

Message from the Governor

It is my pleasure to report that the CEB turned in a solid performance in 2020. The Bank responded promptly to the COVID-19 pandemic with record financing of € 6 billion, or 51% more than that approved in 2019. 2020 disbursements trailed loan approvals and reached € 4.5 billion, or 57% more than in the previous year. Once again, our funding activity proved very successful: our two social inclusion bond issuances in April and in June 2020 were heavily oversubscribed and enabled us to pass on favourable lending conditions to our members. Also, grant contributions to our trust funds amounted to € 106 million.

Beyond figures, CEB financing has supported urgent health care needs; protected and generated jobs; ensured the continuity of essential public services; and backed medium and long-term investments in social infrastructure that will safeguard social cohesion and generate sustainable economic growth. In other words, the Bank delivered on its social mandate and the personal stories that you can read in this report or watch on our website illustrate that fully.

The Bank's attractiveness and relevance, particularly in times of major social and economic crises, was reaffirmed by Andorra who became the CEB's 42nd member state in May 2020. A first loan for the country's COVID-19 medical expenditures was approved in September 2020. In addition to financing medicines, diagnostic tests and other consumables, the CEB loan has helped Andorra to start its vaccination programme.

In 2020, the Bank launched the CEB Award for Social Cohesion – an open competition with a € 25 000 prize to a project that made a significant contribution to social cohesion in Europe in an innovative and effective way. The initiative will continue into 2021 as the Bank believes that innovative, targeted investments in the social sector are key for Europe's sustainable economic growth. Hence, they need to be publicly acknowledged and widely known, and the CEB Award is a means to ensure that.

Sharing knowledge and strengthening partnerships represented an important part of the Bank's activities in 2020. Through its publications and participation in high-level events and multilateral development banks (MDBs)' working groups, the CEB argued for social development and promoted social sector best practice. This included coordinating with and taking stock of the MDBs' emergency response to the COVID-19 crisis and support for the recovery as well as joining a group of 11 MDBs and the International Monetary Fund (IMF) in launching a first-ever joint report on financing Sustainable Development Goals (SDGs).



The Bank's robust response to 2020 challenges is due to a resilient, 209-person team who worked tirelessly with our members, investors, donors, and our governance bodies since the early days of the COVID-19 pandemic to translate emergency and recovery needs into concrete, effective projects and measures, which will generate more than € 23 billion investments throughout Europe.

CEB's effort to respond to ever-increasing social needs is not new. In 2012 loan approvals stood at € 1.8 billion and disbursements at € 1.6 billion. Today, only nine years later, as we are marking our 65th anniversary, the Bank's project approvals had increased threefold, membership and partnerships expanded, and the social development mandate had grown further in relevance. This did not happen over night but gradually and based on sound financing strategies.

Looking ahead, as the COVID-19 pandemic is exacerbating inequalities in Europe, the CEB will continue to make the case for inclusive development and will support projects and initiatives that promote social and economic inclusion, particularly for vulnerable groups, while advancing decarbonisation and climate resilience in Europe. In brief, the Bank will continue to contribute to a sustainable economy that will work for everyone.

Paris, 2 March 2021
Rolf WENZEL