About the CEB

The Council of Europe Development Bank (CEB) is a multilateral financial institution with a social mandate.

Founded by eight member states of the Council of Europe in 1956 in order to bring solutions to the problems of refugees, it is the oldest multilateral development institution in Europe.

The CEB invests in social projects that promote inclusive growth and provide support for the most vulnerable populations across Europe while fostering environmental sustainability.

The CEB provides loans and guarantees to its 41 member states to finance projects meeting a certain number of criteria. Potential borrowers include governments, local or regional authorities, and financial institutions. Loan applications are rigorously reviewed and associated projects are designed and implemented according to national sectoral policies, when applicable.

The CEB is based on a Partial Agreement among member states of the Council of Europe, but has a separate legal personality and is financially independent from the Council of Europe. The Bank supports the principles and values of the Council of Europe, which stands for the defence and promotion of human rights, democracy, and the rule of law.

Projects and loans

The CEB pays particular attention to the quality of the projects it finances, with a view to enhancing their social impact. Technical assistance and monitoring throughout the whole project cycle constitute key factors in the effective preparation and implementation of all projects.

Rigorous monitoring and on-site visits, once a project’s financing has started, serve to verify the physical progress of the works, compliance with cost estimates and procurement procedures, and the attainment of the anticipated social objectives. A final report is drawn up when the project is concluded. Selected projects are independently evaluated after completion.

Resources

The CEB raises the funds for its financing on the international capital markets. It also receives resources entrusted to it by various member and non-member donors.

Thanks to its excellent rating (AAA with Standard & Poor’s outlook stable, AA+ with Fitch Ratings, outlook positive¹, and Aa1 with Moody’s, outlook stable), the Bank raises its funds on competitive terms, thus enabling its borrowers to significantly reduce the cost of the loans they take out to finance social projects.

¹ On 3 September 2019, Fitch Ratings revised the outlook for the CEB from ‘stable’ to ‘positive’ and on 15 February 2019, Standard & Poor’s upgraded the CEB’s rating from ‘AA+, outlook positive’ to ‘AAA, outlook stable’.
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2019 at a Glance

Sound performance, in line with 2017 – 2019 Development Plan objectives and in excess of targets

€ 4 billion in loans approved

€ 13.9 billion in total investments
26% of total financing approved for climate change mitigation and/or adaptation measures.

€ 2.8 billion in disbursements

€ 15.4 billion in loans outstanding

€ 4.5 billion in funds raised on international capital markets
including € 500 million as a Social Inclusion Bond

Steadfast support from international and bilateral donors to CEB projects, with additional pledges from the European Union, Germany, Norway, Spain, Slovak Republic, and Switzerland.

€ 4 billion in loans approved

€ 13.9 billion in total investments
26% of total financing approved for climate change mitigation and/or adaptation measures.

Sound performance, in line with 2017 – 2019 Development Plan objectives and in excess of targets

A new Development Plan for 2020 to 2022, with a focus on fostering inclusive growth and supporting vulnerable groups while ensuring that CEB investments are environmentally sustainable.

Project portfolio progressively aligned with the Paris Agreement on Climate Change and, beginning in 2020, with relevant Sustainable Development Goals (SDGs)

Standard & Poor’s AAA, outlook stable
Fitch Ratings AA+, outlook positive
Moody’s Aa1+, outlook stable

B- ’Prime’ by ISS ESG
AA “Leader” by MSCI ESG
‘Outperformer’ by Sustainalytics

Gender equality and diversity mainstreamed into the CEB’s HR policies and processes with an eye on EDGE Move certification.

206 staff
33 nationalities
54% women - 46% men
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.
CEB Strategy 2020-2022

In brief

A new Development Plan for the period 2020–2022

It charts the Bank’s mid-term strategy on how to strengthen social cohesion as a means of building more inclusive and sustainable societies in its member states.

Our vision for social development

The right investments in the social sector can have profoundly positive economic and social impacts on society at large and in particular on the most vulnerable, making sure that no one is left behind.

Challenges ahead

- Europe’s changing future
- A more demanding operational environment
Strategic course

OUR LINES OF ACTION

- **Inclusive growth:**
  Working to guarantee access to economic opportunities to ensure a prosperous future for all.

- **Support for vulnerable groups:**
  Helping to integrate the most vulnerable citizens to nurture a more diverse society.

- **Environmental sustainability:**
  Supporting a liveable society that promotes environmental sustainability, and mitigates and adapts to climate change.

KEY PRIORITIES

- **Sustainable Development Goals (SDGs)**
- **Tackling climate change**
- **Relations with the Council of Europe and European and international cooperation**

Operational approach

- **Focus on Target Group countries**
- **Expansion of sub-national strategic partnerships**
- **More funding to national promotional banks**
- **Adequate resources for capacity building**
- **Financial instruments in tune with our partners’ needs**
- **Enhanced role for the SDGs**
- **Social Inclusion Bonds**
- **Green social investments**
- **Corporate Social Responsibility (CSR)**
- **Projected levels of lending for 2020 - 2022 on a par with previous Plan**
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.*
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.

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.

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.

- **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.
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.
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**

- **Investments in healthcare infrastructure and services:** Investing in public health as human capital and promoting equitable access to healthcare are essential for Europe’s social cohesion. The construction of hospitals, permanent care facilities for the elderly and disabled, and the purchase of modern medical equipment are thus among the CEB’s priority areas.

In addition to the cross-sector investments in urban and rural infrastructure detailed above, which often address components of this sector, the Bank has approved more than € 100 million for specific healthcare projects in Bosnia and Herzegovina, France, Estonia and Serbia. These projects focus on psychiatric and paediatric units/hospitals and on the modernisation of state-of-the-art research facilities.

- **Dignified detention conditions:** The additional € 10 million loan approved in this sector in 2019 will assist with the completion of the new penitentiary facility in Chişinău. It will also support European Prison Rule (EPR)-compliant infrastructure and adequate training for relevant personnel. The loan is thus instrumental in helping the Government of the Republic of Moldova to improve current detention conditions which are characterised by prison overcrowding and overall unsanitary conditions.

- **€ 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.

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**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.
### Pre-schools/schools in the City of Stockholm

**Loan:** € 200 million  
**Borrower:** City of Stockholm  
**Target beneficiaries:** Pupils and their teachers living in Stockholm, including migrants and refugees

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.

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.
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.
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.

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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

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Project Financing
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
Advancing Social Sector Knowledge

In addition to advising on specific projects, the CEB identifies and promotes sector developments, best practices, and international standards. This helps project stakeholders to review social sector strategies, optimise ongoing and future projects, and thus maximise the social and environmental impact of the Bank’s financing.

How to enable better living conditions?

A study on *Energy Poverty in Europe* demonstrates that energy efficiency improvements and related regulatory policies contribute to decreases in household energy consumption and energy poverty rates. Based on econometrics, it shows that household energy spending can decrease by 2.4% to 7.1% after a 10% increase in the household energy efficiency score. Moreover, household energy consumption may drop by 4.4% several years after governments undertake and implement a typical high impact energy efficiency policy that sets minimum regulatory standards on household energy efficiency.

How to develop social and affordable housing in Europe?

The Technical Brief *Social and Affordable Housing Provided by Non-Profit Private Organisations in Europe* discusses the housing affordability crisis in Europe and builds on the Bank’s experience in the sector. This technical brief presents four distinctive models of private non-profit sector participation in the provision of social and affordable rental housing, which could be applied in different countries to ensure affordable and quality housing solutions for all.
How to make the best use of school buildings and improve learning environments?

School Design and Learning Environments in Seine-Saint-Denis, France presents the main findings and recommendations resulting from a thematic review of lower secondary education infrastructure investments in the Department of Seine-Saint-Denis, France. Available in both English and French, the review acknowledges the excellent quality of the construction and retrofitting works, of the IT and teaching equipment, and of the sport and leisure facilities and appreciates the care taken to ensure access for students with disabilities. It also suggests future design adjustments and several ways to ensure that teachers and students make full use of the pedagogical potential of the innovative spaces already available. The review is part of a series on innovative learning environments.

How could IFIs better support micro-finance in Europe?

The Technical Brief Supporting Inclusion in Europe through Microfinance, written in collaboration with the European Microfinance Network, capitalises on the CEB’s microfinance operations to date and on the Bank’s exchanges with other European international financial institutions (IFIs) and with the European Microfinance Network. It explores different ways for IFIs to support micro-finance institutions in reaching their social and financial objectives.

How to ensure effective prisoner rehabilitation?

A Thematic Review on Doing More with Less: Prisoner Rehabilitation in Ireland provides a case study of the Irish prison rehabilitation system. In particular, this thematic review discusses the various reforms that have been carried out in Ireland in times of austerity to reflect best practices in prisoner rehabilitation, their reintegration into society, and the fight against recidivism.

“In the Brief [Investing in Effective Learning Environments] as well as the Report and the short Summary are all excellent and very useful for my facility development unit and when developing processes in construction projects.”

Merja Narvo-Akkola, Facility Development Manager - Educational and Cultural Services, City of Espoo.

Innovative Learning Environments

The concept is associated with a new vision for education predicated on the creation of a learning continuum, or a total environment for learning. It represents a move away from traditional classrooms with rows of desks, chalkboards and a set of finite intervals (classes) for teacher-driven study. Apart from fostering education achievements, the new environments are intended to allow for an easier appropriation of the school space by students and their families and thus contribute to the creation of a wider community focused on the school.

Partnerships and Donors
In 2019, the CEB continued to strengthen its cooperation with peer multilateral financial institutions and other international organisations of relevance to the Bank’s core activities.

### The European Union

The European Union remained a privileged partner for the CEB and its main donor. The partnership with the EU aims to promote sustainable and inclusive growth in Europe, with a focus on actions that contribute to the social inclusion of the most vulnerable and support employment, education and training, gender equality, and sustainable development.

The blending of loans and grants remains a key instrument for such purposes. It creates a leverage effect and enables the financing of larger or more complex projects. Several of the 2019 CEB loans are blended with EU grant support and are estimated to leverage more than €3 billion total investments.

The European Commission has proposed the CEB as an implementing partner in the InvestEU Fund, which is to replace the European Fund for Strategic Investments (“Juncker Plan”) from 2021 onwards. In the course of 2019, the CEB worked on implementing the operational requirements associated with the proposed new status.

The CEB also continued to closely monitor the proposed new funding architecture for the EU’s new Neighbourhood, Development and International Cooperation Instrument (NDICI).

### UN Framework Convention on Climate Change

The CEB has had permanent observer status to the UN Framework Convention on Climate Change (UN FCCC) since 2018. In addition to participating in the 25th United Nations Climate Change Conference (COP25), the CEB sought to further align its project portfolio with the goals of the Paris Agreement throughout 2019. Accordingly, the CEB continued to improve its project screening processes in order to integrate environmental sustainability and climate change mitigation and adaptation measures in all its projects. Moreover, the Bank defined an operational framework which will allow for the assessment of its contribution to key Sustainable Development Goals (SDGs) beginning in 2020.

### European Networks for the Integration of Migrants and Refugees

In 2019, the CEB actively contributed to the work of two EU-driven initiatives focused on the integration of migrants and refugees: the Urban Partnership for the Inclusion of Migrants and Refugees (‘the Partnership for Inclusion’) and the Cities and Regions for Integration of Migrants (‘Regions4Integration’).

The Partnership for Inclusion was initiated in 2016, during the Dutch Presidency of the EU. In 2019, the work of the Partnership for Inclusion focused on identifying best practices in labour market integration, including for the most vulnerable refugees and migrants, and on defining the Partnership’s way forward based on the results of an evaluation exercise undertaken during the year. The CEB’s experience in this sector will continue to feed into the Partnership’s activities.

The ‘Regions4Integration’ was launched in April 2019 by the European Committee of Regions as a political platform for European mayors and regional leaders to showcase positive examples of integration of migrants and refugees, share knowledge and best practices, and promote diversity as an added value to building inclusive cities and ensuring social cohesion. Whereas the Partnership for Inclusion works on a limited-member basis and focuses on large cities, the Regions4Integration has over 120 members and aims to provide a voice to the regions, including rural areas, and small cities and towns. In addition to engaging on concrete financing needs, the CEB actively supported the knowledge-sharing component of the Regions4Integration, including through the organisation of a workshop in Brussels during the 2019 European Week of Cities and Regions.

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Several of the 2019 CEB loans are blended with EU grant support and are estimated to leverage more than €3 billion total investments.
Harmonized Indicators for Private Sector Operations

The Harmonized Indicators for Private Sector Operations (HIPSO) initiative comprises 26 multilateral finance institutions, including the IFC, EIB, EBRD, and several national development banks. It aims to establish a set of harmonised result indicators which can be used by all participating financial institutions. This harmonised framework will reduce the borrowers’ reporting burden and increase the capacity of the financing institutions to learn from one another.

The CEB participated in HIPSO's annual meeting in October 2019. The meeting focused on revising all HIPSO metrics in order to better capture project and market level effects and indirect/induced effects. The new metrics will be in use, as appropriate, as of the first half of 2020.

Health and Social Care Partnerships

The Social Health Protection Network (P4H) is a global network for health financing and social health protection, initiated by the World Health Organisation (WHO). The European Association of Service Providers for Persons with Disabilities (EASPD) is a not-for-profit organisation which promotes equal opportunities for people with disabilities. Its members include some 17,000 social services and their umbrella associations.

In 2019, the Bank continued to contribute to P4H and EASPD with expert knowledge on health and social care systems in Europe.

World Observatory on Subnational Governance Finance and Investment

The World Observatory on Subnational Governance Finance and Investment is an initiative led by the OECD and the United Cities and Local Governments (UCLG) and financially supported, among others, by the CEB. The Observatory is aimed at promoting dialogue and partnership between national and subnational governments, and international institutions, with a view to enhancing subnational government finance.

In 2019, the Observatory published an extensive report with data on subnational finance and territorial organisation from over 120 countries. The information and data gathered by the Observatory, including its online database, will be regularly updated.

Regional Housing Programme (RHP)

2019 was a record year for the Regional Housing Programme: an additional 7,200 vulnerable beneficiaries moved into new homes, bringing the total number of refugees and displaced persons served by the RHP to approximately 19,000 – over 50% of its target of 36,000.

The RHP also accounted for most of the funds raised by the CEB in 2019. In recognition of the programme’s progress, and to enable the partner countries to deliver more homes, RHP donors agreed to extend its duration by one year, until the end of 2022. Donors also pledged additional contributions to continue supporting RHP partner countries during this additional period. The EU pledged €2.0 million, Germany €1.0 million, Norway €700,000, Switzerland €500,000, and Spain €100,000.

The Regional Housing Programme is a joint initiative of Bosnia and Herzegovina, Croatia, Montenegro, and Serbia. It provides durable housing solutions for the most vulnerable persons who were displaced during the 1990s conflicts in the Western Balkans. The Programme is supported by the international community and managed by the CEB.

Donors

The CEB uses funds raised from donors to support projects for the benefit of vulnerable groups and disadvantaged regions. 28 CEB member states, two non-member states, the United States, the United Kingdom, and the European Union, through the European Commission and the European Investment Bank, have contributed to the CEB’s trust funds.

In 2019, the CEB raised €4.4 million from the Slovak Republic, Switzerland and Germany, and awarded €54 million in grants. These grants benefitted mainly migrants and refugees, in line with the Bank’s priority mission of assisting displaced persons.

The European Union remains the Bank’s largest donor, with more than €500 million committed to date.
A homecoming

During the war, Dušan and his wife Branka fled the small city of Šljivovac, in Croatia and their house was burned to the ground. They lived in a collective centre near Prijepolje, Serbia before returning to Šljivovac in 2002. There, they lived in small, one-room cottage with no water and electricity for almost fifteen years. In 2019, they finally moved into a new house on the site of their former home, thanks to the RHP.

RHP Contributions by Donor

<table>
<thead>
<tr>
<th>Donor</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>€ 234 million</td>
</tr>
<tr>
<td>USA</td>
<td>€ 24 million</td>
</tr>
<tr>
<td>Germany</td>
<td>€ 10 million</td>
</tr>
<tr>
<td>Norway</td>
<td>€ 7.0 million</td>
</tr>
<tr>
<td>Switzerland</td>
<td>€ 6.4 million</td>
</tr>
<tr>
<td>Italy</td>
<td>€ 5.0 million</td>
</tr>
<tr>
<td>Denmark</td>
<td>€ 1.3 million</td>
</tr>
<tr>
<td>Turkey</td>
<td>€ 1.0 million</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>€ 500 000</td>
</tr>
<tr>
<td>Spain, Romania, Cyprus, Slovak Republic, Czech Republic, and Hungary</td>
<td>€ 500 000</td>
</tr>
</tbody>
</table>
The Migrant and Refugee Fund (MRF) is a trust fund set up by the CEB to help its member states address the challenges linked to migrants and refugees. Since its establishment in 2015, twenty-two CEB member states have contributed to the MRF. The CEB and the European Investment Bank (EIB) have also provided funding. To date, the CEB has approved €28 million in grants. Projects located along the Balkan route account for a large majority of these grants, namely €22 million.

In 2019, the Bank allocated the remaining resources of the MRF, or €1.8 million, to projects in Albania, Bosnia and Herzegovina, Finland, Italy, North Macedonia, Portugal, and Serbia, covering both emergency assistance for migrants and refugees and social inclusion measures.

In safe hands

Niaz and Ali arrived in Sweden when they were still minors. Upon their arrival, they were enrolled in a series of activities organised by the city of Malmö with funding from the MRF. The activities target students between the ages of 14 and 20. Their aim is twofold: first, to make the newly arrived feel part of their new community; second, to improve their academic performances.

The MRF-funded activities helped both teenagers overcome the cultural gap they felt upon their arrival in the country. The extracurricular activities also helped the two students improve their academic performances. “My way is to study but without entertainment, without activities, you do not learn as well, I think. Those who organise and work with the activities are fun and kind, like friends, like a family.” says Niaz. Finally, they have enabled the two teenagers to devise a future for themselves, in which they can give back to the host community what they have received. “The future? My dream is to become a nurse and work with old people. I just want to help people who need help,” says Ali.
“Projects like this one are of crucial importance. They help us do a better job, while helping Albania to achieve higher standards on migration governance, in its European aspirations”.

Ms. Rovena Voda, Deputy Minister of Interior of Albania:

Better accommodation for migrants

In October 2019, Albanian authorities inaugurated a migrant reception centre built with MRF funding in Kapshtica, near the border with Greece. The centre will help Albanian authorities in registering irregular migrants and providing them with temporary accommodation. The centre will also ensure that these migrants enjoy basic human rights, such as food and shelter.
### MRF Contributions by Donor

<table>
<thead>
<tr>
<th>Donor</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEB</td>
<td>€ 8.0 million</td>
</tr>
<tr>
<td>Germany</td>
<td>€ 5.0 million</td>
</tr>
<tr>
<td>EIB</td>
<td>€ 5.0 million</td>
</tr>
<tr>
<td>France</td>
<td>€ 3.0 million</td>
</tr>
<tr>
<td>Italy</td>
<td>€ 3.0 million</td>
</tr>
<tr>
<td>Spain</td>
<td>€ 1.5 million</td>
</tr>
<tr>
<td>Sweden</td>
<td>€ 540 000</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>€ 500 000</td>
</tr>
<tr>
<td>Norway</td>
<td>€ 500 000</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>€ 300 000</td>
</tr>
<tr>
<td>Ireland, Lithuania, Poland, Cyprus, Albania, Hungary, Czech Republic, Malta, Holy See, Bosnia and Herzegovina, San Marino, Iceland, Bulgaria, and Liechtenstein</td>
<td>€ 1.1 million</td>
</tr>
</tbody>
</table>

### EU Facility for Refugees in Turkey (FRiT)

Kilis is a city located near the border with Syria, which has seen its population double due to an influx of Syrian refugees. The EU, in cooperation with Turkey and the CEB, has sought to alleviate the pressure exerted on healthcare services by the dramatic increase in population. It is funding the construction of a 300-bed state hospital which will provide quality health services for the host community and the Syrian refugees alike.

The funding from the EU for this project amounts to € 50 million and its is provided through the EU Facility for Refugees in Turkey (FRiT). The CEB manages the EU funding and oversees the construction and equipment of the hospital. By the end of 2019, 16% of the works was completed and the hospital is expected to be operational by April 2021. The EU investment will also support the social and economic development of Kilis by creating jobs and new services which will outlast the construction period.

The FRiT, which manages a total of € 6 billion, provides for a joint coordination mechanism, designed to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner. The Facility focusses on humanitarian assistance, education, health, municipal infrastructure, and socio-economic support.

Spanish Social Cohesion Account (SCA)

The SCA is 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 € 2.0 million, bringing its total endowment to € 4.0 million.

In 2019, the SCA accounted for a total of € 920 000 in grant approvals. The SCA, for instance, supports a drive by Serbia to improve the energy efficiency of public buildings. Serbia, an EU candidate country, signed the Energy Community Treaty on the renovation of public buildings.

The Bank approved a € 40 million loan in November 2019 to finance renovations of central government buildings in Belgrade.

The renovations will improve the energy performance of the buildings and upgrade safety and security conditions for staff and visitors. The SCA grant, in an amount of € 200 000, will finance the preparation phase of the project, including energy audits and detailed designs for complex renovations.

The remaining technical assistance needs will be covered by the Slovak Inclusive Growth Account and the Western Balkans Investment Framework, highlighting how donors cooperate on shared objectives.
Slovak Inclusive Growth Account (SIGA)

The SIGA was set up by the Slovak authorities in 2016 to support the CEB’s actions in favour of inclusive growth and environmental sustainability. The Slovak Republic replenished the account in 2019 with € 2.0 million, bringing its total endowment to € 4.0 million.

In 2019, € 1.5 million in grants were approved from the SIGA. The largest grant, in an amount of € 550 000, supports Bosnia and Herzegovina in improving psychiatric healthcare. Six psychiatric hospitals will be constructed or reconstructed, thus improving the care provided to patients and their living conditions. The project, which is financed by a € 11 million CEB loan, will also lead to a significant reduction in energy costs as well as water consumption. The technical assistance financed by the SIGA will help the authorities prepare the project, including drafting tender documents and detailed designs.

Italian Fund for Innovative Projects (IFIP)

The IFIP was set up by Italy in 2017. The IFIP helps the Bank develop innovative social projects. It finances technical assistance for projects located in countries in the Western Balkan region that are eligible for Official Development Assistance (ODA), as well as in Georgia and in the Republic of Moldova.

In 2019, grant approvals under the IFIP totalled € 840 000. For example, the IFIP supports Kosovo in developing a social housing programme. The programme, whose cost is estimated at € 40 million, would provide housing solutions for populations repatriated after the war, in particular vulnerable and middle-income households. The technical assistance funded by the € 111 000 IFIP grant will help the authorities analyse the current housing context, estimate social housing needs and determine the programme’s objectives, scope, components, suggested deliverables and expected outcomes.
A new lease of life

Ranka and her son, Petar, lived in a series of rented apartments for 25 years after the war in Bosnia and Herzegovina. In December 2019, they moved into a new flat in Foča. Petar suffers from cerebral palsy, a permanent movement disorder that requires him to live in places with suitable disabled access. Most of the previous flats did not have any such access. When interviewed on the new flat, Ranka said: “We are thankful to the donors and the local community for giving us a chance to have better living conditions. It is so important not to have to move out every month or so!”. 

The homes in Foča were built under a project, financed by the CEB, which provides housing to vulnerable persons who were displaced during the conflict in the 1990s and who have been living in substandard accommodation ever since. The CEB and WBIF Bilateral Donors have provided more than € 4 million in grant funding for the project, in the form of interest rate subsidies and technical assistance. The CEB funding originated from the Bank’s Social Dividend Account, Norway Trust Account, and the SCA. The IFIP will cover future technical assistance needs as soon as the WBIF funding has been fully used, together with the SIGA.

Originally from Goražde, Ognjen and his family took refuge in a collective centre in the village of Miljevina during the war in Bosnia and Herzegovina. The building belonged to a former mining company and it was 14 km away from the nearest town, Foča. It was dilapidated, damp, and full of mould. In December 2019, the family moved into a new flat in the city of Foča. Marjana, his wife, welcomed the move: “It was a horrible life, especially with the baby. But since we moved in here, everything changed for all of us”.

Partnerships and Donors
Western Balkans Investment Framework (WBIF)

The WBIF is a blending facility established in 2009 as a joint initiative of the European Commission, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and several bilateral donors.

The Framework provides financing and technical assistance to strategic investments in the energy, environment, social, transport, and digital infrastructure sectors. It also supports private sector development initiatives. The World Bank Group, KfW, and AFD have subsequently joined the Framework.

In 2019, WBIF Bilateral Donors approved a €312,000 technical assistance grant in favour of an energy efficiency programme in Serbia. WBIF technical assistance is complemented by a €400,000 grant from the SIGA and a €200,000 grant from the SCA.

Some 30 government buildings accounting for about 200,000 square metres in total will be modernised and made energy-efficient. The works will reduce greenhouse gas emissions and help Serbia meet its targets for climate change mitigation and reduction of CO₂ emissions. The project benefits from a €40 million loan from the CEB.
Supporting microentrepreneurs in Bosnia and Herzegovina

A typical customer of Mikrofin is Danica, who lives in the countryside, near the city of Foča. She supports her household with income earned from vegetable and fruit farming. Her main source of income is the sale of potatoes, garlic and beans, as well as plums, plum brandy and walnuts. Danica sells all her products at the local market in Foča. She has been a customer of Mikrofin for almost ten years. She used her last loan with Mikrofin, in the amount of €500, to purchase piglets that she plans to resell on the Foča market after six months of feeding.

In 2019, €2.5 million in grants were approved from the SDA. For instance, in January 2019, the Bank approved a €5 million loan for Mikrofin, a microfinance institution in Bosnia and Herzegovina. Mikrofin will on-lend the funding received from the CEB to low-income persons, including farmers and private households engaged in micro businesses. The CEB loan to Mikrofin was made possible thanks to a loan guarantee from the SDA.

€54 million in grants signed in 2019

Social Dividend Account (SDA)

The SDA was established by the CEB member states in 1996. It is financed mainly by contributions from the member states, through allocations from the Bank’s annual profit, which constitute dividends of a social nature. At the end of 2019, the resources available amounted to €16 million. The Account is used to provide loan guarantees, technical assistance, interest subsidies and grant contributions in favor of highly social projects.
Financial Activities in 2019
The Bank’s balance-sheet assets include four Treasury Portfolios, including one Monetary Portfolio and three Securities Portfolios:

- **The Treasury Monetary Portfolio consists of short-term placements with maturities of up to 1 year.**

  The strategic objective of this portfolio is to manage day-to-day cash flows in all required currencies. Short-term placements with maturities of up to three months must have a minimum rating of BBB+ at the time of purchase. Short-term placements with maturities between three months and one year must have at least an A- rating at the time of purchase.

  At 31 December 2019, the total value of short-term placements in this portfolio amounted to €2 171 million.

- **The Short-Term Liquidity Securities Portfolio consists of short-term securities with maturities of up to 1 year.**

  These securities represent an alternative to bank deposits and complement the Treasury Monetary Portfolio in strengthening the Bank’s short-term liquidity position.

  At the time of purchase, short-term sovereign bonds with maturities of up to three months must have a minimum BBB rating, and short-term securities with maturities between three months and one year must have a minimum A- rating.

  At 31 December 2019, the total value of short-term securities in this portfolio amounted to €1 966 million.

- **The Medium-Term Liquidity Securities Portfolio consists of securities investments with maturities from 1 year up to 15 years.**

  The strategic objective of this portfolio is to strengthen the Bank’s liquidity position, while achieving a satisfactory return.

  Medium-Term Securities must have a minimum rating of A+ at the time of purchase.

  At 31 December 2019, the total value of securities in this portfolio amounted to €2 007 million.

- **The Long-Term Liquidity Securities Portfolio consists of securities investments with maturities from 1 year up to 30 years.**

  Securities in this portfolio are required to have a minimum rating of A+ at the time of purchase.

  At 31 December 2019, the total value of securities in this portfolio amounted to €1 883 million.

In accordance with the Financial and Risk Policy adopted by the CEB’s Administrative Council, the Bank uses derivatives in an effort to hedge the market risks resulting from its lending, investment and financing transactions. As an end user, the Bank employs derivatives solely for hedging purposes.

At 31 December 2019, the breakdown of derivatives by type of hedge was 64% for bond issuances, 31% for loans and 5% for securities held by the Bank.

To guard against the risks inherent in these financial instruments, the Bank implements a strict risk management policy, the principles of which are described in Note B to the 2019 financial statements.

To limit credit risk, the Bank has signed collateral agreements with all of its swap counterparties. Thus, at 31 December 2019, all the CEB’s swap contracts were collateralised. The residual credit risk, calculated as the amount of positive market value not covered by collateral received, remained marginal.
Funding in 2019

1. Debt issuance

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. In 2019, the Bank borrowed a total of € 4.5 billion in eleven financing operations, including three re-opening transactions of existing issues, with maturities of one year or more. This amount is slightly lower than the volume of financing in 2018, which stood at € 4.9 billion and also consisted of eleven funding operations, including six re-openings of existing issues. The 2019 funding programme fulfilled three main objectives:

- to cover the requirements arising from the Bank’s lending activity;
- to enable the Bank to honour its debt maturities; and
- to enable the Bank to maintain liquidity at the level set by the Administrative Council.

To ensure the necessary funding to finance its activities, the Bank continues to combine benchmark transactions in major currencies targeting a broad range of institutional investors with debt issues in a given currency or with a more specific structure designed to meet specific investor demands.

In 2019, 39.8% of the funds raised by the Bank were denominated in US dollars, 38.9% in Euros, 17.2% in British pounds, 2.3% in Norwegian krone, 1.2% in Australian dollars and 0.7% in New Zealand dollars. These transactions enabled the Bank to diversify the markets in which its activities are financed while at the same time allowing for a broadening of its investor base.

In USD, two transactions were priced: A USD 1 billion five-year benchmark in February and a USD 1 billion three-year benchmark in September.

In EUR, three transactions were priced: A EUR 250 million re-opening of the October 2022 benchmark in January, a EUR 1 billion ten-year benchmark in January and the Bank’s third EUR 500 million seven-year Social Inclusion Bond in April.

In GBP, two transactions were priced: A GBP 600 million three-year benchmark in January and a GBP 100 million re-opening thereof in October.

As a result, the USD, EUR and GBP markets were the most important ones in terms of funding volumes in 2019.

In other currencies, four transactions were priced: An AUD 50 million 10-year transaction in January and an AUD 35 million re-opening thereof in May, a NOK 1 billion five-year benchmark in February and a NZD 54.5 million 10-year transaction in April.

After taking swaps into account, the total amount of funds borrowed was denominated in euros.

The average maturity of the issues launched in 2019 was 5.7 years, the same as in 2018. The table below shows funds raised in their original currencies.

### Debt issued in 2019

<table>
<thead>
<tr>
<th>Payment</th>
<th>Maturity Date</th>
<th>Currency</th>
<th>Term (in years)</th>
<th>Nominal amount (in millions)</th>
<th>Lead manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/01/2019</td>
<td>17/03/2022</td>
<td>GBP</td>
<td>3.16</td>
<td>600</td>
<td>BoA/HSBC/TD</td>
</tr>
<tr>
<td>22/01/2019</td>
<td>25/05/2023</td>
<td>EUR</td>
<td>4.34 (*)</td>
<td>250</td>
<td>DB/Rabo</td>
</tr>
<tr>
<td>30/01/2019</td>
<td>30/01/2029</td>
<td>EUR</td>
<td>10.00</td>
<td>1 000</td>
<td>BoA/CACIB/HSBC/TD</td>
</tr>
<tr>
<td>01/02/2019</td>
<td>01/08/2029</td>
<td>AUD</td>
<td>10.50</td>
<td>50</td>
<td>Daiwa/RBC</td>
</tr>
<tr>
<td>25/02/2019</td>
<td>26/02/2024</td>
<td>NOK</td>
<td>5.00</td>
<td>1 000</td>
<td>TD</td>
</tr>
<tr>
<td>27/02/2019</td>
<td>27/02/2024</td>
<td>USD</td>
<td>5.00</td>
<td>1 000</td>
<td>Barc/Citi/DB/GS</td>
</tr>
<tr>
<td>10/04/2019</td>
<td>10/04/2026</td>
<td>EUR</td>
<td>7.00</td>
<td>500</td>
<td>BoA/CACIB/DZ/ING</td>
</tr>
<tr>
<td>17/04/2019</td>
<td>17/04/2029</td>
<td>NZD</td>
<td>10.00</td>
<td>54.5</td>
<td>Daiwa</td>
</tr>
<tr>
<td>20/05/2019</td>
<td>01/08/2029</td>
<td>AUD</td>
<td>10.20 (*)</td>
<td>35</td>
<td>Daiwa</td>
</tr>
<tr>
<td>24/09/2019</td>
<td>26/09/2022</td>
<td>USD</td>
<td>3.01</td>
<td>1 000</td>
<td>BNPP/MS/Nomura/RBC</td>
</tr>
<tr>
<td>15/10/2019</td>
<td>17/03/2022</td>
<td>GBP</td>
<td>2.42 (*)</td>
<td>100</td>
<td>BoA/NatWest</td>
</tr>
</tbody>
</table>

(*) Re-opening of existing bonds
In 2019, in order to ensure the refinancing of the Bank’s loans and avoid cash gaps in the coming years, 57.1% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 72.4% in 2018.

The multi-currency EMTN programme was updated in December 2018 to adapt the legal framework of the Bank’s issues to changes in financial market regulations. The Australian and New Zealand Dollar MTN (Australian programme) was last updated in September 2015. The CEB’s Euro-Commercial Paper Programme was updated in December 2017.

2. Trend in debt position

At 31 December 2019, the outstanding debt represented by securities, excluding interest payable, amounted to €20.5 billion, up from €18.9 billion at the end of the previous year.

In 2019, the Bank did not repurchase any of its long-term debt and did not make any early repayments. The breakdown of debt by maturity is shown in the graph below.

![Debt outstanding by maturity as at 31 December 2019](image-url)
Governance and Human Resources
Governing Structure

The Bank is organised, administered and controlled by the following organs: Governing Board, Administrative Council, Governor, and Auditing Board.

### Governing Board

The Governing Board consists of a Chairperson (Dominique Lamiot) and one representative from each member state.

The Governing Board sets out the general direction for the Bank’s activity, lays down the conditions for Bank membership, decides on capital increases and approves the annual report, the accounts and the Bank’s general balance sheet. It elects its own Chairperson and the Chairperson of the Administrative Council and appoints the Governor and the members of the Auditing Board.

### Administrative Council

The Administrative Council consists of a Chairperson (Miglė Tuskienė) and one representative from each member state.

The Administrative Council exercises the powers delegated to it by the Governing Board, including establishing and supervising operational policies and approving investment projects submitted by the governments of the Bank’s member states. It also votes on the Bank’s operating budget.

### Governor

The Governor is the Bank’s legal representative. He is the head of the Bank’s operations and responsible for the Bank’s staff (under the general supervision of the Administrative Council).

The Governor directs the Bank’s financial policy, in accordance with Administrative Council guidelines, and represents the Bank in all its transactions. He examines the technical and financial aspects of the requests for financing submitted to the Bank and refers them to the Administrative Council.

The Governor is Rolf Wenzel. He is assisted by three Vice-Governors: Carlo Monticelli (Financial Strategy), Rosa María Sánchez-Yebra Alonso (Social Development Strategy), and Tomáš Boček (Target Group Countries).

### Auditing Board

The Auditing Board is composed of three members appointed by the Governing Board. It checks the accuracy of the annual accounts after they have been examined by an external auditor.

The secretariat of the CEB’s governing, administrative and control organs is provided by the Secretariat of the Partial Agreement of the Council of Europe Development Bank (Executive Secretary to the Organs: György Bergou).
Following a comprehensive external institutional review and internal consultations, the CEB restructured its organisation in order to strengthen efficiency while providing for better talent management and enhanced business development.

Compliance

The Office of the Chief Compliance Officer (OCCO) manages risks of non-compliance and safeguards the Bank against financial and reputational losses. OCCO ensures that prevention of money laundering, terrorist financing, and tax and harmful practices and the CEB’s commitment to high standards of integrity, ethics, anti-fraud and anti-corruption, are integrated into all phases of the Bank’s project cycle. Personal data protection and information security make up a significant part of the OCCO’s mandate at the CEB, and are managed by the Chief Information Security Officer (CISO).

Over the past year, OCCO’s activity was on a par with the growth in project volumes and numbers at the CEB, and participated in decision-making bodies after ex ante Integrity Due Diligence of the counterparties. At the same time, OCCO created, reviewed and updated relevant policies and guidelines, coordinated Bank-level projects such as the EU Pillar Assessment and the Personal Data Protection Risk Mapping, and provided input to other directorates and divisions regarding the revamp of several internal policies and rules. Moreover, the achievements and perseverance of OCCO were recognised and acknowledged by industry peers and even more widely when the CEB’s Chief Compliance Officer was awarded the Chief Compliance Officer of the Year 2019 Award, in the Private Sector and IFI, SME category.

In 2019, OCCO upgraded and maintained the Bank’s internal regulatory framework and strengthened its internal processes related to compliance - notably the CEB’s Policy on Non-Compliant/Uncooperative Jurisdictions and Integrity Due Diligence Guidelines and Procedures.

Additionally, Compliance successfully steered a working group tasked to prepare the CEB for the ‘EU Pillar Assessment’ for the pillars on Exclusion from access to EU Funding, Publication of Information on Recipients and Data Protection.

In line with the CEB’s peer group in implementing the current personal data protection regulatory framework, OCCO embarked on a data discovery and mapping exercise aimed at identifying and appropriately handling personal data, as well as a precise action plan aligned with the current best international practices.

Expanding its external cooperation and coordination in the field of ethics and compliance, the CEB became a member of the Ethics Network of Multilateral Organisations (ENMO), which provides a forum for exchanges on compliance and ethics more widely.

Aligning with its peers and many international organisations/private companies, the CEB organised its annual in-house town hall meeting which focussed on “Fostering a Culture of Integrity in the Workplace” and marked the International Anti-Corruption Day 2019 with a “tone from the top” address by the Governor, reflecting the CEB’s determination to promote dignity and integrity and to fight against corruption. OCCO continued to train its staff in compliance best practices in 2019 via the annual gathering of compliance liaison officers and induction classes for new CEB Staff members.

Internal Audit

The Office of Internal Audit (IA) is a permanent, autonomous high-level function in the CEB’s internal control system. IA provides the Governor and the CEB’s controlling bodies with the assurance of effective and controlled businesses and operations.

The Internal Audit Charter articulates the purpose, standing and authority of the IA function. In an effort to ensure that its reviews are carried out independently and objectively, IA does not take part in any of the Bank’s operational activities.

IA examines whether the CEB’s activities are performed in conformity with existing policies, procedures and best practices, and assesses their associated risks. It also proposes recommendations for potential improvements.

Audit missions are conducted according to an annual work programme that is derived from a rolling multi-year risk-based audit plan.
The Office of Evaluation (EVO) is tasked with the responsibility of fulfilling the CEB’s learning and accountability needs by undertaking rigorous and objective evaluations of the Bank’s operations, initiatives and instruments. Since its establishment, EVO has continually strived to fulfill this mandate with the highest standards of professional integrity and independence.

Core evaluation work in 2019 comprised a project-level evaluation of judicial infrastructure and a corporate-level evaluation of the Migrant and Refugee Fund (MRF). The penitentiary facilities project is the first completed operation in this sector since the CEB began financing judicial infrastructure in 2005. Completion of this evaluation has provided the Bank with invaluable and unique insights into operations in a sector where the CEB is purportedly the only active International Financial Institution. The MRF evaluation is the first-ever corporate-level evaluation carried out in the history of the CEB.

As the development bank in Europe with an exclusive social mandate, the CEB naturally places Corporate Social Responsibility (CSR) and, more broadly, sustainability at the very heart of its own operations and project financing.

In practice, this means minimising the Bank’s own environmental footprint, strengthening employee engagement, and ensuring that CEB-funded projects improve people’s living conditions in Europe, while contributing positively to meeting environmental challenges, such as climate change.

All the Bank’s directorates and relevant divisions are represented in an in-house network of CSR correspondents under the coordination of the Head of the Corporate Responsibility and Studies Division and the CSR Officer. The correspondents meet on a regular basis and discuss all sustainability-related topics.

The Bank’s performance is regularly assessed and measured by ESG (Environmental, Social and Governance) rating agencies.

In 2018, the CEB obtained its B- rating and had its ‘Prime’ status affirmed, following a comprehensive review of its corporate social responsibility performance by ISS-ESG, a major ESG rating agency.

In 2019, Sustainalytics reviewed its assessment of the CEB and affirmed the Bank’s status as an ‘Outperformer’. MSCI ESG, another well-known non-financial rating agency, assigned an AA rating to the CEB and a ‘Leader’ status.

EVO also refined its approach to knowledge management during the course of the year. New products were added to the EVO communication toolbox to bring the CEB-specific experience to relevant knowledge-sharing platforms. In parallel, EVO took part in events organised by professional associations and international organisations with the objective of contributing to the Bank’s visibility and strengthening its image as an institution committed to assisting its member states in achieving social development goals.

Focus on Sustainable Development Goals (SDGs)

The 2020 – 2022 Development Plan sets out a framework within which the CEB can support its member countries in their efforts to realise their agendas on the Sustainable Development Goals (SDG). At strategic level, the CEB will prioritise a set of ten key SDGs closest to the Bank’s mandate and three lines of action. The Bank’s contribution to these priority SDGs is categorised into the following three groups:

- Issues that align with the CEB’s core social mandate: promote social cohesion and inclusiveness, with a particular focus on vulnerable groups, is well aligned with two broad goals, namely SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities).
- Cross-cutting issues: namely SDG 5 (Gender Equality) and SDG 13 (Climate Action) are screened for in all CEB projects.
- Sectoral perspectives: six SDGs particularly resonate with promoting inclusive and sustainable growth: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities) and SDG 16 (Peace, Justice and Strong Institutions).

The CEB’s overall contribution to socially and environmentally sustainable development is reflected in the 2019 CSR Report, including the Global Reporting Initiative Index (GRI).
Human Resources

■ Workforce
The CEB employs 206 permanent staff, of whom 46% are men and 54% are women. There are 143 professional staff (45% are women and 55% are men) and 63 support staff (75% women and 25% men). The average age of CEB staff is 48 years, with an average tenure of 11 years.

Through its enhanced and streamlined recruitment process, the Bank hired 14 new staff members in 2019 – 7 women (5 at professional level and 2 at support level) and 7 men (1 at managerial level, 3 at professional level and 3 at support level).

The Bank continues to rely on high levels of expertise among its staff, which go beyond the traditional banking areas of finance, economics and risk management to include civil engineering, education, housing, and project management.

■ Gender Strategy and Programme
Over the years, as an international organisation, the Bank has fostered a culture of diversity and cohesion while striving to promote the rights and principles set out in the revised European Social Charter.

Staff members are therefore entitled to equal treatment without direct or indirect discrimination, in particular on grounds of racial, ethnic or social origin, colour, nationality, disability, age, marital or parental status, sex or sexual orientation, and political, philosophical or religious opinions.

Moreover, since January 2018, the CEB has implemented its gender equality strategy which relies on an employee survey examining attitudes towards key areas including equal pay, recruitment and promotion opportunities, leadership development, and flexible working.

As part of fostering a gender sensitive management culture, a mentoring programme was launched in 2019 in which 12 women (grades B6 to A3) and 9 mentors (3 women, 6 men, grades A4 to A6) paired up.

The principles of the gender equality and diversity strategy have not only been mainstreamed into the CEB’s internal policies and processes, especially into the Rule on Appointments and the Training Policy, but are also communicated externally in its internship programme.

■ EDGE Certification
In order to understand where the CEB stands in terms of gender balance and equality and where it needs to focus its action plans, HR worked with EDGE, through the implementation of a global assessment methodology and three-level business certification standards for gender equality. Thus, in 2019, the CEB obtained the first level of the EDGE certification with the aim of reaching the second level in 2020.

■ Staff wellbeing programme
The CEB provides its staff members with regular medical visits, teleworking, flexible working hours, access to cafeterias and a gym in the building. In 2019, to enhance staff wellbeing, HR organised a voluntary flu vaccination campaign, a seminar on psychosocial risk prevention for all staff and a training session for managers on creating a climate of wellbeing at work. Furthermore, in addition to staff social events bringing together all staff members (such as the CEB Day organised by the Governor in June), this year, for the first time, the Corporate Services Directorate organised a Family Day in December.

Through the performance management guidelines, appraisers are encouraged to promote an environment that equally values and rewards the contributions of women and men and serves as an exemplary model for gender diversity.

Furthermore, metrics for measuring the effectiveness of gender equality and diversity initiatives have been implemented and communicated to the Administrative Council.

Finally, the Gender Equality Working Group, composed of staff representing different teams and seniority levels, provides the CEB with a forum to raise questions and to propose future initiatives on equality of opportunity.

46% men and 54% women
11 years average tenure

206 permanent staff
33 nationalities represented by staff

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## Appendices: Projects and Loans

### Projects approved (per country)

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
<th>%</th>
<th>2018</th>
<th>%</th>
<th>Accumulated total 2015-2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
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<td>7.53</td>
<td></td>
<td></td>
<td>791 400</td>
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</tr>
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<td></td>
<td></td>
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<tr>
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<td></td>
<td></td>
</tr>
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<td></td>
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</tr>
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<td><strong>TOTAL</strong></td>
<td>3 982 867</td>
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<td>3 897 929</td>
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## Loans disbursed (per country)

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<tr>
<th>Country</th>
<th>2019</th>
<th>2018</th>
<th>Accumulated total 2015-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amounts</td>
<td>%</td>
<td>Amounts</td>
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<tr>
<td>Albania</td>
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<td>212 500</td>
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<td>12 423</td>
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<td>60 000</td>
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<td>Czech Republic</td>
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<td>150 000</td>
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<tr>
<td>Finland</td>
<td>125 000</td>
<td>4.39</td>
<td>110 000</td>
</tr>
<tr>
<td>France</td>
<td>26 607</td>
<td>0.93</td>
<td>121 830</td>
</tr>
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<td>Georgia</td>
<td>3 402</td>
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<td>1 323</td>
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<tr>
<td>Germany</td>
<td>95 340</td>
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<td>163 701</td>
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<td>Hungary</td>
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<td>6 999</td>
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<td>Montenegro</td>
<td>13 091</td>
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<td>197 000</td>
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<td><strong>TOTAL</strong></td>
<td><strong>2 846 591</strong></td>
<td><strong>100.00</strong></td>
<td><strong>2 773 329</strong></td>
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## Projects approved (per counterparty)

<table>
<thead>
<tr>
<th>Country</th>
<th>Borrower</th>
<th>Project description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Communaute Francaise de Belgique</td>
<td>Investments in the education sectors of the French Community of Belgium namely the construction and renovation of nursery facilities, primary and secondary schools, higher education facilities and administrative infrastructures providing assistance to young people. Final beneficiaries will be pupils, students and the staff of existing and future educational establishments, including the children of migrants and refugees, who will benefit from new and renovated facilities, and the creation of additional places.</td>
<td>300 000</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>MKD Mikrofin D.O.O. Banja Luka</td>
<td>Productive investments, through micro-loan products, to support the creation and preservation of income generating activities and self-employment as well as the creation and development of micro-enterprises. Final beneficiaries will be low-income persons in Bosnia and Herzegovina, micro-entrepreneurs, especially women entrepreneurs, small farmers and private households, who have limited or no access to bank loans.</td>
<td>5 000</td>
</tr>
<tr>
<td>Croatia</td>
<td>Croatian Bank for Reconstruction and Development</td>
<td>Productive investment projects in favour of MSMEs as well as investments in the modernisation and revitalisation of urban and rural public infrastructure. Final beneficiaries will be employees of MSMEs and job seekers throughout Croatia, and the inhabitants of towns, municipalities and regions who will benefit from improved public infrastructure and services.</td>
<td>200 000</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Government</td>
<td>Investments to enhance water supply systems, ensuring part of the current and future potable water needs in Cyprus, by building the infrastructure for the conveyance of potable water. The project will directly benefit approximately 400 000 inhabitants, or 42% of the total population.</td>
<td>40 000</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Brno Waterworks and Sewerage</td>
<td>Investments for the reconstruction and expansion of the sludge line at the Brno–Modrice wastewater treatment plant. Final beneficiaries will be the inhabitants of the wider Brno region, forming the majority of inhabitants of the region of South-Moravia, who will benefit from improvements in wastewater collection and treatment.</td>
<td>35 000</td>
</tr>
<tr>
<td>Estonia</td>
<td>Pohja-Eesti Regionalaalgia - North Estonia Medical Centre (NEMC)</td>
<td>Construction of a new Psychiatric Clinic building on the NEMC medical campus in Tallinn to replace the existing outdated complex. Final beneficiaries will be some 3 200 inpatients and 85 000 outpatients who will benefit from improved quality, safety and access to psychiatric care services and treatment. In addition, 415 employees and medical students will benefit from new and improved working, studying and research conditions.</td>
<td>25 000</td>
</tr>
<tr>
<td>Finland</td>
<td>City of Turku</td>
<td>Additional request for a project approved in 2018 to part-finance investments in municipal infrastructure which foresees the construction of additional buildings and the renovation of existing facilities. The PFF (Public sector Financing Facility) will benefit a wide range of persons including children, young people, families, students, teaching staff, residents using municipal premises, the elderly, as well as people with disabilities and senior citizens living in serviced apartments.</td>
<td>50 000</td>
</tr>
<tr>
<td>France</td>
<td>Institut Pasteur de Lille</td>
<td>Rehabilitation works on existing buildings and infrastructure on the campus of the Institut Pasteur de Lille (IPL) including construction and structural works, the removal of asbestos, the upgrading of fire, energy and environmental standards and the purchase of equipment. The direct final beneficiaries will be 326 employees of IPL, and 420 employees, trainees, health staff from other establishments, and support staff. In addition, patients from the Longevity Health Prevention Centre will also benefit from the project.</td>
<td>21 200</td>
</tr>
<tr>
<td></td>
<td>Metropole d’Aix-Marseille-Provence</td>
<td>Investments to improve the metro system and network in Marseille, including rolling stock, autopilot systems and the renovation and modernisation of stations, buildings and platforms. Final beneficiaries will be some 2 million inhabitants of the Metropole Aix-Marseille-Provence, and new users connected to the metro network, who will benefit from improvements in the quality, efficiency and security of the metro system.</td>
<td>100 000</td>
</tr>
<tr>
<td></td>
<td>Syndicat des Eaux d’Ile-de-France</td>
<td>Investments under two components: partial renewal of the drinking water distribution network and the construction of a low pressure reverse osmosis membrane (LROM) treatment unit. Final beneficiaries will be the inhabitants of municipalities in the Ile-de-France region who will benefit from improvements in the quality of drinking water and its distribution. End users of the whole region will benefit from the preservation of drinking water resources and from reductions in energy consumption and greenhouse gas emissions.</td>
<td>100 000</td>
</tr>
<tr>
<td>Country</td>
<td>Borrower</td>
<td>Project description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------</td>
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</tr>
<tr>
<td>Georgia</td>
<td>JSC ProCredit Bank</td>
<td>Investments undertaken by MSMEs including fixed asset acquisitions, construction or extension of business premises and working capital. Final beneficiaries will be employees of eligible MSMEs and job seekers throughout Georgia who will benefit from the creation of new permanent and seasonal jobs, and the preservation of existing ones.</td>
<td>25 000</td>
</tr>
<tr>
<td></td>
<td>Investitionsbank des Landes Brandenburg (ILB)</td>
<td>Partial financing of eligible investments for the implementation of Brandenburg's municipal infrastructure and social housing programmes. Final beneficiaries will be low-income persons, persons with disabilities, the elderly, migrants and refugees, and a wide-range of inhabitants of the State of Brandenburg who will benefit from improved access to local services and facilities resulting from investments in education, social and digital infrastructures.</td>
<td>150 000</td>
</tr>
<tr>
<td>Germany</td>
<td>Leipzig e Wohnungs- und Baugesellschaft MBH</td>
<td>Partial financing of increases in the offer of both affordable and social housing in the city of Leipzig, through the construction, renovation and modernisation of rental housing for low-income persons and the construction of day nurseries. Final beneficiaries will be low-income persons, young children, elderly and disabled persons, students, single-parent families, and migrants and refugees.</td>
<td>58 000</td>
</tr>
<tr>
<td></td>
<td>Stuttgarter Wohnungs- Und Städtbaugesell</td>
<td>Partial financing of new constructions and the acquisition and renovation of existing buildings to increase the supply of affordable and social rental housing units and to finance the preservation of Stuttgart's architectural heritage. Final beneficiaries will be low-income persons and include young families, single parents, elderly persons, students, and migrants and refugees.</td>
<td>63 200</td>
</tr>
<tr>
<td></td>
<td>WBG Nürnberg GMbH Immobilienuntern</td>
<td>Partial financing of social housing sub-projects including the construction of 819 new dwellings, the modernisation of existing units to increase accessibility for people with disabilities, the improvement of energy and water efficiency, and the purchase of estates, lands and existing dwellings. Final beneficiaries will be low-income persons, the elderly, people with disabilities, students, single parents, and migrants and refugees.</td>
<td>110 000</td>
</tr>
<tr>
<td>Greece</td>
<td>Government</td>
<td>Upgrade and modernisation of flood-prevention infrastructure in selected urban or peri-urban areas to protect populations, infrastructure, environmental and cultural assets and other productive assets against severe flooding. Final beneficiaries will be the inhabitants living in high-risk flood zones in the urban and peri-urban areas of Attica, Central Macedonia and the Peloponnes.</td>
<td>70 000</td>
</tr>
<tr>
<td>Ireland</td>
<td>Housing Finance Agency PLC</td>
<td>Construction of energy-efficient new dwellings and the retrofitting of existing rented social housing throughout the Republic of Ireland over the period 2019 to 2022. Final beneficiaries will be families on low incomes receiving social welfare, such as single parents, mostly women with children, the elderly, people with disabilities and homeless persons.</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Cassa Depositi e Prestiti S.p.A.</td>
<td>Investments in sub-projects to address upgrading, modernising and enhancing the safety of school infrastructures, in particular, the prevention of accidents and seismic damage. Final beneficiaries will be pupils and teachers accessing the school system across Italy who will benefit from renovated and safe school infrastructure as well as improved capacity through the expansion of existing buildings.</td>
<td>300 000</td>
</tr>
<tr>
<td>Italy</td>
<td>Municipality of Genoa</td>
<td>Investments to support the Municipality's budgetary needs for the period 2019-2021, in line with its strategic programme, with a focus on investments aimed at implementing Genoa's newly approved resilience strategy. Final beneficiaries will be the inhabitants of the Municipality of Genoa, and the population of the metropolitan territory and tourists.</td>
<td>50 000</td>
</tr>
<tr>
<td></td>
<td>Regione Liguria</td>
<td>Investments aimed at addressing the region's strategic priorities, in particular an integrated urban safety system, urban regeneration and maintenance of existing infrastructure and urban facilities, as well as measures aimed at the protection of soils, civil protection and investments related to the modernisation of public administration services. Final beneficiaries will be a large part of the population of region of Liguria who will benefit from investments at both urban and rural levels.</td>
<td>70 000</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Kaunas City Municipality</td>
<td>Investments for the construction of new structures, the restoration, renovation or extension of existing buildings, and the related equipment, facilities and infrastructure included in the City's municipal budget. The final beneficiaries will be a wide range of residents of the City of Kaunas and the Kaunas region, including children, students enrolled in educational institutions, citizens attending cultural events and people practising sports.</td>
<td>25 000</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td>Investments in energy efficiency improvement projects and retrofitting works on multi-apartment buildings leading to lower energy consumption and reduced heating costs, thus diminishing the burden on the environment and improving living conditions for the population. Final beneficiaries will be inhabitants, including low-income households, living in multi-apartment buildings in Lithuania.</td>
<td>100 000</td>
</tr>
</tbody>
</table>
### Appendices: projects and loans

<table>
<thead>
<tr>
<th>Country</th>
<th>Borrower</th>
<th>Project description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moldova (Republic of)</td>
<td>Procredit Bank</td>
<td>Partial financing of eligible investments undertaken by MSMEs operating in a wide range of sectors, such as construction, wholesale trade, retail trade, industry, manufacturing and agriculture. Final beneficiaries will be employees of eligible MSMEs and job seekers throughout the country who will benefit from new permanent and seasonal opportunities and from the preservation of existing jobs.</td>
<td>10 000</td>
</tr>
<tr>
<td></td>
<td>Government</td>
<td>Additional request for the Chișinău Penitentiary Project approved in 2013, to part-finance an increase in the project’s total costs in the sector of action ‘Administrative and judicial infrastructure’. Final beneficiaries will be mainly inmates, who will benefit from improved detention conditions, and also penitentiary staff, who will benefit from better working conditions.</td>
<td>10 000</td>
</tr>
<tr>
<td>Montenegro</td>
<td>Government</td>
<td>Construction, re-construction and upgrade of a total of seven pre-school educational facilities, four of which will be located in the country’s capital, Podgorica, and three in the northern municipalities of Berane, Bijelo Polje and Plav. Final beneficiaries will be approximately 1 675 children aged between 0 and 6, who will benefit from accessing modern and adequate pre-school facilities, and children with special needs, who will be mainstreamed and integrated into the education cycle.</td>
<td>10 000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Cooperative Rabobank U.A.</td>
<td>Additional request for a project approved in 2016 to part-finance investments for the construction or reconstruction of medical and care facilities such as doctors’ practices, health care centres, office space and the purchase of new equipment, and for construction or reconstruction of educational facilities such as school buildings, office space and the purchase of new equipment. The CSL (Cross-Sectoral Loan) will benefit a wide range of inhabitants throughout the Netherlands, in particular doctors, patients, the elderly, teachers and pupils, including people with disabilities and special needs.</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Nationaal Energiebespaarfonds (NESF)</td>
<td>Additional request for a project approved in 2018 to part-finance energy-efficient investment projects, and the introduction of the Energy Saving Loans to Schools (School ESL) pilot project, in the sector of action ‘Protection of the environment’. Final beneficiaries will be homeowners and homeowner associations who will be able to obtain easy access to preferential financing for energy efficiency measures that reduce their consumption of energy and, thus, their household expenses. In addition, students and teachers will benefit from an increase in the sustainability of school buildings through energy-saving measures.</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Qredits</td>
<td>Additional request to increase a project approved in 2017, to part-finance microcredits or SME-loans to entrepreneurs who cannot access the regular financial sector. Final beneficiaries will be entrepreneurs throughout the Netherlands, including migrants and disadvantaged women, who will benefit from the economic growth and employment.</td>
<td>10 000</td>
</tr>
<tr>
<td>Poland</td>
<td>City of Warsaw</td>
<td>Partial financing (through Public Sector Financing Facility) of municipal investments for the construction of the new Museum of Modern Art, and the construction, extension and upgrade of two hospitals, including the purchase of new equipment, in the districts of Ursynów and Bielany. Final beneficiaries will be a wide range of the residents of the Warsaw metropolitan area who will benefit from an improved quality of life through an enhanced cultural offer and improved availability and quality of health services.</td>
<td>86 047</td>
</tr>
<tr>
<td></td>
<td>Pekao Leasing</td>
<td>Partial financing, in the form of leases or loans, of eligible investments undertaken by MSMEs operating in a wide range of sectors, such as construction, wholesale trade, retail trade, industry and manufacturing. Final beneficiaries will be employees of eligible MSMEs and job seekers throughout the country who will benefit from employment opportunities.</td>
<td>100 000</td>
</tr>
<tr>
<td></td>
<td>Region of Świętokrzyskie</td>
<td>Partial financing of investments in developing an efficient transport infrastructure, in providing better health services, and in upgrading cultural and touristic infrastructure. Final beneficiaries will be the inhabitants of the Region of Świętokrzyskie, in particular road users and cyclists, staff and visitors at socio-cultural facilities, and patients and medical staff who will benefit from improved healthcare infrastructure throughout the region.</td>
<td>34 286</td>
</tr>
<tr>
<td></td>
<td>SG Equipment Leasing Polska</td>
<td>Partial financing, in the form of leases or loans, of eligible investments undertaken by MSMEs operating in a wide range of sectors, such as construction, wholesale trade, retail trade, industry and manufacturing with the aim of promoting the creation of new permanent and seasonal jobs and preserving existing ones. Final beneficiaries will be employees of eligible MSMEs and job seekers throughout the country.</td>
<td>120 000</td>
</tr>
<tr>
<td>Romania</td>
<td>UniCredit Leasing Corporation IFN SA</td>
<td>Investments, in the form of leases or loans, in fixed or productive assets of eligible sub-projects, undertaken by MSMEs, to support beneficiaries’ core business activities including the purchase of motor vehicles, machinery and equipment, office and production premises. Final beneficiaries will be employees of MSMEs and job seekers throughout Romania.</td>
<td>150 000</td>
</tr>
<tr>
<td>Country</td>
<td>Borrower</td>
<td>Project description</td>
<td>Amount</td>
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<tr>
<td>Serbia</td>
<td>Government</td>
<td>Partial financing for the construction of a new building for the University Children’s Hospital in Belgrade to increase its capacity and to include new diagnostic and treatment technologies, robotic surgery facilities, more sophisticated patient monitoring and new fields of therapeutic diagnosis. Final beneficiaries will be the inhabitants of Serbia, in particular young patients, and hospital staff and medical students, who will directly benefit from improved quality and access to public healthcare services and facilities.</td>
<td>54 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rehabilitation and the implementation of priority measures to protect water quality and reduce water losses in approximately 60 municipal water supply systems throughout Serbia, and the construction of several wastewater treatment plants and related sanitation networks. Final beneficiaries will be approximately 2 million inhabitants throughout 60 municipalities in Serbia, who will benefit from improvements in the quality of drinking water and its distribution, a decrease in water pollution and improved climate change resilience of water and sanitation services.</td>
<td>200 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy efficient renovations of approximately twenty-eight central government buildings in Belgrade in order to increase their energy performance and to upgrade fire safety and accessibility features. Final beneficiaries will be approximately 7 000 government employees at selected central government buildings in Belgrade and 15 000 daily visitors.</td>
<td>40 000</td>
</tr>
<tr>
<td>Slovakia</td>
<td>UniCredit Bank Serbia JSC</td>
<td>Partial financing of eligible fixed assets, productive equipment and working capital in order to contribute to the creation and preservation of permanent and seasonal jobs by facilitating access to funding for Serbian MSMEs. Final beneficiaries will be the employees of eligible MSMEs, who have limited or no access to bank loans, and job seekers throughout the country.</td>
<td>30 000</td>
</tr>
<tr>
<td></td>
<td>Vub Banka</td>
<td>Investments for the construction and extension of business premises, the acquisition of fixed assets and productive equipment, and the construction and rehabilitation of urban and rural infrastructure. Final beneficiaries will be employees of MSMEs and job seekers throughout the Slovak Republic, who will benefit from the creation and preservation of jobs, and the inhabitants of municipalities and regions, who will benefit from construction, modernisation and rehabilitation projects.</td>
<td>50 000</td>
</tr>
<tr>
<td>Spain</td>
<td>Junta de Comunidades de Castilla La Mancha</td>
<td>Partial financing of Castilla La Mancha’s contribution under the 2014-2020 European Regional Development Fund (ERDF) Operational Programme and the 2014-2020 Rural Development Programmes (RDP). In particular, the loan will part-finance investments boosting the sustainable and inclusive economic development of the region, and investments improving the competitiveness of the farming sector. Final beneficiaries will be the citizens of the Castilla la Mancha region who will benefit from a better quality of life through job creation, access to new technologies and improved environmental quality.</td>
<td>150 000</td>
</tr>
<tr>
<td></td>
<td>Nuevo MicroBank</td>
<td>Partial financing of Nuevo MicroBank’s lending to microbusinesses and individuals through Business and Family microloans in order to support job creation and to enhance social cohesion. Final beneficiaries will be entrepreneurs, microenterprises, immigrants and families in vulnerable situations throughout Spain, who have limited or no access to bank loans.</td>
<td>100 000</td>
</tr>
<tr>
<td>Sweden</td>
<td>City of Stockholm</td>
<td>Partial financing (through Public Sector Financing Facility) of eligible investments in 72 infrastructural sub-projects (35 pre-school facilities and 37 primary school facilities). In particular, the loan will part-finance the construction of 36 new educational facilities and the restoration, renovation or extension of 36 existing facilities. Final beneficiaries will be pre-school and compulsory school children of existing and future educational establishments, including the children of migrants and refugees, across all 14 districts of Stockholm. They will benefit from new and renovated facilities, and from the creation of 18 000 additional places.</td>
<td>200 000</td>
</tr>
<tr>
<td>Turkey</td>
<td>Government</td>
<td>Financing for the reconstruction and retrofitting of public schools and hospitals and for project management costs under the Istanbul Seismic Risk Mitigation and Emergency Preparedness Project (ISMEP). Final beneficiaries are the inhabitants of Istanbul, in particular the most vulnerable, whose lives are under constant threat of possible future earthquakes. More than 30 thousand children, students and teachers are expected to benefit directly from the present loan.</td>
<td>100 000</td>
</tr>
</tbody>
</table>

**TOTAL**                                           | **3 982 867 226** |
Notes for the Reader

■ Title
Since its creation in 1956, the Bank has been known successively under three different names. Since 1 November 1999, it is known as the CEB-Council of Europe Development Bank.

■ Member states
At 31 December 2019, the Bank had 41 member states: Albania, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova (Republic of), Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland and Turkey.

■ Articles of Agreement
The first Articles of Agreement were adopted by the Committee of Ministers of the Council of Europe on 16 April 1956 under Resolution (56)9. New Articles of Agreement, adopted by the Committee of Ministers on 16 June 1993 under Resolution (93)22, came into force on 18 March 1997 following their ratification by all the member states.

■ Target countries
Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia and Turkey.

■ Project approved
A project that has been submitted to the Administrative Council and approved for funding.

■ Loan disbursement
A loan that has actually been disbursed to the borrower.

■ Loan tranche
Loans are disbursed in tranches, depending on the progress of the work, up to the maximum amount approved by the Administrative Council.

■ Financing commitment
Projects still awaiting financing and for which a framework loan agreement has been signed.

■ Social Dividend Account (SDA)
Funded mainly by the earmarked portion of the Bank's shareholder approved annual results and used to finance grants in favour of high social impact projects. These grants may take the form of interest rate subsidies, technical assistance grants, loan guarantees or grant contributions.

■ Loans outstanding
Total amount of loans disbursed and not yet repaid.

■ Subscribed capital
Participating certificates issued by the CEB and subscribed by its members.

■ Called capital
Total capital paid in and to be paid in.

■ Uncalled capital
Difference between the subscribed capital and the called capital.
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