Supporting vulnerable groups: four case studies

The CEB’s social mandate materialises in its project work, mainly financing social infrastructure covering a large range of sectors and beneficiaries, always keeping in mind local needs and specificities.

GRI 102-2 • 203-1 • 203-2

The CEB staff, especially country managers, monitoring and technical advisors as well as evaluators engage directly with project stakeholders to improve the sustainability, monitor progress and assess the results, outcomes and impacts of projects the Bank finances. The case studies below are a good illustration of the Bank’s broad and, at the same time, specific focus on projects dedicated to vulnerable groups.

FRANCE Aid to refugees, migrants, displaced people and other vulnerable groups

Through a € 100 million loan, the CEB is financing measures that are part of France’s plan for asylum seekers and other vulnerable people. The project known as Hémisphère follows in the footsteps of a previous € 100 million loan to ADOMA, the leading provider of accommodation and support to asylum seekers in France, which is nearing completion.

About 100 mainly outdated, budget hotels are expected to be acquired and renovated for emergency accommodation. The redeveloped premises will meet current technical standards and respond to the needs of beneficiaries, particularly those of families.

ADOMA manages the renovated accommodations and provides social support to asylum seekers and other vulnerable people, including social security entitlements, securing of employment, referral for long-term accommodation, health monitoring, and schooling.

The relevance of the Bank’s involvement in Hémisphère is demonstrated by the project’s three goals: operational effectiveness and safe emergency accommodation; provision by ADOMA of social support tailored to the groups of beneficiaries concerned; and budget optimisation for the central government.

Also the structure of the project is innovative: At the time of inception, Hémisphère was one of the biggest social impact funds, bringing together public and private financing and linking their financial return to the achievement of clearly identified social goals.
Supporting vulnerable groups: four case studies

Project Overview

<table>
<thead>
<tr>
<th>Total project cost / CEB loan</th>
<th>€ 200 million / € 100 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Aid to refugees, migrants and displaced persons</td>
</tr>
<tr>
<td>Country</td>
<td>France</td>
</tr>
</tbody>
</table>

CEB approval date / project schedule: 01-2017 / 2017 to 2018, extended to end 2021

Expected result / outcome:
- So far, investments have created 6 000 places in which to accommodate vulnerable people
- 59 facilities have been acquired to date, with a total surface area of 75 000 sq m. Acquisition of 40 additional facilities is planned over the 2020-2021 period
- Total costs of acquisitions and rehabilitation currently stand at € 93 million
- Accommodation and social support services for asylum seekers and other vulnerable people, requiring temporary housing

GRI 413-1

BOSNIA AND HERZEGOVINA

Providing sustainable housing solutions to the most vulnerable

As a result of the 1992-1995 conflict in Bosnia and Herzegovina, 2.2 million people, representing almost half the country’s population, were forced from their homes. Of these, one million were displaced within the country, living in ‘collective centres and alternative accommodation’ (CCs & AA).

A € 60 million loan seeks to build on the lessons learnt from a previous, successfully completed project, albeit with a larger scope and more financing. 138 300 people still live in CCs & AA and are often the most vulnerable with serious social or medical concerns such as the elderly, chronically ill, physically or mentally disabled, highly traumatised or former detainees. Other people are now also living in CCs & AA due to their vulnerabilities, such as the unemployed, homeless, or Roma.

The project seeks to close the CCs & AA and settle these highly vulnerable people in towns close to their areas of origin, where an appropriate level of security and social services can be provided. Local verification commissions ascertain eligibility, define housing needs, and ensure social care.
Project Overview

Total project cost / CEB loan
€ 104 million / € 60 million

Grants
- TA funds for the project's preparatory and implementation phase were made available
- In total, TA and interest rate subsidies worth € 4.3 million came from the EU's Western Balkans Investment Framework, Spanish Social Cohesion Account, Italian Fund for Innovative Projects, Slovak Inclusive Growth Account, Norway Trust Account and the CEB.

Sector
Aid to refugees, migrants and displaced persons

Country
Bosnia and Herzegovina

CEB approval date / project schedule
01/2012 / Initially 2013-2017, extended to 2022

Expected result/outcome:
- The loan is expected to provide at least 2 600 new or refurbished housing units (not-for-profit rental housing) and 5 institutional accommodation centres, for at least 7 200 people still living in CCs & AA
- In addition, over 180 places are planned for assisted living in social institutions, especially geriatric centres, and one psychiatric care centre
- Already today 63 out of the 73 sub-projects are fully operational in 52 municipalities across all three entities of Bosnia and Herzegovina. About 100 families moved to new locations by the end of 2019
- Municipalities will support beneficiaries with socio-economic integration into their new living environment
- Furniture and medical equipment, where relevant, are supplied to beneficiaries

ITALY Fostering financial and social inclusion through microfinance

The CEB sees microfinance as an effective tool, enabling disadvantaged populations to engage in a revenue-generating activity, thereby reducing vulnerability and improving their living standards. It also contributes to local economic activity, promotes women empowerment and fosters social cohesion. Even in Europe, many micro/small businesses and families still lack access to financial services in spite of a developed banking system.

A € 7 million loan to PerMicro, the microcredit leader in Italy, follows in the footsteps of a pilot project that helped transfer knowledge to other CEB-funded microfinance projects. By lending to PerMicro, the CEB promotes access to microcredit in a sustainable, non-discriminatory and equitable manner.

The CEB loan part-financed PerMicro's portfolio of both business and family loans and is generating very satisfactory results, in particular for family loans that absorbed two thirds of the funds, and is financing solely migrants, half of which are women facing unstable employment and low income. The programme helps to maintain and create jobs and promotes entrepreneurship. The CEB's engagement is in line with Italy's increasing focus on social lending programmes for migrants.

PerMicro complements its lending activity with mentoring services provided by the non-profit association 'PerMicro Lab' mainly to micro-entrepreneurs, thus enhancing the social added value of micro-loans. The CEB has also approved a grant to support these mentoring services.
## Project Overview

<table>
<thead>
<tr>
<th>Total project cost / CEB loan</th>
<th>€ 25 million / € 7 million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grants</strong></td>
<td></td>
</tr>
<tr>
<td>• A guarantee from the CEB’s Social Dividend Account covering 28% of the loan underlining the CEB’s commitment to the project</td>
<td></td>
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<tr>
<td><strong>Sector</strong></td>
<td></td>
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<tr>
<td>• Supporting MSMEs for the creation and preservation of viable jobs</td>
<td></td>
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<tr>
<td>• Aid to refugees, migrants, displaced persons and other vulnerable groups</td>
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</tr>
<tr>
<td><strong>Country</strong></td>
<td>Italy</td>
</tr>
<tr>
<td><strong>CEB approval date / project schedule</strong></td>
<td>06/2018 / 2018-2021</td>
</tr>
</tbody>
</table>

### Expected result/outcome:

- Financial and social inclusion of migrants and women’s economic empowerment (>50% of family loans go to women)
- Micro business loans ranging from € 3 000 to € 25 000 to support entrepreneurship, reduce unemployment, particularly among youth and women
- Family loans ranging from € 2 000 up to € 10 000 to improve the financial and social inclusion of vulnerable individuals, notably immigrants
Improving the environment through priority investments in water and waste water sectors

The CEB’s €200 million loan to the Republic of Serbia will allow the country to upgrade its water infrastructure, notably water supply and waste water treatment in 60 municipalities, and help the country to address a challenging supply and demand situation. With currently only 8% of Serbia’s waste water treated, the used water causes surface and ground water pollution and creates severe environmental issues. Further, 50% of the municipal drinking water does not meet EU standards, leading to health issues, while inefficiencies – for instance leakage – lead to high costs.

The objective of the project is twofold:

- For the water supply component, the financing of key infrastructure to protect water quality and reduce water losses in a context of scarce water resources due to climate change and pollution.

- For the waste water component, the construction of several waste water treatment plants (WWTP) and sewage systems to reduce environmental pollution, reduce health-related problems and protect water resources.

The investments are part of the CEB’s ‘green’ or ‘climate’ finance as they directly decrease water pollution and increase the climate change resilience of water and sanitation services in Serbia.

The project also has a potentially high social impact as 30% of the population in Serbia will benefit from water supply improvements (quality and quantity) and it is expected that at least some of the largest cities in Serbia will benefit from pollution reduction due to the new WWTP and sewage systems. Technical assistance needs are likely and will be further assessed as part of the CEB’s regular technical and financial monitoring activities.
Project Overview

| Total project cost / CEB loan | € 300 million / € 200 million |

Grants

- € 1 100 000 grant for preparing the design and related documentation for the Kragujevac WWTP
- The grant is to be sourced from the Italian Fund for Innovative Projects, Slovak Inclusive Growth Account, Spanish Social Cohesion Account and CEB’s Social Dividend Account

<table>
<thead>
<tr>
<th>Sector</th>
<th>Protection of the environment</th>
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</thead>
<tbody>
<tr>
<td>Country</td>
<td>Serbia</td>
</tr>
<tr>
<td>CEB approval date / project schedule</td>
<td>11-2019 / 2020-2026</td>
</tr>
</tbody>
</table>

Expected result/outcome:

- Increased efficiency in water systems and water quality for 2 million people, representing close to 30% of Serbia’s population
- Upgrading of water supply networks will take place in around 60 municipalities
- Direct beneficiaries of the three WWTP would be residents of the three municipal areas, accounting for 7% of the country’s population, but the benefit of clean water would affect many more along the Danube river to the Black Sea
- Decreased water pollution and increased climate change resilience of the country’s water and sanitation services through:
  - Improvements in the quality and quantity of drinking water
  - Increase in water supply efficiency
  - Reduction in the pollution load of waste water and decreased pollution in surface and ground water
  - Decrease in exposure to water borne diseases
  - Preservation of water resources, ecosystems and biodiversity

“The CEB is aiming to provide € 4 billion annually in new loan approvals of social projects. The Bank will keep on adapting its strategy in order to best capitalise on its unique social mandate and ensure its effectiveness in supporting sustainable and socially-responsible finance.”

Cristian Tabacaru, Head of Projects Division