Projects approved in 2021
Projects approved in 2021

€ 4.2 billion in CEB financing

30 member countries

57 projects/loans approved
Projects approved in 2021

CEB’s lines of action

Growing socio-economic inequalities, continued environmental degradation and climate change constitute long-term trends that threaten Europe’s economic development and social resilience. These trends and their consequences have been further exposed by the COVID-19 pandemic, demonstrating the importance of adopting a holistic approach to improving human wellbeing, health and social inclusion.

Reflecting this complex socio-economic context and the interconnected challenges facing European societies, the CEB has three priorities (“lines of action”) set in its Development Plan 2020-2022:

- Inclusive growth
- Support for vulnerable groups
- Environmental sustainability

Due to the interconnected nature of social challenges facing European societies, the CEB’s investments have become increasingly comprehensive and cross-sectoral, and they illustrate how social infrastructure investments can simultaneously address social, environmental and economic objectives.

Example of a cross-sectoral project

FRANCE

Securing housing for vulnerable populations

The €300 million in two cross-sectoral loans to the Caisse des Dépôts et Consignations (CDC) will partially finance the construction and renovation of housing and reception structures for vulnerable populations. The loans represent an increase to the existing €150 million CEB loan to the CDC and will be used to finance accommodation centres, supported housing, social residences and hotel residences for the elderly, disabled persons, students and young workers in precarious situations. The project is consistent with the long-term funding of activities envisaged by the French government’s France Relance, a large-scale action plan launched in September 2020 to recover from the COVID-19 pandemic. It also meets the objectives of the Recovery Plan for Europe and fits in with the energy efficiency renovations of buildings initiated under the Green Deal of the European Commission.
Inclusive growth

The projects financed under this line of action focus on developing public social infrastructure, equitable access to quality public services, such as health and education, creating and maintaining jobs, supporting small businesses, ensuring access to the labour market, and providing social and affordable housing solutions. With such investments in quality social infrastructure, the CEB aims to ensure a prosperous and sustainable future for all across Europe, and to enhance resilience to shocks and crises.

In 2021, the CEB approved more than €3 billion in loans to help member countries bring the economy back on track and achieve inclusive recovery from the COVID-19 pandemic.

Support for micro, small- and medium-sized enterprises

The COVID-19 pandemic has amplified the pre-existing regional economic disparities and socio-economic inequalities across Europe, particularly in underserved rural areas. Accordingly, in 2021 the CEB focused on granting loans that facilitate access to financial services for those who struggled to secure funding for their operations, namely micro-enterprises, including start-ups, women entrepreneurs and smallholders. Although they are key to generating economic growth, small businesses often face credit constraints and disproportionate barriers to finance, compared with bigger companies. By providing them with financial support, the CEB is helping its member states to maintain and create viable jobs, which is essential in both the context of COVID-19 crisis, as well as for long-term recovery.

Project examples

GREECE

Securing access to financial services to MSMEs

The €2 million loan to the Cooperative Bank of Karditsa will support access to financial services for local micro, small and medium-sized enterprises (MSMEs) that usually have limited access to traditional bank loans, especially in underserved rural areas and in the context of the ongoing COVID-19 pandemic. The loan will support the business lending activities of the Cooperative Bank of Karditsa in Thessaly, a region marked by a high unemployment rate and where access to finance remains a limiting factor for the development of local businesses. The loan will promote access to finance for less advantaged groups in rural Greece, and will support the creation and maintenance of jobs and social cohesion. The beneficiaries will be mainly micro-enterprises, including start-ups, women entrepreneurs, smallholders, micro businesses active in the green economy, cooperatives and social enterprises that struggle to secure funding for their operations.

1 REDUCED POVERTY 5 GENDER EQUALITY 8 ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT
LITHUANIA

Promoting entrepreneurship and employment

The €4 million loan to the Lithuanian Central Credit Union (LCCU) will support job preservation and creation, and promote economic growth by facilitating access to financial resources for MSMEs. With MSMEs in Lithuania disproportionately hit by the COVID-19 pandemic, this loan will help to bolster their growth potential, promote entrepreneurship, and create and preserve jobs in the country. By providing funds to the Lithuanian Central Credit Union, the CEB will enable access to financing for MSMEs through local credit unions (members of the LCCU Group) across the country. Most loan final beneficiaries will be micro and small enterprises, but the LCCU can also provide direct loans to relatively larger sub-projects in the form of syndicated loans co-financed by LCCU and its member credit unions.

ALBANIA

Mitigating economic shocks

The €15 million loan to ProCredit Bank Albania will provide small and medium-sized enterprises (SMEs) with access to long-term financing and will therefore support employment. As SMEs employ about 80% of the non-financial sector workforce in Albania, this loan will play an important role in creating and maintaining jobs on the local market. This is essential to mitigate the impact of two recent shocks on the Albanian economy: the November 2019 earthquake and the COVID-19 pandemic. The loan will finance SME investments and working capital and contribute to mitigating the further deterioration of the labour market due to COVID-19. In addition, it is expected to contribute to the borrower’s ongoing efforts in addressing climate change by financing its growing portfolio of green loans. Some 100 projects are expected to benefit from the financing, particularly in the trade and manufacturing sectors.
Projects approved in 2021

ITALY

Strengthening competitiveness of MSMEs

The €150 million loan to Cassa Depositi e Prestiti SpA aims to facilitate the access of MSMEs to financial resources to fund investments to purchase or lease machinery, equipment, plant, capital goods for productive use and hardware, as well as software and digital technologies. The objective is to partially support the borrower’s participation in Beni Strumentali (one of the public schemes supporting MSMEs investments in Italy), which provides low interest loans and leases to end-borrowing MSMEs through accredited banks and financial intermediaries. The loan will support a long-lasting measure implemented by the Italian Government that proved effective throughout years and considered pivotal in the current economic context severely affected by the COVID-19 pandemic. The loan is expected to contribute to increased productivity and competitiveness of MSMEs and their performance, contributing to maintaining jobs.
The € 150 million loan to Santander Leasing S.A. Poland will co-finance eligible investments undertaken by MSMEs, with the aim to contribute to the creation and preservation of permanent and seasonal jobs. Leasing is a more accessible investment finance tool vis-à-vis bank loans, and therefore plays an important role in helping to maintain jobs during the pandemic and in financing the post-COVID-19 recovery. It is also expected to promote female entrepreneurship and to support Polish start-ups. The largest share of beneficiaries is expected to be micro and small enterprises, namely those with less than 50 employees and less than € 10 million in turnover or total assets.
Mitigating the cost of COVID-19 pandemic

The €60 million Public Finance Facility (PFF) to the Republic of Albania will partially finance the Government’s extraordinary expenditures due to the COVID-19 pandemic. These costs include supplementary medical and pharmaceutical supplies, specialised equipment needed for COVID-19 patients such as ventilators, hardship and overtime payments for medical and non-medical staff, hiring of additional medical staff including doctors and nurses, and vaccines. The loan will help relieve the huge burden on Albania’s health and social care systems. The beneficiaries of the loan will be the 2.8 million inhabitants of Albania, in particular more than 13% of its citizens over 65 years of age and persons with chronic conditions such as diabetes, who are the most vulnerable to the virus, their care-providers and those who will be vaccinated.
KOSOVO

Securing COVID-19 medical and protective equipment

The €25 million loan to the Kosovo Government will help to purchase COVID-19 medical equipment and protective materials, including vaccines for about 50% of the population. It will also cover the cost of the consumables associated with the roll-out of the vaccines. This loan builds on a €35 million financing agreement signed in August 2020 to cover part of Kosovo’s emergency healthcare costs. It will play part in addressing unequal COVID-19 vaccine access across CEB member countries, which is key not only for overcoming the current health crisis but also for mitigating the growing social and economic inequalities set in motion by the pandemic.

PORTUGAL

Aiding COVID-19 response

The €30 million Public Finance Facility (PFF) to the Municipality of Lisbon will support efforts to provide medical services to those under risk of infection with COVID-19, and to support MSMEs affected by the pandemic-related restrictions. It will co-finance the expenditures incurred by the measures aimed at mitigating the impacts of the pandemic. These include the acquisition of goods and services, such as testing, vaccination, personal protective equipment, disinfection products, and hospital waste treatment, support for COVID-19 hospitals, as well as grants in support of eligible MSMEs, cultural entities and social enterprises. The final beneficiaries will be 506,000 inhabitants of the Lisbon Municipality, in particular those under risk of infection with COVID-19, and eligible MSMEs and social enterprises from the economy and culture segments affected by the pandemic and related restrictive measures.
Projects approved in 2021

In addition to the COVID-19 fast-track loans, the CEB approved loans that aim to support investments in efficient and effective healthcare. Effective, inclusive and resilient health systems are key elements contributing to social cohesion across Europe. They guarantee the right to protection of health as enshrined in the European Social Charter and help the achievement of SDG3 on “Good health and wellbeing”. In 2021, 16 of the approved CEB projects supported SDG3.

SPAIN

Improving healthcare services in Galicia

The €85 million loan to the Xunta de Galicia will support regional authorities in their efforts to strengthen health services by expanding and upgrading the existing hospitals in Ferrol and Pontevedra. The loan will contribute to ensuring healthy lives and wellbeing through access to high quality healthcare for all. By extension, it will contribute to prevention of widening inequalities and of a gap between the required and allocated resources. In turn, increasing the number of healthy life years and strengthening healthcare systems will also support a more productive workforce active for longer. Direct beneficiaries of the project will be more than 500,000 residents of Ferrol and Pontevedra.
PORTUGAL

Constructing a new hospital in Madeira

The €158.7 million to the Autonomous Region of Madeira will co-finance the construction and equipment of a new Madeira Central Hospital with 565 beds. The loan will provide the island’s resident population and visitors with improved quality and access to public healthcare services. Furthermore, the new hospital will be designed to achieve significant energy savings, with 38% of energy coming from renewable sources. Additional economic benefits of the project include significant savings due to the reduction of the number of patients sent to mainland, and better working and learning conditions for the staff and nascent faculty of medicine in Madeira. The direct beneficiaries will be Madeira’s 255,000 residents, and potentially some 1.5 million visitors that come to the island every year.
> Education

The education sector has represented a significant share of the Bank’s total lending over its 65 years of existence. While most of its financing is directed towards physical infrastructure, the CEB’s ultimate goal is to support education outcomes to foster economic growth and social cohesion. Access to education has a considerable impact on reducing inequalities and ensuring sustainable development, which is why the CEB supports projects at different levels of the education system, from pre-school to primary and secondary schools and universities. In 2021, the Bank approved 13 projects that support SDG4 on “Quality education”.

FRANCE

Modernising public secondary schools

The €100 million to the Department of Gironde will partially finance the construction, refurbishment, maintenance and upgrading of eight lower secondary public schools (collèges) and related equipment over the period 2021-2027. The loan will increase the enrolment capacities and thus address significant regional differences in socio-economic conditions. It will have a significant impact on the preparation of adolescents in Gironde for their future studies and demands of the labour market. The project also aims to improve energy efficiency of the newly constructed and refurbished schools. Direct beneficiaries will be the current and future students, as well as the teaching, administrative and support staff, who will enjoy better conditions in which to learn, live and work.
IRELAND

Building affordable student accommodation

The € 75 million loan to the Housing Finance Agency PLC will fund the construction of new and affordable public student accommodation, for which there is unprecedented demand due to the steady increase of students in Ireland. The scarcity of student accommodation has strained rental housing markets surrounding universities in Ireland’s main cities. The loan is therefore expected to significantly contribute to resolving the overall rental housing shortage problem and moderate the pressure on rents for students and non-students alike. The loan will prioritise vulnerable groups, particularly students with disabilities, who may otherwise not be able to take part in tertiary education. It will also promote gender balance. The primary beneficiaries of the loan will be affected students, while the secondary beneficiaries will be participants of the wider rental market in the vicinity of universities.

FINLAND

Supporting integration through education

The € 80 million loan to the City of Espoo will partially finance an ongoing investment programme in the education sector in the City of Espoo, namely the construction of new buildings and the restoration, renovation or extension of existing facilities. The loan will support the integration of population of foreign origin through education. It will contribute to Espoo’s continued investments in educational facilities to reduce social inequalities and imbalances that have been emphasised across Europe by the COVID-19 pandemic. The final beneficiaries will be students and pre-school children of the City of Espoo, a considerable part of them foreign-language speaking. A large number of the city’s population is also expected to benefit from the newly constructed or renovated facilities, such as swimming pools.
The financing of housing for lower income and vulnerable groups has been a distinguishing feature of the CEB’s mandate since the Bank’s inception in 1956. Access to housing remains a critical social issue in many CEB member countries due to a variety of factors including a growing urban population, surging housing prices, and urban transformation trends that exacerbate social inequalities. In 2021, the Bank continued to strongly support housing projects in line with SDG11 on “Sustainable cities and communities”.

**SLOVENIA**

**Extending affordable housing**

The € 70 million loan to the Housing Fund of the Republic of Slovenia will partially finance the construction of 900 new housing units across seven regions in Slovenia. It will contribute to decreasing regional disparities in access to rental housing for low- and middle-income households who cannot access housing at market conditions. It will also support Slovenia’s National Housing Programme 2015-2025 that envisages an increase in the number and quality of affordable and social rental housing. The direct beneficiaries of the project will be low- to mid-income persons, including young people, families, the elderly, and specific socially vulnerable groups. This loan builds on a previous CEB loan of € 50 million to the Housing Fund of the Republic of Slovenia, which enabled the construction of approximately 700 housing units for the elderly and young people in the cities of Ljubljana and Maribor.
GERMANY

Supporting inclusive public housing

The €100 million loan to Leipziger Wohnungs und Baugesellschaft mbH (LWB), one of the largest municipal housing companies in Germany, will finance the construction of new housing units and the renovation of existing ones for disadvantaged and low-income population. Being one of the fastest growing cities in Germany, Leipzig is currently facing housing scarcity that is compounded by the past underinvestment in social housing. In this context, the loan aims to promote a balanced housing policy and ensure social diversification. The direct beneficiaries will be low-income households, including young families, single parents, elderly persons, students, migrants and refugees.
> Improving living conditions

Bridging critical social infrastructure gaps to ensure equitable access to high-quality and affordable essential services for all remains one of the most effective ways to promote social cohesion and integration in Europe. This is especially true in societies that struggle with pronounced regional differences in living conditions, for example in underserved rural and remote areas. The CEB is thus particularly focused on supporting subnational authorities to address needs on the local level in a tailored manner.

Project examples

ANDORRA

Improving public services through digital transformation

The € 8 million Public Finance Facility (PFF) to the Government of Andorra will partially finance the modernisation and digitalisation of the public administration. It will allow the public administration to provide quality digital services to citizens, in line with the practices of the European Union, namely e-government, e-trade, e-tourism, e-health, e-mobility, e-education, e-citizen, and e-justice. It will also support the Government's strategy to revitalise the economy and overcome the adverse effects of the COVID-19 pandemic, namely its “Digital Transformation Programme”. The direct beneficiaries of the project will be 70 500 Andorran citizens.

MONTENEGRO

Supporting local infrastructure development

The € 30 million loan to the Investment and Development Fund of Montenegro will support its lending operations to municipalities and municipal companies for local infrastructure development. The objective is to improve living conditions and reduce regional inequalities in Montenegro by financing priority local infrastructure investments, with a focus on under-served municipalities, most of which are located in northern part of the country. The loan will contribute to the implementation of the Government's efforts to reduce regional economic disparities and inequalities in living conditions. The loan will also support the economic recovery from the COVID-19 pandemic by providing lagging municipalities with financial resources to improve infrastructure and services to counter the reduction in local revenues as a result of the pandemic.
Heritage preservation and cultural promotion are relevant fields of intervention for the CEB due to their important educational, cultural, historical and local impact. Historic heritage can play a valuable role in fostering community wellbeing, in creating and retaining identity, as well as in social inclusion of different population groups that otherwise may be socially marginalised.

**Project example**

**ROMANIA**

Protecting cultural heritage

The €216 million loan to the Government of Romania will support the renovation, completion and/or construction of six historic sites and two cultural public buildings. It will help improve their physical condition and preserve their architectural and historical value, and promote further development of their cultural initiatives. Direct beneficiaries of the project will be visitors, spectators, readers, trainees and learners of the eight cultural sites who will benefit from the buildings’ improvements and greater variety of cultural events, such as exhibitions, educational programmes, trainings, concerts, festivals and performances. The project will offer overall benefits to the cultural community and Romanian citizens at large, while the renovation and construction works will allow for the creation of both direct and indirect jobs.
Support for vulnerable groups

Although the CEB addresses different aspects of vulnerability in all the projects that it finances, support for vulnerable groups is one of its traditional priorities and hence a stand-alone line of action. Initially set up as a "Resettlement Fund" to help finance projects for the resettlement of refugees and internally displaced persons in the aftermath of the Second World War, the Bank has assisted its member states to respond to many social shifts and crises during its 65-year long history.

Following the 2015 migrant crisis and in response to the COVID-19 pandemic, preventing the social exclusion of disadvantaged populations across Europe has surged high on the CEB's agenda. The two crises have exposed increased levels of pressure on traditionally disadvantaged groups in Europe, as well as on those whose living conditions had suddenly deteriorated due to displacement. The CEB continues to leverage its decade-long experience in social infrastructure investment, know-how and financial instruments in order to provide vulnerable populations with pathways to achieve social integration and resilience.

Project examples

FRANCE

Providing social housing for migrants, asylum seekers, homeless and other vulnerable groups

The €100 million loan to ADOMA, the leading provider of supported housing and operator of reception centres for asylum seekers in France, will help improve access and housing conditions for those who are experiencing economic and integration difficulties and are unable to find accommodation within the ordinary housing stock. The loan will support the management, improvement and renewal of ADOMA’s housing stock, including safety upgrades and the retrofitting of existing housing units to achieve energy efficiency. The loan is consistent with the French Government’s France Relance plan to achieve a sustainable and inclusive recovery from the COVID-19 crisis, and with the European Commission’s 2021-2027 Action Plan on Integration and Inclusion. The final beneficiaries will be mostly migrant workers and vulnerable populations, such as families in precarious situations, isolated persons, asylum seekers, homeless persons, and persons in emergency situations.
Projects approved in 2021

ROMANIA

Supporting the education of Roma students

The €1 million additional loan to Foundation “Roma Education Fund Romania” will complement the existing loan worth €2 million to provide educational services and psychological support for Roma children whose parents are working abroad and caregivers who support them, as well as Roma young adults who have not completed or participated in compulsory education. It will provide the necessary bridge financing to enable the implementation of three new Roma education projects funded by the European Union for the benefit of more than 1,220 individuals over the 2021-2024 period. The project aims to improve access to education for Roma people and to facilitate their social integration in the country, as well as to scale down the gap between Roma and non-Roma children regarding school participation, school performance and socio-economic conditions.

LUXEMBOURG

Advancing Roma entrepreneurship

The €3 million loan to the Roma Entrepreneurship Development Initiative (REDI SA), the first microfinance investment vehicle with a specific focus on Roma populations, aims to improve access to funding for entrepreneurs from Roma communities in Bulgaria, North Macedonia, Romania and Serbia. The funds will be channelled to micro-lenders in the four countries over the 2022-2024 period. The microlenders will in turn on-lend the funds to Roma businesses to finance eligible direct costs of fixed assets, productive equipment and working capital. The loan aims to enhance economic activity in and beyond Roma communities, support employment and creation of job opportunities, build self-reliance and encourage commercial links between the Roma and the usual market networks. The loan is expected to address the persisting problems faced by Roma populations, such as financial and social exclusion, poverty and barriers to labour market inclusion.
Environmental sustainability

As the only multilateral development bank with a social mandate, the CEB approaches climate-related issues through a social lens that recognises the nexus between social inclusion and climate action. It finances projects that support climate change mitigation and adaptation, and it seeks to enhance the integration of climate change considerations in all its project proposals, including by screening all its projects for climate-related physical risks and by reporting their greenhouse gas emissions and any greenhouse gas emission reductions.

In 2021, the CEB’s financing of climate change mitigation and adaptation amounted to € 525 million, representing 13% of the total volume of financing approved.

CEB projects approved under this line of action include:
- Construction and renovation of water and wastewater infrastructure
- Improving energy efficiency
- Reducing CO₂ emissions

Project examples

NETHERLANDS

Improving energy efficiency

The € 200 million loan to the Dutch National Heating Fund (NWF) will finance energy efficiency measures for individual homeowners and schools in the Netherlands. The target beneficiaries are homeowners, homeowner associations, and schools. This loan increases the primary loan amount of € 150 million that the CEB granted to the NWF in 2019. It will allow more households and schools in the country to gain easy access to low-interest rates with favourable lending conditions and thus help them to reduce their consumption of energy and related expenditures. The loan will also contribute to achieving the Netherlands’ ambitious climate policy.
FINLAND
Ensuring safe and reliable water supply

The €100 million loan to the Helsinki Region Environmental Services Authority (HSY) will ensure safe and reliable water supply and related services to the rapidly growing population of the Helsinki Metropolitan Area (cities of Helsinki, Espoo, Vantaa and Kauniainen). The target beneficiaries are 1.2 million people living in the area, especially households in newly developed and remote districts. The loan will help HSY to expand its area of operation to support new development, to extend and restructure water and sewerage networks in all four cities, and to renovate the water distribution and sewerage networks by reducing water losses and improving system efficiency and capacity. This project will complement the already ongoing municipal infrastructure improvements in the Helsinki Metropolitan Area that are partly financed by the CEB.

LITHUANIA
Enhancing water and wastewater infrastructure

The €28.8 million loan to partially finance investments to the Kaunas Water Company will improve the water and wastewater infrastructure and rainwater system in the City of Kaunas. The project builds on the ongoing CEB operations in Kaunas and strengthening the partnership with Kaunas City Municipality. The loan will directly support the Kaunas Water Company in addressing environmental challenges by reducing the negative effect on surface and ground water bodies. It will also improve the supply of good quality water and ensure health and good quality of life for almost 320,000 residents of Kaunas.
BOSNIA AND HERZEGOVINA

Improving energy efficiency and reducing CO₂ emissions

The €4 million loan to the Partner Microcredit Foundation will provide financing to private households and microenterprises for energy efficiency sub-projects. By helping to reduce energy consumption and CO₂ emissions, the loan will contribute to the reduction of living costs and improved living and working conditions particularly for low-income households that are unable to apply for banking loans. The loan will be used to finance eligible costs of energy efficiency sub-projects, such as thermal insulation of buildings, replacing windows and doors, and introducing more efficient heating systems. The final beneficiaries will be low-income persons, including private households and micro-enterprises.
CEB delivers: projects completed in 2021

- Poland: 5 projects, €570 million
- Czech Republic: 1 project, €100 million
- Netherlands: 1 project, €16.6 million
- Bosnia and Herzegovina: 3 projects, €23.8 million
- Spain: 1 project, €9 million
- Andorra: 1 project, €12 million

5 projects, €570 million
17 projects and 1 grant completed in 2021

Across 10 countries

€ 1 billion in loans disbursed

266 016 jobs created and maintained by MSMEs

Over 1.5 million end beneficiaries of new/upgraded infrastructure and services