



Message from the Governor

It is my pleasure to share with you this annual report, providing an overview of the CEB's activities in 2019. On a par with the year before, in 2019 the CEB approved new loans for social projects worth €4 billion to leverage almost € 14 billion in total investments across Europe. The majority of these investments concern municipalities, regions, and municipal or public companies that are being increasingly tasked with tackling complex, long-term social issues by their national governments. The increase in sub-national borrowers attests to the CEB's commitment to supporting the development of inclusive and sustainable European cities and regions, with a focus on enabling economic and social inclusion, improving living conditions, and enhancing diversity.

26% of the total financing approved in 2019 is for climate action, including climate change mitigation and adaptation measures. This is three times more than what we approved in 2017 and is a testament to the growing importance that we attach to ensuring that our social investments are environmentally sustainable.

Support for migrants, refugees and displaced persons remains an important area of operation for the CEB. In 2019, the Regional Housing Programme (RHP) and the Migrant and Refugee Fund (MRF) continued to deliver good results, thanks to ongoing support from donors and our excellent cooperation with our partners. In addition, the Bank continued to approve multi-target programmes aimed at advancing the social inclusion of migrants and refugees alongside other vulnerable population groups.

In 2019, the CEB increased its disbursements to € 2.8 billion and raised € 4.5 billion on the international capital markets. The latter included the third CEB Social Inclusion Bond, which attracted substantial interest. All this demonstrates the CEB's ability to deliver strong results, even in a difficult environment with continuing challenges in Europe.

The CEB further expanded its cooperation with other international organisations and financial institutions, for example through joint initiatives such as those led by the European Committee of Regions for the Integration of Migrants ('Regions4Integration'). Launched in April 2019, the 'Regions4Integration' initiative rapidly reached 120 members, including

rural areas as well as small cities and towns in Europe. In addition to engaging on concrete financing needs, the CEB actively supported the knowledge-sharing component of 'Regions4Integration', including through the organisation of a high-level workshop in Brussels during the 2019 European Week of Cities and Regions.

In 2019 we also formulated our new strategy for the coming years, with the CEB Development Plan 2020-2022 focusing on strengthening inclusive growth and supporting vulnerable groups whilst also ensuring that CEB investments are environmentally sustainable. Of course, we will keep providing flexible, integrated solutions to all the other social challenges facing our member countries, including at the sub-national level. And our project portfolio will continue to be progressively aligned with the Paris Agreement on Climate Change and with relevant Sustainable Development Goals (SDGs).

Internal CEB reform continued apace, with significant progress made on numerous fronts, such as the reorganisation of our internal structure to enhance efficiency; the recruitment of staff to fill key posts in the institution; and the steps taken to foster and promote internal cohesion, diversity, and greater awareness of environmental issues and environment-friendly practices. The CEB continues to monitor closely its carbon footprint and makes every effort to minimise it. You can read more about this in the separate CEB Corporate Social Responsibility Report 2019.

As the CEB remains fully committed to its social mandate, I look forward to another year of strong results in 2020 for the benefit of the European people.

Paris, 2 March 2020

Rolf WENZEL