



Getting a Loan via the Council of Europe Development Bank

Briefing Paper – March 2018

I. Who is the CEB?

The [Council of Europe Development Bank](#) (CEB) is a multilateral development bank with an exclusively social mandate.

a. Objectives:

This means that the CEB contributes to the implementation of socially oriented investment projects through three sectoral lines of action, namely:

- Sustainable and inclusive growth (health, education, social housing AND SOCIAL CARE)
- Integration of refugees, displaced persons and migrants
- Climate action: developing adaptation and mitigation measures

b. Members and Donators

Its Member countries and donators are [41 Member States](#) of the Council of Europe. The CEB is based in Paris and operates throughout the Council of Europe.

As a sign of solidarity, the CEB also has 22 “[target countries](#)”, with the aim of providing increased support to Central, Eastern and South Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Malta, Moldova (Republic of), Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia, “the former Yugoslav Republic of Macedonia” and Turkey.

The CEB also [cooperates](#) with the European Union, other international financial institutions and United Nations agencies.

c. Services it can provide

The CEB has a deep understanding of social infrastructure project needs throughout Europe and the ability to stay engaged with its borrowers and project promoters.

The CEB can provide the following services:

- Loans to co-finance projects in any of its 41 member states
- Technical and financial assistance to help build-up and develop projects, which have applied for finance
- Grants to fund this assistance through its trust funds



II. What can the CEB offer you?

The CEB can provide loans to co-finance projects in any of its 41 member states, in accordance with its mandate. Potential borrowers include governments, regional or local authorities, and public or private financial institutions and banks.

They do not (yet) include not-for-profit or private service providers, which means that their investment projects must be partnered with either a public authority, a public investment bank or a private/commercial bank.

As said, the CEB can provide the following services:

a. Loans to co-finance projects in any of its 41 member states

This can be done through a range of flexible financing instruments, which best fit the project's and the borrower's needs. The main instruments include:

- CEB Project loans which usually finance a predefined individual infrastructure investment
- CEB Programme Loans, which are used to fund multi-project programmes; usually support municipal investment plans. These are also often implemented through commercial bank partners

Other instruments can also help:

- the EU Co-financing Facility (ECF) allows for co-financing and/or ex-ante financing of EU-funded investment activities at the country level,
- the Public Sector Financing Facility (PFF) covers temporary financing gaps in the public sector and facilitates the continuation of investments and reform programmes,
- the Cross-Sectoral Loan Programme (CSL) responds to the public authorities' social infrastructure needs in several overlapping sectors.

Thanks to its excellent [rating](#) (Aa1 with Moody's, outlook stable, AA+ with Standard & Poor's, outlook positive and AA+ with Fitch Ratings, outlook stable), the CEB raises funds in the international capital markets on very competitive terms. As a non-profit driven institution, the Bank applies only a limited margin to its loans and charges no fees, thus enabling its borrowers to significantly reduce the cost of the loans they take out to finance social projects. The CEB offers loans in line with the characteristics of the underlying projects and the specific clients' needs through tailor-made structures and a great deal of flexibility in terms of disbursement amounts, maturity, currency and interest-rate structures or capital and interest payment dates

b. Technical and financial assistance to help build-up and develop projects, which have applied for finance

The CEB can also provide expertise and support through its highly-specialised, skilled staff with diverse professional and cultural backgrounds. The expertise of the Bank's workforce goes beyond



the traditional banking areas of finance, economics and risk management to include project management skills, as well as civil engineering, education, health or housing expertise. The CEB's technical, operational and financial knowhow ensures that both the project structure and the financing offer closely match the borrowers' requirements.

The CEB's supple and reactive institutional and organisational structure allows it to address the clients' needs through rapid and proactive turn-around. Identifying the issues in project preparation and implementation as they arise and finding ways to resolve them in real time is one of the strongest assets that the CEB brings to the projects it finances. This kind of support, going far beyond the provision of simple financing, provides the basis for developing long-standing partnerships between the CEB and its clients.

c. Grants to fund this assistance through its trust funds

The CEB provides enhanced technical and project management support throughout the project cycle - key to enabling the Bank to actively accompany its borrowers. Donor funds may finance technical assistance for project sponsors, helping them to prepare and implement their projects in accordance with best practices. In this respect, the CEB channels either the external donor funds at its disposal or its own resources through internal instruments

The CEB can provide grants to help develop projects and make them "bankable"; usually through one of its [trust funds](#). This can only be accessed on the basis of a loan application, however.

III. How to get a loan through the CEB?

a. Procedure for larger loans, typically over €10 million

The following procedure is usually for larger loans superior to €10 million.

To benefit from the CEB's services, it is necessary to apply for a loan. A loan application must include

- A brief description of the project, as well as its sustainability
- The financial aspect's of the project (loan amount, estimated project cost, financing plan) and implementation schedule
- A profile of the borrower and general information.

The CEB have developed a [handbook for the preparation and implementation of projects](#); which provides information and support on the above criteria.

All loan applications have to meet specific technical and social criteria and be in conformity with the Bank's environmental, procurement and compliance guidelines and policies.

b. Procedure for smaller or medium loans, typically under €10 million

The CEB does not generally loan to smaller projects. In these cases, it prefers to either

- Provide the loan through a national or local bank

Some banks already have agreements with the CEB, where they already provide loans to social sector organisations. This is the case in France, for instance, where the CEB provides loans to Crédit Coopératif and Crédit Agricole to in turn provide decent loans to social sector organisations.

- Ask your local bank if they have such an agreement or wish to get one. Banks would usually be more interested if there are several projects in a given area which require loans (to get the critical mass). As such, it may be interesting to explore with the investment plans of other social service providers or similar sectors.

- Provide the loan through a local, regional or national authority

The CEB typically provides loans to public authorities. If you have come to a standpoint with your authorities in terms of funding the project, they may be interested in exploring alternative options. The CEB could provide a route for the public authority to fund your investment project and others they may have in mind.

Your next step could be to raise the services which the CEB offers with your relevant public authority. If interested, they could in turn build a project application for the CEB themselves; usually in the form of a CEB Programme loan (see above).

IV. CEB and Social Care

The CEB has historically invested more in health, education & social housing, than in social care. With the growing demand for social care, as well as a growing understanding of the sector's needs, the CEB wishes to invest more in this field.

A recent [CEB Technical Brief on Social Care Systems in Europe](#) has highlighted both their past investments and future ambitions. Past projects invested in by CEB includes

- Finland – 2006: building new rented houses/apartments for youngsters with intellectual disabilities. €100 million EUR via Pohjola Bank.
- Romania – 2006: social centres for vulnerable children and families. €10mln to nat° gov.
- Slovenia – 2008: municipal investments in favour of the elderly. €30mln to reg° gov.
- France – 2014: financing the renovation, expansion & improvement of care centers for dependent population. €150 mln through BPCE Bank.
- Belgium – 2017: Financing renovation & expansion of retiring & nursing homes. €200 mln via Belfius Bank.

The Brief also highlights the wish of the CEB to

- Support the process of DI
- Support investment in human capital to develop existing and new social care training;
- Provide technical assistance and develop targeted investment funds for social care sector;
- Support the development of social enterprises as new potential borrowers
- Explore new funding mechanisms (Social Impact Bonds) to develop preventative care services.

V. Bibliography



- [Council of Europe Development Bank](#)
 - o [About CEB](#)
 - o [CEB services](#)
 - o [Accessing CEB financing](#)
 - o [CEB Trust funds](#)
 - o [Technical Brief on Social Care](#)
 - o [Handbook for the preparation and implementation of projects](#)

The European Union also offers opportunities for loans, in particular through the European Fund for Strategic Investments. Visit www.socialinvestment.eu for more information.

For more information, please contact Thomas Bignal, Policy Advisor, EASPD via socialinvestment@easpd.eu