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Dear reader,

European societies are faced with numerous challenges: persistent poverty, widening social and economic inequalities, environmental issues, demographic changes. Amid rising public discontent and resentment towards national governments and European institutions, core values such as solidarity and openness have weakened. Co-operation has given way to polarisation, radicalisation and xenophobia, the foundations of European integration are called into question, and with nationalism and populism on the rise, social cohesion is at risk.

As European governments have been struggling with budgetary constraints and structural reforms, social investment levels have dropped significantly. According to the 2018 report of the High-Level Task Force on Investing in Social Infrastructure in Europe, there is an estimated investment gap in social infrastructure in Europe of over €1.5 trillion for the period 2018-2030, which roughly translates into €100-150 billion per year.

This issue of info focuses on the meaning of social investment and its role in building a prosperous and resilient Europe. It largely draws on the conclusions of a high-level conference organised by the CEB and Caisse des Dépôts in Paris in December 2018, and showcases through recent examples the steps that the CEB is taking to reduce inequalities and advance social cohesion in Europe by making use of innovative financing instruments.

Over the past years, the CEB has done its utmost to meet the increasing demand for social investment projects in Europe with a total of 45 loans approved in 2018, worth almost €4 billion. By 2030, these will have leveraged close to €11 billion in investments and are expected to benefit more than 42 million people across Europe, playing a part in building healthy, prosperous societies.

Rolf Wenzel
Governor, CEB
Donors make a difference
How key donors are providing all-important funds to major CEB projects.
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FIND OUT MORE ONLINE https://coebank.org
Spotlight on... DONORS

Donors make a difference

In the last four months of 2018, our partner donors pledged more than €42 million to support CEB projects.

Supporting the Regional Housing Programme

The Regional Housing Programme (RHP) accounts for most of the funds raised in grant support. The EU committed €39.5 million to the Programme, while Germany provided €1.5 million. The funds will finance additional homes in Bosnia and Herzegovina and Serbia.

The RHP is a joint initiative between Bosnia and Herzegovina, Croatia, Montenegro, and Serbia which aims to provide durable housing solutions for the most vulnerable people who were displaced during the 1990s conflicts in the Western Balkans. The RHP is supported by the international community and managed by the CEB.

Spain plays its part

Spain also increased its contribution to the RHP to over €200,000. The Spanish grant finances technical assistance in Croatia, which is essential to ensuring that RHP projects are implemented in line with international standards.

Spain’s contribution to the RHP originates from the Spanish Social Cohesion Account – a trust fund set up by Spain in 2009 and managed by the CEB. The purpose of the Account is to finance technical assistance for highly social CEB projects. Spain replenished the Account in 2017 with €2 million, bringing its total endowment to €4 million.

Supporting the Migrant and Refugee Fund

CEB member states contributed €3 million more to the MRF. This additional grant will be financed from the Social Dividend Account, which aims to support highly social CEB projects through grants and is funded mainly through transfers from the Bank’s earnings. The new contribution will cover Migrant and Refugee Fund projects that are yet to secure full funding.

The Migrant and Refugee Fund (MRF) is a trust fund set up by the CEB in 2015 to help its member states address the challenges linked to migrants and refugees. Twenty-two CEB member states have already contributed to the MRF, the latest being Bulgaria at the end of 2018. The CEB and the European Investment Bank (EIB) have also provided funding. To date, the MRF has awarded more than €26 million in grants for projects benefiting migrants and refugees.

“To date, the MRF has awarded nearly €26 million in grants for projects benefiting migrants and refugees.”

Improving prison conditions

The remainder of the funding raised at the end of 2018 will help improving the living conditions of inmates in Montenegro. The Steering Committee of the Western Balkans Investment Framework (WBIF) approved a €1.2 million technical assistance grant in support of new detention facilities in Mojav. The new facilities will be built in line with European Prison Rules and best practice. The project is expected to benefit from a CEB loan.

What is the WBIF?

- A blending facility established in 2009
- Members include the European Commission, the CEB, the European Bank for Reconstruction and Development, the European Investment Bank, the World Bank Group, the Kreditanstalt für Wiederaufbau (KfW), the Agence française de développement (AFD), and several bilateral donors
- Provides financing to strategic investments in several sectors, including environment and social.
- Has provided more than €23 million in technical assistance and investment grants in support of CEB projects.

More on our donors: coebank.org/en/project-financing/donors-and-trust-funds/
Reflecting on the future of social investment

On 7th December, the CEB and Caisse des Dépôts Group (CDC) organised a high level conference to discuss the role of social investment in creating a prosperous and resilient Europe.

With an increase in social and economic inequalities and a social infrastructure investment gap estimated at €1.5 trillion for the period 2018 to 2030, as Governor Rolf Wenzel indicated in his opening remarks, the challenges faced by the continent are numerous.

A debate on how to address such challenges appropriately was timely as was the European Commission proposal to put in place a guarantee of €4 billion for social investments under the next EU budget, maintained Éric Lombard, CEO of the CDC, in his welcoming note.

Organised in three panels, with closing remarks by the entrepreneur and philanthropist Alexandre Mars, the conference brought together twenty speakers and nearly a hundred and fifty participants from across Europe.

The First Panel

Moderated by Laurent Zylberberg, Director of Institutional, International and European Relations with CDC, the first panel engaged with the principal challenges to social cohesion across Europe, such as globalisation, technological disruption, population ageing, migration, and climate change. The panelists provided examples of successful initiatives for tackling such challenges as well as lessons learnt and suggestions for further actions.

Andrea Brandolini, Head of the Statistical Analysis Department with the Bank of Italy, launched the panel discussions with some revealing historical statistical data on income inequalities. He emphasised the need for EU policies designed to achieve macro-social stability at the level of the Union as such policies would seek to address inequalities among EU member states as well as those at the level of many member states.

Ambroise Fayolle, Vice-President of the European Investment Bank, focused on some of the work successfully carried out by the EIB in the social sector and concluded that infrastructure investments, particularly those in education, are key to addressing social inequalities and the existing and future skill gaps in Europe. Moreover, because of significant financing needs, partnerships between international financial institutions and between the private and public sector are essential. Lastly, he emphasised the importance of EU grant support in enabling the local authorities to make the right decisions when it comes to social investments, by ensuring the resources required for technical assistance and knowledge sharing.

Romualda Fernandes, Member of the Governing Board for the High Commissioner of Migration in Portugal, detailed her country’s experience with integrating migrants by establishing a network of national support centres and preparing dedicated migrant integration plans at the level of 38 municipalities. The latter focused on building entrepreneurship and providing alternative education plans for migrants and refugees – supporting them to participate in the host society and culture. She stressed the need for policies to address migration, including within the EU, as a long-term phenomenon, and to include gender-specific measures.

continued on page 06
Jacques Maire, Member of the French National Assembly and Vice-President of the Foreign Affairs Committee, placed social investments at the heart of any political enterprise, with examples of the negative impact which under-investment had on the social fabric of his constituency. He also highlighted the need for participatory decision-making when committing to such investments and the importance of finding ways to engage with communities on social matters, with a focus on ensuring transparency and co-ownership.

Carlo Monticelli, Vice-Governor of the CEB, closed this panel by placing the current structural transformations within a wider historical context and perspective, demonstrating that today’s challenges are not new; for instance, technological innovations have always disrupted the labour market. However, the intensity and scope are different, mostly because of globalisation, so the response from the policy and investment communities needs to be commensurate, with a focus on education and life-long learning. The latter would be essential for addressing the current radical transformation of the European labour market and for sustainably tackling social inequalities.

THE SECOND PANEL

Chaired by Christian Sautter, former French Minister of Finance and Honorary President of France Active, the second panel focused on the means to drive sustainable social policy as well as specific social investment programmes to mobilise long-term investment in the sector. Luiz de Mello, Director of the Policy Studies Branch with the Organisation for Economic Co-operation and Development (OECD) reviewed current social challenges, for example, the fact that the top 10% earns nine times more than the bottom 10%, compared to seven times 25 years ago. He then introduced the OECD Going for Growth initiative. This has resulted in country-specific structural reform recommendations for policy makers worldwide to help them tackle medium-term challenges, revive productivity and employment growth, while ensuring a broad sharing of the benefits.

Javier Celdrán Lorente, Member of the Regional Government and Counsellor for Employment, Universities, Business and Environment in the region of Murcia, provided an overview of the region’s approach to the integration of refugees in local communities. He emphasised the important role played by the EU grant financing and civil society organisations in the process. Predicated on the fact that refugees may improve the competitiveness of local economies, by contributing skills which are currently missing, Murcia is intent on enabling their integration.

Manuela Geleng, Director for Skills in the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission, provided details on the plans for the 2021 – 2027 EU multi-annual financial framework, with a clear focus on investing in people and social cohesion. According to draft budget allocations, the EU foresees the allocation of a €4 billion guarantee (the “Social Investment and Skills Window” of the InvestEU Fund) to bring in €50 billion social investments in microfinance, education and training, social inclusion and social infrastructure (including social housing and healthcare facilities), and social innovation. This would represent an 80% increase on current commitments and would boost investment in much needed social infrastructure, social services and human capital.
“Socially responsible investment plays its part in building healthy, prosperous societies. This is what we wish for. This is what we strive for…”

Rolf Wenzel, Governor, CEB

Focus on... SOCIAL INVESTMENT

Plutarchos Sakellaris, Professor at the Athens University of Economics and Business, reviewed the current global economic environment which favours mobile and adaptable assets and the people who have such skills, while placing those who do not at a disadvantage. He emphasised the need for EU economies to increase productivity in particular, in order to successfully tackle and reduce social inequalities.

THE THIRD PANEL

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THE THIRD PANEL

Moderated by Rosa Maria Sánchez-Yebra Alonso, Vice-Governor of the CEB, the third panel engaged with Sustainable Development Goals (SDGs), the meaning of vulnerability in today’s policy work and the rise of nationalism while focusing on innovative examples of ways to provide for the needs of vulnerable populations.

Ben Slay, Senior Advisor with the United Nations Development Programme (UNDP)’s Regional Bureau for Europe and Central Asia, introduced the UNDP’s financial modelling and forecasting tools. These were developed to identify and better allocate the financial resources available for SDGs, with a focus on the Western Balkans and Turkey.

Luc Leboeuf, Research Fellow with the Max Planck Institute for Social Anthropology, introduced the definitions of vulnerability according to the EU Asylum Law. As these inform EU social policies, he argued that, if not properly communicated, such policies may create a toxic competition over degrees of vulnerability between, for instance, migrants and refugees, and host communities that have been impacted by some other type of shock.

Following up on Luc Leboeuf’s legal point of view on vulnerable populations, Anna Triandafyllidou, Professor at the European University Institute, discussed the rise of nationalism in Europe and the proliferation of ‘Take-Back-Control’ narratives as a backlash on globalisation and the result of an increase in social anxieties over a perceived social liquid state.

Joséphine Goube, CEO with the Techfugees, and Marie-Elodie Bazy, Principle Advisor with Kois Invest, gave examples of innovative technological (an online community of 18,000 techies, matching needs to technological solutions) and financing solutions (social impact bonds) which had successfully addressed the needs of vulnerable people, from refugees and the homeless to the long-term unemployed, and people with disabilities.

Alexandre Mars, successful entrepreneur and philanthropist, concluded the discussions by delivering an inspiring speech on an economy based on sharing. His speech was illustrated by practical examples of financing mobilised in support of vulnerable children and youth worldwide. This demonstrated that in “a society where giving is the norm, everyone can contribute to the fight against social inequalities.”
Securing homes for vulnerable families

November 2018 saw the end of a three-phase social housing programme in Belgium that had lasted nine years and benefited nearly 4,000 vulnerable families. Through the programme, the CEB and the Fonds du Logement des Familles Nombreuses de Wallonie (Walloon Housing Fund for Large Families) (FLW), aimed to reduce child poverty and improve access to adequate affordable accommodation for large, including single-parent, families on insecure and low-incomes.

By 2009, when the programme began, child poverty had been on the rise since the 1990s and impacted 7.7% of Belgian children. The first loan aimed to help Belgium tackle the problem, which mostly affected large or single-parent families, with the FLW providing access to social mortgage loans for large, low-income families in Wallonia.

The second and third loans were signed in 2011 and 2015 in response to a sharp increase in property prices in the region which far exceeded the increase in household incomes. This increase, compounded by the effects of the financial crisis, severely affected the ability of large, low-income families to afford adequate housing or meet other essential costs, such as energy bills.

The role of FLW

Social mortgage loans

Initiated under Belgium’s “Housing for All” plan, FLW offered social mortgage loans granted at a fixed rate for a duration of 10 to 30 years. These enabled families to:

- purchase and renovate/expand dwellings, including any energy saving improvements
- pay back any expensive loan that they had already contracted
- construct a nearby dwelling to house an elderly relative
- purchase a building plot.

The amount and interest rates varied according to the family's taxable income, the number of dependent children, and the location. Interest rates could vary between 1.3% and 4.8%, while the locations were split into three, each governed by specific administrative arrangements: housing areas in need of revitalisation, areas with high property prices, and other areas.

Green loans

The FLW also offered large families access to interest-free credit for a maximum of 10 years (with or without mortgage guarantees) to cover work on an existing family home to make it more energy-efficient. Known as “écopréts” or “green loans”, this funding was approved on its potential energy saving impact and could not exceed €30,000.

Green loan applicants could obtain environmental bonuses of up to €1,000 if their incomes were below the priority resource levels, the home was classified as low-efficiency, and the energy savings achieved after the work was completed represented at least 30% of standard consumption. The bonuses had to be transferred to the FLW as early, partial reimbursement of the loan, and “before and after” energy consumption had to be certified by a qualified engineer or via a government-approved thermal efficiency assessment.

Meeting loan conditions

The loans could not be granted for housing which did not meet some minimum standards of habitability, hygiene, and safety, while a part of the loans had to be used for improvements that would bring the dwellings concerned up to standard.

Potential beneficiaries had to meet three cumulative conditions. Access to the funding was restricted to families with at least three dependent children, a relative up to the third degree with a recognised disability living with the family and counting as a dependant, and an annual income that did not exceed certain limits (for instance, the income associated with a family with three children could vary between €0 and €55,400). Borrowers could not own any property other than that covered by the FLW loan.

Benefits of the programme

At a time of increasing budgetary constraints for the Walloon Government, the CEB provided the funding needed for 50% of the total investment cost. The programme helped some 3,993 vulnerable families – for many, these loans were the only way of gaining or retaining ownership of an affordable and energy-efficient home.

The programme has enabled people to keep their homes, even in areas with high property prices. It has reduced vulnerable group segregation, supported the elderly, and promoted the integration of migrants and refugees into Walloon society. It has therefore helped the Government of Wallonia to reduce inequalities and reinforce social cohesion.

Child poverty is defined as a state affecting children living in families whose income is 50% or more below the national average income.

More on the FLW at https://www.flw.be/
The Fonds du Logement des Familles Nombreuses de Wallonie (FLW) is a not-for-profit, private-law corporation. In the Walloon Region it holds a vital role in the housing and social integration of large, low-income, poor or financially insecure families. The FLW operates under the supervision of the Walloon Government, which grants its annual appropriations and sets out its priorities. The FLW may attract external financing to meet its goals.

Programme facts
Loan value: €230 million
Investment value: €460 million
Investment status: Final completion report closed in November 2018

About
30% of the beneficiaries of the social housing programme are single-parent families, while 20% have a migrant or refugee background.

In 2011, 25.4% of the Wallonia population was at risk of poverty or social exclusion (source, EUROSTAT).

Energy-saving improvements include new windows.
Renovations include upgraded bathrooms.
Mitigating seismic risk in Turkey

Turkey is highly vulnerable to natural disasters, particularly earthquakes. Istanbul is one of the most vulnerable metropolitan areas because of its seismic-prone location and high population density. The CEB has been playing a key part in helping to improve the city’s preparedness for a potential earthquake.

One of the most powerful and devastating seismic events to hit Turkey in recent decades was the 1999 İzmit earthquake (Kocaeli, Gölcük, or Marmara earthquake), which had a magnitude of 7.6 on the Richter scale and a maximum Mercalli intensity of IX (violent). It lasted for 37 seconds but killed some 17,000 people and left approximately half a million homeless. The direct economic impact was estimated at more than $5 billion, about 2.5% of Turkey’s GDP. The earthquake was followed by several others. In 2003, the collapse of a dormitory block in a boarding school in Celtikcicek during the Bingöl earthquake highlighted the particular vulnerability of education infrastructure.

Addressing the risks for Istanbul
Istanbul is among Turkey’s most vulnerable metropolitan areas. Located on the North Anatolian Fault, it has a very large population (15 million) and it is the country’s industrial and commercial heartland, accounting for a third of Turkey’s GDP. In order to address these risks, in 2005 the Turkish Government launched the Istanbul Seismic Risk Mitigation and Emergency Preparedness Project (ISMEP).

The ISMEP aims to improve the city’s preparedness for a potential earthquake by enhancing its institutional and technical capacity to manage disaster and respond to emergencies. It also helped to strengthen critical public facilities to resist earthquakes, and supported measures which would better enforce building codes and land management regulations with the aim of reducing the number of non-compliant structures.

The CEB’s involvement
In 2010, the CEB joined the financing of the ISMEP, along with other co-financing partners, with a €250 million loan. Another loan of the same amount was approved in 2014. Through its involvement, the CEB has supported the reconstruction and retrofitting of more than 260 public buildings, mostly schools and student dormitories, as well as two public hospitals and several administrative buildings. By improving the use of space, twice the number of students and pupils as before have been accommodated in the new buildings, which, if needed, can be turned into temporary shelters.

Seismic retrofitting and reconstruction activities have also enhanced the buildings’ energy consumption, using renewable resources wherever possible. Most of the facilities are estimated to achieve savings of up to 20% in water consumption, 25% in gas and 40% in electricity.

Choosing buildings
Selecting the public buildings to be reconstructed and retrofitted under the ISMEP was done using objective prioritisation criteria, including:
• accessibility during disaster
• distance from fault lines/epicentre
• population on-site and population served
• technical aspects (structural vulnerability, age, number of floors)

The estimated probability of Istanbul experiencing a seismic event of up to 7.5 on the Richter scale by 2030.

60%

Training the community
Some of the CEB funding has been used to support community training programmes in earthquake preparedness and mitigation measures. More than 1 million Istanbul residents have been trained so far.

Creating far-reaching results
Once complete, these CEB-funded investments in the ISMEP will have far-reaching effects in the event of future earthquakes. They will help to save lives and reduce the number of injuries; they will help to preserve the physical structures of public facilities; they will increase access to immediate medical care; and they will help to ensure shelter and safety.

Key facts
CEB loan value:
€500 million

CEB grant support:
€2 million

Interest rate subsidy grant from CEB’s Social Dividend Account

Total investment value:
€2.2 billion
as of end-2018

Implementing entity:
Istanbul Project Coordination Unit (IPCU), Governorship of Istanbul

Beneficiaries:
Istanbul’s residents

Co-financing institutions:
The World Bank, the European Investment Bank, the Islamic Development Bank and the KfW

Investment status:
The infrastructure financed through the first CEB loan is now complete. Components funded under the second loan will continue into 2019.
“In the old school, our painting room was small and was also used as a laboratory. In the new school we have a spacious painting room and a science lab. The classes are more enjoyable. I feel safer in the new building.”

Nisanur K., pupil at Sultantepe Secondary School, Uskudar

“When I first set foot on the Atatürk Student Dormitory, I could see clearly that it was very different from the old building I had seen in some photos. That made me very happy. Our dormitory provides us with a large variety of extra curricula classes.”

Ebru E., Psychology student at Beykent University

“ISMEP is one of the best practices in the field of disaster risk reduction; its results and achievements can inspire other developing countries. Since the first agreement in 2010, we have worked with the CEB as one team to achieve our goals.”

Kazım Gökhan Elgin, Director, Istanbul Project Coordination Unit
Building resilience into the 21st century city

Info speaks to Elizabeth Yee, Vice-President for Resilient Finance, with 100 Resilient Cities – Pioneered by The Rockefeller Foundation (100RC).

**Info:** How would you define ‘urban resilience’? How does the concept of resilience tie in with those of sustainability and inclusiveness?

**EY:** Resilience is what helps cities adapt and transform in the face of the world’s growing challenges, helping them to prepare for both the expected and the unexpected. 100 Resilient Cities defines urban resilience as the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience.

Developing resilience requires an integrated approach to the entire urban ecosystem to maximise the benefit from a city’s limited resources. It demands a holistic vision and the implementation of approaches that address the catastrophic shocks endured by a city and region, such as hurricanes, earthquakes, terrorist attacks, and flash floods, as well as the slow-burning stresses that erode the urban fabric over time – social and economic inequity, water shortages, homelessness, and more – which exacerbate the shocks when they do occur.

The resilience ideation process in which our member cities participate is driven by a holistic exploration of their challenges, using the lens of the City Resilience Framework (CRF). Through its four dimensions – Health & Wellbeing; Economy & Society; Infrastructure & Environment; and Leadership & Strategy – the CRF describes the essential systems of a city, and provides a valuable way to frame and integrate principles of sustainability and inclusiveness in resilience building.

Inclusivity, in particular, lies at the heart of the resilience-building process, as resilience can only be delivered by undertaking an extensive engagement with key stakeholders from all areas of society.

**Info:** What makes 100 Resilient Cities (100RC) unique? Could you present one success story, and the lessons learned?

**EY:** 100 Resilient Cities is unique for its global approach in helping cities around the world institutionalise and build resilience to a wide range of shocks and stressors – which is leading to wider adoption of holistic resilience planning practices and the “de-siloing” of city operations to tackle the social, economic, and physical challenges of the 21st century. 100RC is among the first global urban initiatives to employ a consistent set of tools, support, and resources across so many diverse cities. This has resulted in the release of 49 comprehensive Resilience Strategies developed in partnership with 100RC, each containing a set of actionable initiatives expected to deliver multiple resilience benefits for urban residents worldwide.

One successful example comes from Paris. The city has leveraged its partnership with 100RC to expand and redefine its concept of resilience. Paris’ Resilience Strategy spans wide-ranging issues including migration, air pollution, inequality, and social cohesion.

Bringing together these seemingly disparate challenges is a flagship initiative focused on increasing green space in the city – which currently only covers 9.5% of Paris, less than in any other European city.

The “Schoolyard Oasis” project has already begun to transform impermeable asphalt-covered schoolyards into lower-temperature green spaces that all Parisians can use during intensifying and increasingly frequent heatwaves. They will also double as community centres and cultural hubs that can be used during after-school hours, improving community cohesion and reducing isolation among residents. Three successful pilots opened earlier this year, 30 more are expected for 2019, and the longer-term goal is to expand to more than 700 schools throughout Paris. The greening of schools will also be mainstreamed in all renovations moving forward, making it the new standard. With the average Parisian living within 200 meters of a schoolyard, the project has the potential to impact every resident in the city when fully implemented.

**Info:** In July 2018, 100RC signed a Memorandum of Understanding with the CEB. Could you explain more about the main purpose of this partnership and what may be expected from a social development bank such as the CEB?

**EY:** More than 20% of the initiatives included in City Resilience Strategies are focused already begun to transform impermeable asphalt-covered schoolyards into lower-temperature green spaces that all Parisians can use during intensifying and increasingly frequent heatwaves. They will also double as community centres and cultural hubs that can be used during after-school hours, improving community cohesion and reducing isolation among residents. Three successful pilots opened earlier this year, 30 more are expected for 2019, and the longer-term goal is to expand to more than 700 schools throughout Paris. The greening of schools will also be mainstreamed in all renovations moving forward, making it the new standard. With the average Parisian living within 200 meters of a schoolyard, the project has the potential to impact every resident in the city when fully implemented.

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on the social needs of the youth and disadvantaged communities. Together with member cities, 100RC is developing a pipeline of initiatives to address these challenges — including retrofitting kindergartens vulnerable to earthquakes in Tbilisi, establishing skills development centres in Thessaloniki, and transforming schoolyards into publicly-accessible cooling islands in Paris.

The partnership between the CEB and 100RC enables us to leverage and combine our organisational strengths to develop and implement city-focused initiatives with a stronger social orientation. A combination of the CEB’s deep historical knowledge in this space, technical assistance, and direct funding will be essential in the development of holistic resilience solutions. The power of the global 100RC network means that these solutions can then be scaled and replicated across a wide range of cities, thereby promoting social cohesion and integration across the globe.

**Info:** What are the main challenges ahead for resilient cities across the world and, more specifically, in Europe?

**EY:** Across our global network, the most common shocks reported by member cities are rainfall flooding, infrastructure failure and disease outbreak; the most common stresses are aging infrastructure, inadequate public transportation, and a lack of affordable housing. In Europe alone, our cities have highlighted rainfall flooding, infrastructure failure and terrorist attacks as the most critical shocks, with aging infrastructure, displaced populations and migration, and climate change serving as the most prevalent stresses. These challenges are both complex and interrelated and any solution must reflect that.

**Info:** What initiatives will 100 Resilient Cities be involved in over the coming months and years?

**EY:** In partnership with 100 Resilient Cities, member cities from 23 countries have released 49 holistic Resilience Strategies. Eleven of these are in Europe and the Middle East. We remain committed to support the remaining cities in releasing their strategies, and have even begun adding new members to our global network through partnerships with local entities that provide financial support for the work. These cities are full network members with all benefits and services, following our globally tested methodology to improve urban resilience.

Partnerships are key to the future of the global resilience movement. Through work with the CEB and other institutions around the world, 100RC is focused on supporting member cities’ efforts to evolve these strategic resilience initiatives from ideation to implementation. We see our role in supporting cities as they prepare investment-ready projects, as well as advancing financial institution knowledge around resilience as a key way to bridge the chasm that exists between a city’s efforts to execute on projects, and the significant capital seeking projects for investment. The goal of these efforts is to bring both cities and financial institutions closer to the mark in addressing the critical economic, social, and physical resilience needs of our world’s cities.

**ELIZABETH YEE**

Has worked with 100 Resilient Cities since 2014

Previously co-led the Public Power and Utilities team at Barclays Capital, New York

Worked in the Wealth Management and Public Finance divisions at Morgan Stanley and in Public Finance at Lehman Brothers
Latest loans approved by the CEB

Eleven new loans were approved by the CEB’s Administrative Council in November 2018. These vary between €5 million and €200 million and are estimated to leverage close to €2 billion in investments.

SPAIN
Loan size: €100 million
Borrower: City of Barcelona
Aims: To support municipal infrastructure projects, including schools and public spaces, which aim to make Barcelona a more inclusive and sustainable city.

GERMANY
Loan size: €80 million
Borrower: City of Nuremberg
Aims: To support the construction and renovation of schools and pre-school facilities, including investments in IT and digitalisation.

ITALY
Loan size: €150 million
Borrower: Istituto per il Credito Sportivo (ICS)
Aims: To finance various sports facilities, especially facilities with a social impact.
Our loans span projects in education, sports, health and prison facilities, support MSMEs, and promote energy efficiency and infrastructure upgrades.

**FINLAND**  
Loan size: €60 million  
Borrower: City of Tampere  
Aims: To finance education infrastructure and other municipal investments, including sports facilities.

**CZECH REPUBLIC**  
Loan size: €100 million  
Borrower: Komerční banka (KB)  
Aims: To finance infrastructure modernisation and energy efficiency measures.

**POLAND**  
Loan size: €150 million  
Borrower: Europejski Fundusz Leasingowy (EFL)  
Aims: To provide finance to MSMEs and promote job creation.

**SLOVENIA**  
Loan size: €50 million  
Borrower: The Housing Fund of Slovenia (HFS)  
Aims: To fund the construction of new social housing units in Ljubljana and Maribor.

**GERMANY**

**SERBIA**  
Loan size: €200 million  
Borrower: Government  
Aims: To provide upgrades to public health institutions in 20 locations.

**GEORGIA**  
Loan size: €5 million  
Borrower: JSC Credo Bank  
Aims: To finance the productive investments and development of MSMEs.

**ROMANIA**  
Loan size: €177 million  
Borrower: Government  
Aims: To finance the construction of two prison facilities.

**LATVIA**  
Loan size: €15 million  
Borrower: Riga Technical University  
Aims: To support the further development of the University’s campus facilities.
Pancevo Penitentiary opens

A new prison, fully compliant with European Penitentiary Rules, was officially commissioned in Pancevo, Serbia, on 2nd October. The investment is part of the Government’s justice sector reform programme and is intended to provide adequate detention facilities for up to 500 people. The funding originated in an €18 million CEB loan and €5 million Government contribution and has also benefited from €3 million in technical assistance grant support from the Western Balkans Investment Framework (€1.6 million from the EU and €1.4 million from WBIF Bilateral Donors).

University unveils Learning Resource Centre

Two years ago, the University of Cyprus contracted a €32 million loan from the CEB to further expand the Athalassa Campus. The planned investments included the construction of a new Learning Resource Centre, providing access to thousands of printed volumes and electronic resources. Work was completed in November 2018 and the Centre opened its doors on 3rd December 2018. Development will continue into 2030 with a focus on other campus facilities.

NEW HOMES FOR KONIK FAMILIES

Fifty-one displaced families in Montenegro moved into new homes in Podgorica on 12th December as part of the Regional Housing Programme. This has meant that the Konik refugee camp has been able to close. The camp has provided refuge since 1994 for mainly Roma families fleeing violence in Kosovo.

UPGRADE IN SUSTAINABILITY PERFORMANCE ASSESSMENT

The CEB was upgraded by one notch to B- and had its ‘prime status’ affirmed in November. The rating assigned by ISS-oekom is one of the highest for development banks and followed a comprehensive review of the CEB’s corporate social responsibility performance.

SIGNING UP TO ONGOING AGREEMENT

Klaus Regling, ESM Managing Director, and the CEB Governor Rolf Wenzel, renewed the framework agreement (Memorandum of Understanding) between the two institutions for an indefinite period of time on 21st November 2018. The agreement covers knowledge-sharing and overall cooperation on matters of common interest.

RESEARCH INSTITUTE READY FOR BUSINESS

Mid-November saw the commissioning of a state-of-the-art medical research centre at the Sant Pau Institute in Barcelona, Spain. The new facilities will house about 300 researchers in (bio) medical sciences. The new centre was funded by a €9 million CEB loan and a €5 million EU grant under the European Regional Development Fund.
What’s on
January – March 2019

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

24th January
Brussels, Belgium
Social Innovation for Refugee Inclusion
This seminar will explore how innovations in living situations promote community-driven inclusion, overcoming divisions, facilitating economic opportunities, and fostering a sense of ‘home’.

25th January
Paris, France
Meeting of the CEB’s Administrative Council
The first meeting of the AC in 2019. Representatives of each member state review and approve new investment projects.
More at: coebank.org/en/about/structure-management

14th-15th March
Paris, France
Meeting of the CEB’s Administrative Council
The second AC meeting of 2019, convened with representatives of each member state in order to approve new investment projects.

29th March
Paris, France
Meeting of the CEB’s Governing Board
The first meeting of the Governing Board in 2019. The Board oversees the general direction of the Bank and approves the annual accounts.

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

SCHOOL DESIGN AND LEARNING ENVIRONMENTS IN THE CITY OF ESPOO, FINLAND
This, the first thematic review produced by the Bank’s Technical Assessment & Monitoring Directorate, presents key findings from recent education infrastructure investments in the city of Espoo, Finland. The report identifies good practice and provides recommendations on ways to enhance the effectiveness of investments in education infrastructure.

INTERESTED IN JOINING THE CEB?
We’re always looking for new talents to join our team. If you are interested in working for the CEB, visit our careers website at https://ceb.profils.org/accueil.aspx?lcid=1033
2018 in loan approvals
Prêts approuvés en 2018

We approved forty-five new loans in 2018, worth €3.9 billion. By 2030, these will have leveraged €10.9 billion investments across twenty CEB member states. These investments will enable:

- Access to affordable financing solutions for low-income households and micro, small and medium-sized enterprises (MSMEs)
- Construction of hospitals and permanent care facilities as well as the purchase of modern medical equipment and ambulances
- State-of-the art medical, science, and engineering research
- Expansion of the school and day care facilities to meet current and future needs
- Improvement of other municipal infrastructure and services (public transport, waste management, water supply and wastewater collection, etc.)
- Decrease in residential and industrial energy consumption by implementing energy efficiency measures
- Equal access to education and better living conditions (including social housing) for migrants, refugees, displaced persons, and other vulnerable groups (Roma, disabled, long-term unemployed, or homeless)
- Improvement of the living environment by creating a network of sports and cultural facilities and expanding community services
- Dignified detention conditions by enforcing European Prison Rule-compliant structures and adequate training for relevant personnel
- Development of renewable energy solutions to replace fossil-fuel, highly-polluting energy sources, as well as of other climate change mitigation and adaptation measures.

La CEB a approuvé quarante-cinq nouveaux prêts en 2018, pour un montant total de €3,9 milliards, ce qui aura permis de mobiliser d’ici 2030, €10,9 milliards d’investissement dans vingt États membres de la CEB. Ces investissements permettront :

- L’accès à des solutions de financement abordables pour les ménages à faible revenu et les micros, petites et moyennes entreprises
- La construction d’hôpitaux et de centres de soins permanents ainsi que l’achat d’équipements médicaux et d’ambulances modernes
- Une recherche médicale, scientifique et d’ingénierie de pointe
- L’expansion d’établissements scolaires et de garderie afin de satisfaire les besoins actuels et futurs
- L’amélioration d’infrastructures et services municipaux divers (transports publics, gestion des déchets, approvisionnement en eau, collecte des eaux usées, etc.)
- La diminution de la consommation d’énergie par les ménages et l’industrie grâce à la mise en place de mesures d’efficacité énergétique
- Une égalité d’accès à l’éducation et de meilleures conditions de vie (sans oublier le logement social) pour les migrants, les réfugiés, les personnes déplacées et les autres groupes vulnérables (Roms, personnes handicapées, chômeurs de longue durée, ou encore les sans-abris)
- L’amélioration du cadre de vie par la création de réseaux d’installations sportives et culturelles et l’extension de services de proximité
- Des conditions de détention dignes garanties par leur conformité aux règles pénitentiaires européennes et la formation adéquate du personnel
- Le développement de solutions d’énergies renouvelables pour remplacer les combustibles fossiles et les sources d’énergie fortement polluantes, ainsi que d’autres mesures d’atténuation et d’adaptation en matière de changement climatique
€3.9bn / 3,9 Mrd
TOTAL CEB LOANS APPROVED
LE TOTAL DES PRÊTS APPROUVÉS PAR LA CEB

€10.9bn / 10,9 Mrd
PROJECT INVESTMENTS TOTAL
LE TOTAL DES INVESTISSEMENTS GÉNÉRÉS

- Supporting MSMEs for job creation, preservation and protection
  - Soutien aux TPE-PME pour la création et le maintien d’emplois viables
- Health
  - Santé
- Protection of the environment
  - Protection de l’environnement
- Education and vocational training
  - Éducation et formation professionnelle
- Improving living conditions in urban and rural areas
  - Amélioration de la qualité de vie en milieu urbain et rural
- Aid to refugees, migrants, displaced persons and other vulnerable groups
  - Aide aux réfugiés, migrants, personnes déplacées et autres groupes vulnérables
- Cross-sectoral (social housing, health, education, energy efficiency, renewable energy and other climate change / adaptation measures)
  - Plurisectoriel (logement social, santé, éducation, efficacité énergétique, énergies renouvelables, changement climatique et autres mesures d’adaptation)
- Administrative and judicial infrastructure
  - Infrastructures administratives et judiciaires
- Social housing for low-income persons
  - Logement pour les personnes à bas revenus

NUMBER OF END BENEFICIARIES
NOMBRE DE BÉNÉFICIAIRES FINAUX
42,700,000
PEOPLE
PERSONNES