



Recommendation 1524 (2001)¹

Council of Europe Development Bank: toward a Europe of greater social cohesion

Parliamentary Assembly

1. The Assembly, in its capacity as the parliamentary forum accompanying the Council of Europe Development Bank (CEB), welcomes the bank's expanded range of activities in favour of Europe's social and economic development. It notes that, in conformity with the recommendations of the 2nd Summit of Heads of State and Government of the Council of Europe in 1997, enhanced lending to projects furthering social cohesion is now a new priority for the bank.
2. The Assembly notes with satisfaction the sound financial results and laudable overall performance by the bank over the 1998-2000 period. It trusts that the increase in the CEB's subscribed capital to 3.2 billion euros and the corresponding rise in its own assets to 4.1 billion euros will allow the bank to consolidate further its financial basis and to expand its lending capacity, especially in the countries in transition.
3. The Assembly commends the CEB on its top "AAA" credit rating, which the bank should do its utmost to preserve, as it provides both relatively safe loans and less secure credits in higher-risk countries where its social mandate obliges it to operate. The Assembly recognises that the practice of maintaining a fairly large share of lending to more secure borrowers helps the bank to comply with the highest prudential standards and hence to offer better conditions to less economically advanced borrowers.
4. The Assembly reiterates its support for the bank's three-pronged strategy for the future, namely: to refocus on its priority objectives, to aim at a better geographical and financial distribution of its loan portfolio, and to intensify operations in the countries of central and eastern Europe. It deplores, however, the dramatically low level of aid given to refugees, displaced persons and migrants.
5. The Assembly welcomes the bank's new shareholders in central and eastern Europe and hopes that countries not yet members – Andorra, Armenia, Austria, Azerbaijan, Georgia, Ireland, Russia, Ukraine and the United Kingdom – may soon be in a position to join the CEB.
6. The Assembly hopes that the trend towards stepping up the bank's operations in the countries in transition will progress further, not least through a more intensive use of the Selective Trust Account and a gradual shift in focus toward the less well-off countries and regions. In particular, it welcomes the use of the account for increased financing of the CEB's statutory priorities, including aid to countries faced with problems resulting from the forced movement of populations or from natural disasters, and for programmes aiming to integrate minorities, especially the Roma/Gypsy community.
7. The Assembly hails the bank's assistance to the countries of South-eastern Europe within the framework of the Stability Pact for that region. It hopes that the bank's wholehearted involvement in the pact will translate into a lasting commitment to the region.
8. The Assembly strongly supports the bank's increasingly close co-operation with other international financial institutions, in particular the World Bank, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), as regards project preparation, evaluation and co-

1. Assembly debate on 26 June 2001 (19th Sitting) (see [Doc. 9114](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Lotz; and [Doc. 9135](#), opinion of the Committee on Migration, Refugees and Demography, rapporteur: Mr Díaz de Mera. Text adopted by the Assembly on 26 June 2001 (19th Sitting).



financing. In this context it welcomes the bank's signing of a memorandum of understanding with the EBRD and of a multiparty agreement with the European Commission, the EBRD, the Nordic Investment Bank (NIB) and the International Finance Corporation (IFC), so as to co-ordinate action in countries seeking European Union membership. The Assembly also welcomes the possibility of the European Community and the EIB becoming shareholders of the bank.

9. The Assembly in conclusion recommends that the Committee of Ministers:
 - 9.1. invite those member states of the Council of Europe which are not yet members of the CEB to consider joining;
 - 9.2. invite the bank's member states:
 - a. to ensure speedy subscription to the increase in capital by countries which have not yet done so, and to prepare for a possible further increase in the bank's capital;
 - b. to increase their voluntary contributions to the Selective Trust Account and to use it more extensively, in particular for projects in favour of refugees, displaced persons and migrants – including provisions for education and training;
 - c. to step up co-operation with multilateral financial institutions such as the World Bank, the EIB, the EBRD and the NIB, as well as with international humanitarian organisations such as United Nations specialised agencies and the International Organisation for Migration, for the purpose of preparing, co-financing and evaluating projects;
 - d. to co-operate more closely with the bank in the implementation of national development strategies, in particular as regards the integration of minorities, especially Roma/Gypsies, and in the CEB's shaping of sectoral and country strategies;
 - e. to permit an increase in the bank's staff so as to allow improved project preparation;
 - f. to consider providing guarantees, either alone or within international consortia, for projects to be carried out in countries not capable of guaranteeing these projects on their own;
 - g. to improve, where necessary, their national laws so as to remove administrative impediments to the timely use of CEB loans;
 - 9.3. invite the bank:
 - a. to enhance practical assistance to new member countries wishing to submit projects to the CEB;
 - b. to expand lending to countries in transition;
 - c. to intensify its partnerships with other international financial institutions and humanitarian organisations in project preparation, evaluation and co-financing;
 - d. to improve its analytical and forecasting capabilities in order better to identify macroeconomic and social development trends in countries in transition;
 - e. to strengthen efforts to publicise the bank's potential to assist, especially in new member states;
 - 9.4. invite the Secretary General and the various bodies of the Council of Europe to draw the general public's attention to the bank's activities and to do the same in their contacts with member states and international organisations as regards this recommendation.
10. Finally, the Assembly calls on its own members and, through them, on national parliaments to spread information in their countries about the CEB's role and potential to assist.