



Recommendation 1818 (2007)¹

Activities and orientations of the Council of Europe Development Bank (CEB)

Parliamentary Assembly

1. The Parliamentary Assembly has examined the activities of the Council of Europe Development Bank (CEB) over the 2004-2006 period. It has noted the sound overall performance of the bank in keeping with its mission to assist vulnerable populations and to respond to development and reconstruction needs in disadvantaged regions, especially as a result of natural disasters and forced population movements. The CEB's social vocation is what distinguishes it from other banks and furthers the Council of Europe's values in building a more just and harmonious society in Europe.
2. The Assembly welcomes the recent accession of Ireland and Georgia to the CEB and an intensified geographical redeployment of CEB funding towards the target group of countries in central, eastern and south-eastern Europe over the past few years from 48% of projects approved in 2004 to 80% in 2006. It hopes that this trend will be sustained in the future, thus allowing the CEB to concentrate an even larger share of resources on its non-European Union member states, in particular Albania, Bosnia and Herzegovina, Moldova, Serbia, "the former Yugoslav Republic of Macedonia" and Georgia, that face specific development problems and difficulties in accessing international financial markets on favourable terms.
3. The action of the CEB and that of the Council of Europe are complementary and mutually beneficial. This relationship could be further enhanced, especially as regards the identification and preparation of worthy projects. The Assembly, in this context, recalls the Council of Europe's 2004 revised Strategy for Social Cohesion, pointing out that there has to be a special commitment by the governments of member states to protect the human rights of people who are at risk of becoming vulnerable, such as children, the young, migrants, ethnic minorities, people with disabilities and the elderly. This responsibility needs to be translated into specific actions at national level by making the best possible use of national resources and, where appropriate, benefiting from the CEB's and the Council of Europe's experience and capacities in this domain.
4. Given that aid to refugees and migrants remains one of its statutory priorities, the bank should increase its efforts, particularly with non-European Union member states in south-eastern Europe and the Caucasus region, with a view to developing and funding projects for the benefit of refugees and displaced persons in the war-affected regions. To this effect, the Assembly welcomes the initiative of the CEB to seek formal partnerships with the United Nations agencies (UNHCR, UNICEF and UNDP) which have a good knowledge of the beneficiary countries and play a crucial role in the development and implementation of such projects.
5. The recently published Council of Europe Action Plan 2006-2015 for people with disabilities opens up a vast field of action for member states, as the estimated proportion of persons with disabilities – due to disease, accidents and disabling conditions among the elderly – in Europe is between 10% and 15%, and that number is expected to grow steadily as a result of increasing life expectancy and population aging. Council of Europe member states should accordingly intensify co-operation with the CEB and present more bankable projects aimed at implementing this Action Plan at national level.

1. *Text adopted by the Standing Committee, acting on behalf of the Assembly, on 23 November 2007 (see [Doc. 11306](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Braun; and [Doc. 11358](#), opinion of the Committee on Migration, Refugees and Population, rapporteur: Mr Zernovski).*



6. Further to the Action Plan adopted at the 3rd Council of Europe Summit held in Warsaw on 16 and 17 May 2005, new activities aiming at the training of magistrates, justice system managers, administrators, civil servants and government officials, as well as support for administrative and judicial public services, will widen the bank's scope of work. They can contribute to improving the functioning of the justice systems in member states, facilitating cooperation with the European Court of Human Rights and preventing repeated violations of human rights. Countries like the Russian Federation, Ukraine, Armenia and Azerbaijan could in particular gain from these new activities, but first and foremost they need to join the bank. The Assembly hopes that the CEB will soon be in a position to cofinance the first projects in this domain.

7. The Assembly welcomes the CEB's reinforced project evaluation capacity through the creation of the Ex Post Evaluation Department, thus enabling the bank to better assess its own performance, evaluate the efforts of its partners, optimise its administrative capacities, adjust operational management and draw lessons for more ambitious and targeted action in the future. The CEB's technical assistance, including through interest rate subsidies and donations, and monitoring throughout the project cycle could also be strengthened. To this end, it seems necessary to increase the human resources of the bank.

8. As the CEB has no field presence in its member states, closer contacts with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), with a view to taking advantage of their regional presence and expertise, could prove highly useful, not least in the framework of bilateral co-operation agreements and the co-financing of projects with these institutions, especially in the CEB's target countries.

9. In conclusion, the Assembly recommends that the Committee of Ministers:

9.1. consider ways of enhancing Council of Europe-CEB co-operation on identifying and preparing projects in the target group of countries in central, eastern and south-eastern Europe;

9.2. strongly encourage Council of Europe member states that are not yet members of the CEB (Andorra, Armenia, Austria, Azerbaijan, Monaco, Montenegro, the Russian Federation, Ukraine and the United Kingdom) to join the bank at the earliest opportunity;

9.3. urge the CEB's member states to:

9.3.1. enhance co-operation with regional and local authorities in order to raise their awareness of the CEB lending opportunities and assist them in strengthening their project development capacity;

9.3.2. accelerate the identification and preparation of projects for the benefit of vulnerable populations, including migrants, refugees and displaced persons, with a view to presenting projects for CEB financing;

9.3.3. accelerate the identification and preparation of projects under national programmes for social cohesion and action plans for people with disabilities, with a view to presenting projects for CEB financing;

9.3.4. consider allocating additional resources for enhanced CEB activity in eastern and southeastern Europe, especially as regards project preparation, feasibility studies, technical assistance and micro-loans, basing themselves on the example of the Norwegian Trust Account;

9.3.5. support the strengthening of the CEB's project evaluation and follow-up capacities with an adequate increase in human resources;

9.3.6. strengthen the action of the CEB's Auditing Board with a view to supervising more closely the use of representational and travel expenditure;

9.4. propose that the CEB:

9.4.1. select a higher percentage of projects in the target group from among the states which are not members of the European Union;

9.4.2. enhance project co-ordination with international financial institutions and seek working synergies with the European Commission (EU Neighbourhood Programme), the EBRD and the EIB in target countries;

9.4.3. pay increasing attention to the co-financing of projects in non-European Union member states;

9.4.4. reinforce staff resources in order to strengthen the monitoring of projects, including more frequent random on-site checks, especially with regard to the indirect loan programmes;

- 9.4.5. consider publishing more information on its mission, projects and operating principles, for the attention of the general public in the languages of the target group of countries;
- 9.4.6. enhance technical assistance, where appropriate with the Council of Europe, for project pre-feasibility, feasibility and needs assessment studies in target countries and support measures for projects approved in these countries in order to improve their fund management and absorption capacity, and to accelerate project implementation;
- 9.4.7. gradually phase out indirect loans through intermediary banks and, in the meantime, increase its control over the financing conditions applied by the intermediaries to the final borrowers;
- 9.4.8. promote increased geographical diversification of its staff, especially as regards senior management positions.