaxing and comfortable environment. The review suggests future design adjustments and ways to ensure that teachers and students make full use of the learning potential of the innovative spaces and technology now available.

The report was jointly launched at the CEB on 17 October by the Bank and officials from the Department of Seine-Saint-Denis. At the meeting, the Department's officials highly praised the international perspective provided by the expert team of the design and use of schools. They also praised the team's concrete operational and organisational recommendations that will contribute to the development and implementation of the next phase of investments. Emmanuel Constant, the Department's Vice-President for Education, thanked the CEB for its financial support for the investment programme and for the critically constructive perspective offered by the review.



Did you know?

This thematic review is part of a series the CEB is developing on the topic of effective learning environments, with three planned reports: one on Espoo, Finland (published March 2019), this one on Seine-Saint-Denis, and the final review due in 2020 on Malmö, Sweden.

Enhancing education infrastructure

Plan Exceptionnel d'Investissement

- Construction/renovation of **21** lower secondary schools
- **9** central kitchens
- **11** sports centres
- **1** swimming pool
- **3** student dormitories

Plan Ambition Collèges

- **81** renovations
- **23** global renovations
- **8** reconstructions
- **8** new constructions



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

News, events, and publications

CEB Governor visits Poland

Governor Wenzel visited Poland in late October, meeting with the Mayor of Warsaw and signing loan agreements worth over €130 million.

The Governor met with Marta Wolańska, CEO of Pekao Leasing, to sign a €100 million loan agreement to provide financing for micro, small and medium-sized enterprises (MSMEs). The Governor also signed a loan agreement for €34 million with Andrzej Bętkowski, Marshal of the Świętokrzyskie Region in Central-Eastern Poland. The funds will support the Region's Development Strategy, including upgrades to public transport and health infrastructure, as well as improvements in energy efficiency in public buildings.



Governor Wenzel with Marta Wolańska

Enhancing Genoa's resilience

The CEB and City of Genoa have signed a €50 million loan agreement to increase the city's resilience to natural disasters. The Mayor of Genoa, Marco Bucci, and CEB Vice-Governor, Carlo Monticelli, signed the agreement on 24 October, which will reduce the consequences of climate change, such as floods and landslides.

The CEB's intervention comes in the aftermath of the collapse of the Morandi Bridge in 2018, which highlighted the need for Genoa to develop a comprehensive strategy to increase its disaster preparedness, and safeguard the integrity of its social fabric.

The new investment plan also addresses Genoa's economic and social challenges as a result of a declining workforce and ageing population.

SUPPORTING SPANISH MICROENTERPRISE

The President of MicroBank, Juan Carlos Gallego González, the CEB's Vice-Governor for Social Development Strategy, Rosa María Sánchez-Yebra Alonso, and CaixaBank's Chief Business Officer, Juan Antonio Alcaraz Garcia, have signed a €100 million loan agreement to provide financing to Spanish microenterprises, as well as self-employed people and families with limited incomes. Microenterprises account for 41% of overall employment in Spain's non-financial business economy.



NEW REGISTRATION AND TEMPORARY ACCOMMODATION CENTRE FOR MIGRANTS

A Registration and Temporary Accommodation Centre for up to 60 migrants was inaugurated in late October in Kapshtica, Albania. The centre was established by the International Organization for Migration Albania, in partnership with the Ministry of Interior and with funding from the CEB's Migrant and Refugee Fund.

CEB GOVERNOR ADDRESSES PACE

Governor Wenzel addressed the Parliamentary Assembly of the Council of Europe (PACE) during a debate on the CEB on 2 October. The debate, entitled 'The Council of Europe Development Bank: contributing to building a more inclusive society', centred around a report on the CEB's activities over the last five years. In his address, Governor Wenzel commended the report and outlined the Bank's strategic plan and priority areas.

A global platform for the RHP

The CEB put the Regional Housing Programme (RHP) on the world stage in mid-November, when it showcased the Programme at the annual Paris Peace Forum. The RHP was one of the 114 projects selected by the Paris Peace Forum out of over 700 applications, and it was one of two projects from the region that engaged with sustainable post-conflict solutions.

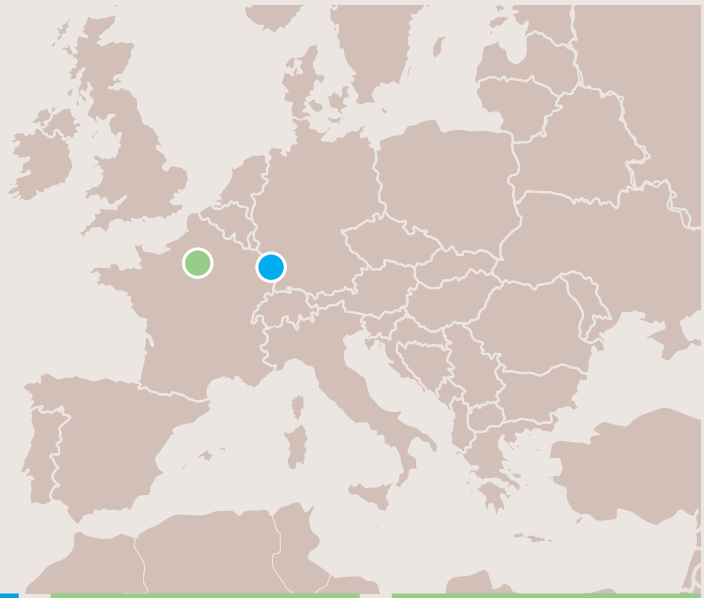
The Forum brought together thousands of key players from a wealth of nations. In their opening addresses, French President Emmanuel Macron, and Ursula von der Leyen, the European Commission President-elect, emphasised the need for multilateral solutions to the challenges to world peace, which include distrust in traditional institutions to terrorism and cybercrime.



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What's on January – March 2020

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



24 January
Paris, France

CEB Administrative Council Meeting
The first of the Administrative Council meetings for 2020. Representatives of each member state will approve new investment projects.
More at: coebank.org/en/about/structure-management/administrative-council/

27-31 January
Strasbourg, France

Parliamentary Assembly of the Council of Europe (PACE) session
The parliamentary arm of the Council of Europe will meet for the first of its four week-long plenary sessions of 2020.
More at: http://www.assembly.coe.int

19-20 March
Paris, France

CEB Administrative Council Meeting
The second CEB Administrative Council meeting of the year will take place in March.
More at: coebank.org/en/about/structure-management/administrative-council/

2 April
Paris, France

European regions and cities: Engines for Growth and Social Development?
This conference, from the CEB and Caisse des Depots, will focus on the growing challenges facing European regions and cities, and how they can work together to address them.

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 APRIL 2020

INCLUSIVE CITIES AND REGIONS

A look at the important role of investment in cities and regions, and the CEB's role in funding inclusive social infrastructure projects.
More at: https://youtu.be/0KcSP3Cl6v4



SCHOOL DESIGN AND LEARNING ENVIRONMENTS IN SEINE-SAINT-DENIS, FRANCE

This thematic review, highlighted on page 15, is the second of three planned CEB reports on the topic of effective learning environments.



THE CHALLENGES OF IMPLEMENTING INNOVATIVE LEARNING ENVIRONMENTS

A summary of the latest thinking on education infrastructure design and how to get the most out of learning environments.



A round-up of CEB loans in 2019

Tour d'horizon des prêts de la CEB en 2019

In 2019 the CEB approved almost €4 billion in loans. These funds will be used across 46 projects in 24 CEB member countries.

En 2019, la CEB a approuvé près de 4 milliards d'euros de prêts. Ces fonds seront utilisés pour 46 projets dans 24 pays membres de la CEB.



€740 million has been approved for projects that aim to protect the environment. These range from big infrastructure projects to operations at municipal level to build resilience to natural disasters, and promote energy efficiency.

740 millions d'euros ont été approuvés pour des projets visant à protéger l'environnement tels que de grands projets d'infrastructure ou d'opérations au niveau municipal pour renforcer la résilience aux catastrophes naturelles et promouvoir l'efficacité énergétique.



This year has seen the Bank continue to focus on improving living conditions and strengthening social cohesion, with €761 million in loans approved for 12 projects with cities, regions and municipal companies across Europe.

Cette année, la Banque a continué à mettre l'accent sur l'amélioration des conditions de vie et le renforcement de la cohésion sociale, avec **761** millions d'euros de prêts approuvés pour **12** projets en partenariat avec des villes, des régions et des compagnies municipales en Europe.



We are also working with a more diverse range of borrowers to ensure that CEB funding can better reach the people who need it most.

Nous travaillons également avec un éventail plus diversifié d'emprunteurs pour faire en sorte que les financements de la CEB puissent mieux parvenir aux personnes qui en ont le plus besoin.



Some €837 million will go towards creating jobs and supporting entrepreneurs in nine countries.

Quelque **837** millions d'euros seront consacrés à la création d'emplois et au soutien aux entrepreneurs dans neuf pays.

Tour d'horizon des prêts de la CEB en 2019

€3.9bn / € 3,9 Mrd

TOTAL CEB LOANS APPROVED
LE TOTAL DES PRÊTS APPROUVÉS PAR LA CEB

- Administrative and judicial infrastructure
  Infrastructures administratives et judiciaires
  €10mil / € 10 millions
- Aid to refugees, migrants, displaced persons
  Aide aux réfugiés, migrants, personnes déplacées
  €10mil / € 10 millions
- Cross-sectoral Loan
  Prêt plurisectoriel
  €150mil / € 150 millions
- Education and vocational training
  Éducation et formation professionnelle
  €720mil / € 720 millions
- Health
  Santé
  €144mil / € 144 millions
- Natural or ecological disasters
  Catastrophes naturelles ou écologiques
  €170mil / € 170 millions
- Micro, small and medium-size enterprises (MSMEs)
  Micro, petites et moyennes entreprises (TPE-PME)
  €837mil / € 837 millions
- Improving living conditions in urban and rural areas
  Amélioration de la qualité de vie en milieu urbain et rural
  €761.6mil / € 761,6 millions
- Protection and rehab. historic & cultural heritage
  Protection et réhabilitation du patrimoine historique et culturel
  €15.8mil / € 15,8 millions
- Protection of the environment
  Protection de l'environment
  €740.5mil / € 740,5 millions
- Social housing for low-income persons
  Logement pour les personnes à faibles revenus
  €423.9mil / € 423,9 millions

CEB LOANS PER COUNTRY
THE BIG FIGURES

PRÊTS DE LA CEB PAR PAYS
LES CHIFFRES

