In 2019, the CEB approved close to €4 billion in loans for 24 member countries. These loans will pull together €13.9 billion in total investments across Europe.*

* The full list of CEB member countries can be found in the Notes for the reader on last page.
Projects approved

46 projects in 24 countries

€13.9 billion total project investments mobilised

€4 billion total loans approved
Supporting Sustainable and Inclusive Growth

The CEB’s investments contribute to Europe’s sustainable and inclusive growth. The projects financed under this line of action focus on developing public social infrastructure, creating and maintaining jobs, ensuring access to the labour market, and providing social and affordable housing solutions.

The CEB’s financing increasingly supports the implementation of flexible, integrated solutions to the social challenges faced by its member countries. Investments in social sector infrastructure and services are thus intertwined with climate change mitigation and adaptation measures and/or with specific actions targeting vulnerable persons. There is therefore a certain degree of overlap between some of the financing approved under this line of action (Sustainable and Inclusive Growth) and that associated with the other two lines of action - Integration of Refugees, Displaced Persons and Migrants; and Climate Action.

**BELGIUM**  
**Investing in green education infrastructure for all**

**Loan:** €300 million  
**Borrower:** Communauté française de Belgique  
**Target beneficiaries:** Pupils and teachers in Wallonia-Brussels

With a total investment of more than €1.3 billion, this project aims to expand and rehabilitate existing school infrastructure in Wallonia-Brussels in order to:

- Provide modern learning environments in response to a significant increase in the number of young people of up to 24 years of age
- Foster the inclusion of people with disabilities by improving infrastructure accessibility
- Improve the integration of migrant and refugee children, including through special education projects; new accommodation for unaccompanied minors will also be built
- Reduce the carbon footprint of existing and future education infrastructure by implementing energy efficiency measures and planning for the use of renewable energy sources.
In 2019, the CEB approved 43 loans in full or partial support of sustainable and inclusive growth. Close to 50% of these loans concern municipalities, regions, and municipal/public companies that have increasingly been tasked to deal with complex, long-term social issues by their national governments.

CEB financing under this line of action enables:

- **Access to affordable financing solutions for MSMEs**: The CEB approved € 0.8 billion for MSME financing in 2019. The funding will enable the beneficiaries to start up new or expand existing businesses by purchasing new productive assets and undertaking the construction/expansion of new premises. The financing will also support enterprises investing in innovative technologies and optimising processes, including energy efficiency improvements.

As in 2018, the financing solutions supported by the CEB’s loans included leasing, while micro-enterprises and low-income households continued to be two of the Bank’s key targets in this sector.

The increase in sub-national borrowers attests to the Bank’s commitment to support the development of inclusive and sustainable cities and regions in Europe, with a focus on enabling economic and social inclusion, improving living conditions, and enhancing diversity.

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**BOSNIA AND HERZEGOVINA**

**Financing for micro-enterprises**

*Loan:* € 5 million  
*Borrower:* Mikrofin  
*Target beneficiaries:* Low-income persons in Bosnia and Herzegovina, micro-entrepreneurs, with a focus on women entrepreneurs, small farmers, and private households

Micro-businesses play an important role in the economy of Bosnia and Herzegovina and are a major source of employment in a country where unemployment rates are much higher than the EU average. This project will help micro-enterprises and the self-employed finance their productive investments and income-generating activities. Some 3 800 micro-enterprises, farms, and family businesses that lack access to traditional banking systems are expected to benefit from the CEB funds.
POLAND Leasing solutions for MSMEs

Loan: €120 million  
Borrower: SG Equipment Leasing  
Target beneficiaries: MSMEs throughout Poland

The MSME sector employs more than 2/3 of the total labour force active in Poland. However, traditional banks shy away from serving start-up and early-phase businesses that usually present a higher level of risk due to high bankruptcy rates. Inadequate access to financing thus remains a critical issue for the development of MSMEs and a key barrier to the further development of this sector.

This project will finance, in the form of leases or loans, eligible investments undertaken by MSMEs operating in a wide range of sectors such as construction, wholesale trade, retail trade, industry and manufacturing. The project will thus promote the creation of new permanent and seasonal jobs and the preservation of existing employment. Based on the results achieved through previous financing agreements with SG Equipment Leasing, this project is expected to support about 2,850 MSMEs and to contribute to the creation of 3,800 new jobs.

• Improvement of urban and rural infrastructure across sectors: In 2019, the CEB approved more than €0.6 billion in support of investments in cross-sector urban and rural infrastructure in 10 of its member countries.

The loans cover a variety of actions such as developing urban and regional public transport, sustainable mobility solutions, water supply and wastewater collection systems, social housing and elderly care, etc. They are part of the CEB’s efforts to provide a flexible, integrated financing solution when the Bank’s partners have cross-sectoral strategies in place or require budgetary support for pressing priorities.

Several of these loans support EU co-financed investments.
POLAND

Infrastructure investments in the Region of Świętokrzyskie

Loan: € 34.2 million

Borrower: Region of Świętokrzyskie

Target beneficiaries: 1.2 million residents

Situated in south-eastern Poland, Świętokrzyskie is the second smallest region in Poland. The CEB’s financing will support Świętokrzyskie’s 2023 Development Strategy, which comprises a series of investments designed to enable the region’s development on a par with other Polish regions and promote social cohesion. The investments include upgrading existing public transport systems and road networks and modernising existing health infrastructure. They will improve the region’s public services and its connectivity with surrounding areas and thus enhance access to public services and to the regional job market for the local population.
FRANCE Sustainable mobility solutions for Métropole Aix-Marseille-Provence

**Loan:** € 100 million

**Borrower:** Métropole Aix-Marseille-Provence

**Target beneficiaries:** Residents of Métropole Aix-Marseille-Provence

Métropole Aix-Marseille-Provence is a public inter-municipal cooperation mechanism set up by 92 municipalities in 2016. With close to 2 million inhabitants, Métropole Aix-Marseille-Provence is the most congested metropolitan area in Europe. This follows on the backlog of investment in public transportation infrastructure over the past few years and on the fragmented local labour market, which has led to heavy commuting.

This project supports the modernisation of the Marseille metro network as part of the region’s Mobility Agenda. Opened in 1977, the Marseille metro comprises two lines, partly underground, serving 28 stations and transporting about 80 million people annually. The metro currently operates 36 trains which date back to 1977 or 1984. All infrastructure and rolling stock will be renewed so as to reach full automation and improve passenger access and safety. Also known as ‘Neomma’, or Nouveau Métro de Marseille, the project is planned to increase the use of local transport by an estimated 50% throughout the metropolitan area by 2025 and thus reduce greenhouse gas emissions.
GERMANY  

Social investments in urban and rural areas in the State of Brandenburg

Loan: € 150 million
Borrower: Investitionsbank des Landes Brandenburg
Target beneficiaries:
Low-income persons, people with disabilities, the elderly, migrants and refugees and a wide-range of inhabitants of the State of Brandenburg

With 2.5 million residents, Brandenburg is the tenth most populous state in Germany. Re-established in 1990 upon German reunification, the state comprises highly industrialised and rural areas. This project includes the provision of affordable rental accommodation through the construction of new units and the renovation of existing facilities. The new housing units will particularly benefit families with children, persons with disabilities, senior citizens, migrants, refugees, and displaced persons.

In addition, the CEB’s financing will support social investments in urban and rural areas throughout the State of Brandenburg. These will include the modernisation of schools, road networks, and public transportation systems, including through the development of digital infrastructures and services.
• **Education and vocational training:** The CEB mobilised more than €0.6 billion in 2019 in support of the construction and rehabilitation of education infrastructure in four of its member countries. The future investments range from day-care and sports facilities and kindergartens to state-of-the-art research institutions and vocational training facilities. Energy efficiency measures will be targeted in all projects while one programme will entail specific disaster (earthquake) prevention actions.

### Italy

**Investments in education infrastructure resilience**

| **Loan:** | € 300 million |
| **Borrower:** | Cassa Depositi e Prestiti |
| **Target beneficiaries:** | Pupils and teachers throughout Italy |

The CEB’s financing under this project will upgrade and retrofit schools and enhance school safety, particularly from accidents and seismic damage, throughout Italy. Primary and secondary school capacity will also be improved, thus allowing for better quality education for all.

The financing will contribute to the implementation of Italy’s School Building Plan, a €2.7 billion investment programme that benefits from the support of other European and international financial institutions. Cassa Depositi e Prestiti (CDP) will contract and channel the funding to municipalities, provinces and metropolitan cities via the Regions (first-level administrative divisions in Italy), on the basis of priority rankings prepared by the latter and included in the school investment plan for the 2018-2020 period.
IRELAND Energy efficient social housing

Loan: €150 million
Borrower: Housing Finance Agency

Target beneficiaries:
Approved Housing Bodies (AHBs) and Local Authorities (LAs) responsible for the provision of social housing in Ireland

This project seeks to assist Ireland in addressing an increase in social housing demand over the past decade. Specifically, it will provide a part of the funding required by AHBs and LAs to construct energy-efficient new dwellings and to retrofit existing rented social housing throughout Ireland, over the period 2019 to 2022. Families on low incomes, benefitting from social welfare, the elderly, people with disabilities, and homeless persons will be eligible for the new housing units.

The project capitalises on a previous collaboration with the Housing Finance Agency in the sector. It is also part of the Government’s plan to accelerate and increase the supply of social housing by 47,000 units up to 2021, under the Rebuilding Ireland: Action Plan for Housing and Homelessness (July 2016).

- **Social and affordable housing solutions:** The CEB finances sustainable and affordable housing solutions for vulnerable populations—low-income and/or single-parent families, displaced persons, migrants and refugees, the elderly, persons with disabilities, etc. In 2019 alone, the Bank approved close to €0.5 billion in financing for social and affordable housing solutions in Germany, Ireland and Montenegro.

All the renovation work will include retrofitting and thus advanced energy efficiency measures. In the case of one project—expansion of social and affordable housing in Stuttgart—the CEB’s financing will also contribute to the preservation of the city’s architectural heritage.
**ESTONIA State-of-the-art psychiatric facility**

- **Loan:** € 25 million
- **Borrower:** North Estonia Medical Centre
- **Target beneficiaries:** Patients and medical personnel in Estonia

Under this project, a modern psychiatric facility will be built on the medical campus of the existing North Estonia Medical Centre (largest hospital in Estonia). Once in operation, the new facility will enable the easy treatment of patients across specialisations and in compliance with the highest European standards in psychiatric treatment. It is estimated that about 3,200 inpatients and 85,000 outpatients will benefit annually from the new infrastructure and services.

The new state-of-the-art clinic will also vastly improve working conditions for staff and might also incentivise the return of psychiatric specialists who are currently living and working outside Estonia. In addition, energy efficiency considerations will inform the design and construction of the new facility.

**CEB investments contribute to Europe’s sustainable and inclusive growth**

- **€ 2.7 billion in loans approved**
- **€ 10.5 billion in total investments**
Integration of Refugees, Displaced Persons, and Migrants

Aid to refugees, migrants and displaced persons is one of the CEB’s statutory priorities. The Bank’s support under this line of action includes emergency assistance and longer-term financing for social inclusion.

The long-term actions are often part of multi-sector integrated programmes. In 2019, the CEB approved several loans that will contribute to the integration of refugees, displaced persons and migrants in Belgium, Germany, Spain and Sweden. The funding will provide for the development of social housing, equal access to education and vocational training, improvement of entrepreneurship skills, and affordable financing for MSMEs.

Loans under this line of action complement activities undertaken with grants from the CEB-managed Migrant and Refugee Fund (MRF) as well as from the EU and other bilateral donors to the CEB.

SPAIN Promoting social cohesion through microcredit

Loan: € 100 million
Borrower: Nuevo MicroBank
Target beneficiaries: Small businesses, microbusinesses, and individuals throughout Spain

The unemployment rate in Spain, albeit decreasing over the recent years, still stood at 14.7% at the end of 2019. When it came to the non-EU migrant community (about 5% of total population), the unemployment rate rose to 25%.

This project aims to support job creation and to enhance social cohesion in Spain by facilitating access to financial resources for small businesses, microbusinesses, and individuals such as migrants and families in vulnerable situations, who have limited or no access to the traditional banking system. It builds on a previous project financed by the CEB which benefited 13,272 clients, of whom 30% were women and 10% were migrants.
The City of Stockholm is the largest city in Sweden with 950,000 inhabitants; the population is constantly growing and is estimated to reach 1.3 million by 2040. Over 32% of Stockholm’s total population is considered to be of a migrant or non-Swedish background. This project aims to create the additional capacity needed in pre-schools and primary schools to address both an increase in pupil numbers and the need to provide for specific educational processes to enable the integration of migrants and refugees. It will specifically support the construction of 36 new educational facilities and the restoration, renovation, or extension of 36 existing facilities across all 14 districts of Stockholm. The investment will generate 18,000 additional places for pupils and better learning environments.
Aid to refugees, migrants and displaced persons is one of the CEB’s statutory priorities.

*GERMANY* Social housing in Nuremberg

**Loan:**
€ 110 million

**Borrower:**
wbg Nürnberg GmbH Immobilienunternehmen

**Target beneficiaries:**
Low-income persons, the elderly, people with disabilities, students, single parents, and migrants and refugees

Nuremberg, Bavaria’s second largest city, has experienced a significant population increase in recent years, due to domestic and EU immigration and the arrival of a large number of non-EU refugees. This project will finance social housing sub-projects, including the construction of 819 new dwellings, the modernisation of existing units, and the purchase of estates, lands and existing dwellings. Upgrades of existing homes will increase their accessibility for people with disabilities and improve efficiencies in energy and water use.

€ 200 million in loans approved

€ 0.8 billion in total investments

More details on grant-funded activities in 2019 under this line of action are provided in the Donors section of this report.
Climate Action: Developing Mitigation and Adaptation Measures

The CEB supports projects that reduce carbon emissions and make communities more resilient to climate change. It also works with its partners to mainstream climate considerations into the design and implementation of all other projects. For this purpose, and to enable the gradual alignment of the Banks’ operations with the Paris Agreement, the CEB has put in place a project screening and monitoring system that promotes the following principles:

- Projects are in line with national low-emission pathways
- Identification of physical climate risks to make projects more resilient to climate change
- Prioritisation, targeting and reporting on climate finance
- Screening, monitoring, and reporting on climate change indicators

The CEB aims to support climate action projects that are socially inclusive. This means that the Bank seeks to optimise the social benefits when financing climate change mitigation and adaptation projects.

In 2019, the CEB approved more than €1 billion in loans under this line of action. The financing concerns stand-alone projects or project components. This represents 26% of overall financing approved during the year and comprises €703 million for climate change mitigation and €334 million for adaptation measures.

**LITHUANIA**

**Energy efficiency improvements in residential buildings**

**Loan:** €100 million

**Borrower:** Government

**Target beneficiaries:** Residents of Lithuania, including low-income persons

The residential building stock in Lithuania includes around 39,000 multi-apartment buildings (800,000 apartments). 90% of these were constructed according to pre-1993 technical standards and tend to have poor energy performance due to the low thermal resistance of the building envelopes, inefficient heating systems, and lack of proper ventilation. Annual heat consumption in such buildings is twice as high as in multi-apartment buildings built after 1993.

This project will support energy efficiency improvements and the retrofitting of some 230 multi-apartment buildings throughout Lithuania. Around 8,000-9,000 households will directly benefit from a better quality of life, comfortable living conditions, and reduced energy costs. In addition, it is estimated that some 15,000 tonnes of CO₂ will be saved following the retrofitting.
**Sustainable water and wastewater services**

**Loan:** € 200 million

**Borrower:** Government

**Target beneficiaries:** Residents of Serbia

This project will finance investments in water supply and wastewater management, in line with Serbia's Climate Change Adaptation Plan. For the water supply, the funds will be used to modernise the network through priority measures in 60 municipalities. The measures will result in reduced water loss, enhanced water supply coverage and improved quality of water for 2 million people - close to 30 % of the population of Serbia.

The project is supported by a € 1.1 million grant for technical assistance. The grant is funded by contributions of € 250 000 from the Italian Fund for Innovative Projects, the Slovak Inclusive Growth Account, and the Spanish Social Cohesion Account. In addition, the CEB’s Social Dividend Account contributed € 350 000.
GREECE

Flood prevention measures

Loan: € 70 million
Borrower: Government
Target beneficiaries: Residents of Attica, Central Macedonia and the Peloponnese

In recent years, Greece has suffered several incidents of severe flooding as a result of heavy rainfall, which have caused casualties and also extensive damage to infrastructure and homes. The loan provided by the CEB will finance flood prevention measures that are part of the government’s flood risk management plan, such as drainage channels and pipes, and water-retaining structures. The project will increase Greece’s resilience to floods, which are expected to become more frequent and intense in the coming years, and mitigate the impact of climate change for the inhabitants of the areas concerned. It will also protect archaeological sites which form part of the country’s rich cultural heritage and are situated in areas prone to flooding, such as the sanctuary of Artemis at Vravrona.
ITALY

Investments in climate change adaptation and disaster preparedness

Loan: €50 million
Borrower: City of Genoa
Target beneficiaries: Residents of Genoa

This project will support Genoa in undertaking key investments in the city’s resilience and reduce its vulnerability to natural disasters. It will specifically mitigate the consequences of climate change, such as floods and landslides, to which the city is particularly exposed due to its urban topography. The investments will also address the economic vulnerability of a declining workforce and the social challenges associated with the city’s ageing population.

The CEB’s support comes at a crucial moment for Genoa, in the aftermath of the tragic collapse of the Morandi Bridge in 2018, with its casualties and the ensuing strains on the population of the city and the surrounding area.

The CEB supports projects that reduce carbon emissions and make communities more resilient to climate change.

€2.6 billion in total investments
€1 billion in loans approved
Investments with an Impact

Thirty-six projects were completed in 2019. Totalling €3 billion in CEB financing, the projects have resulted in more than 370,000 jobs created and maintained by MSMEs and have ensured better access to and use of municipal infrastructure and services for more than 8.7 million people throughout Europe.*

*Completion reports finalised in 2019. Results in accordance with the information provided by CEB borrowers.
€3 billion in CEB financing

1 in 20 member countries

370,000 jobs created / maintained

8.7 million end-users, of new/upgraded municipal infrastructure and services

Investments with an Impact

- MSMEs
- Health
- Public (municipal) infrastructure / services, including environment
- Public administration
- Social housing
- Education

Finland

Lithuania

Turkey

Montenegro

Albania

Moldova (Republic of)

Romania

Serbia

Bulgaria

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