



COUNCIL OF EUROPE DEVELOPMENT BANK

RULES OF PROCEDURE OF THE GOVERNING BOARD¹

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¹ The original version adopted on 19-20 December 1994 used the name "Council of Europe Social Development Fund" as the name of the institution. Since the entry into force on 1 November 1999 of the Governing Board's decision of 28 June 1999 on the change of the name, the Institution's name has become "Council of Europe Development Bank" and the rules of procedure have been modified accordingly.

Rule 1: Powers

1. The Governing Board is the supreme organ of the Bank and shall exercise all powers of the Bank which have not been delegated to the Administrative Council, in particular those laid down in Articles IX, XIII *litt.* a. and XVI of the Articles of Agreement.
2. The delegation of powers to the Administrative Council provided for in Article IX Section 3 paragraph 3 of the Articles of Agreement, shall not prevent the Governing Board, within its powers under the Articles of Agreement, from discussing any questions of special political importance.
3. In the cases provided for under Article IX, Section 3, paragraph 1 *litt.* I. and paragraph 2 of the Articles of Agreement, when a proposal submitted by the Governor or by the Administrative Council is not adopted by the Governing Board, the Governor or the Administrative Council shall be invited to submit a new proposal. The Governing Board shall inform the Governor or the Administrative Council of the reasons for the proposal not being adopted, in order to allow them to take these reasons into account when formulating a new proposal.
4. When the Administrative Council gives an opinion to the Governing Board, the latter shall remain free to decide whether or not to follow the opinion of the Administrative Council.

Rule 2: Composition

Each Member of the Bank shall be represented on the Governing Board by a duly accredited Representative or Substitute Representative.

Rule 3: Chairmanship

1. The Governing Board shall elect its Chairman by the majority provided for in Article IX Section 4 of the Articles of Agreement. Each Member of the Bank is entitled to present a candidate for the Chairmanship.
2. The Chairman shall approve the draft agendas for meetings of the Governing Board in accordance with Rule 10 of these Rules of Procedure; he shall chair the proceedings, without the right to vote; he may submit to the Governing Board proposals for the decisions referred to in Rules 16 and 17; he shall ensure co-operation with the other organs of the Bank; he shall be responsible for political relations with officials of the States, the Council of Europe and other international institutions, in close co-operation with the Governor; in the periods between meetings he shall keep the activities of the Bank under review and report regularly to the Governing Board.
3. The Chairman shall report on the Bank's activities to the Parliamentary Assembly and to the Committee of Ministers at least once a year and shall, inter alia, forward the Governor's report to the Committee of Ministers.
4. A Vice-Chairman shall be elected from among the members of the Governing Board. The Vice-Chairman shall conserve his right to vote.

The term of office of the Vice-Chairman shall be two years; however, it shall end if the Vice-Chairman no longer represents a Member of the Bank.

The outgoing Vice-Chairman may be re-elected once.

5. If both the Chairman and the Vice-Chairman are absent or unable to discharge their duties, the longest-serving member of the Board present shall take the Chair.

Rule 4: Allowances and travel expenses

The allowances and travel expenses of the Representatives shall be fixed by the Administrative Council taking into account current practice at the Council of Europe and the guidelines given by the Governing Board. The official allowances of the Chairman and, if it is so decided, the Vice-Chairman shall also be fixed by the Administrative Council taking into account the guidelines given by the Governing Board.

Rule 5: Meetings

1. The Governing Board shall hold its annual meeting provided for in the Articles of Agreement during the four months following the closing of the Bank's annual accounts. The Board's responsibilities at that meeting shall include approving the Bank's annual report, accounts and other financial statements, and granting the Administrative Council discharge in respect of the financial year in question.
2. On a proposal by the Chairman or by any member, the Board may decide to hold additional meetings.
3. At each meeting it shall confirm the date of its next meeting.
4. Meetings shall be held at the headquarters of the Bank's administrative services or at its principal office or at any other place appropriate to the circumstances.
5. Meetings shall be held in private. The Governing Board shall decide what information to publish concerning its proceedings.
6. By common agreement the Governing Board and the Administrative Council may decide to hold a joint meeting of the two organs.

Rule 6: Extraordinary or emergency meetings

1. In exceptional circumstances and at the request of one-third of the members of the Governing Board, an extraordinary meeting may be convened without it being necessary to comply with the provisions of Rule 9.
2. In the same circumstances as in the previous paragraph and in an emergency, the Chairman may, after consulting the Vice-Chairman, convene an extraordinary meeting of the Governing Board, without being bound by the provisions of Rule 9.

Rule 7: Working parties

The Governing Board may create from among its members working parties or groups to study particular questions within its remit.

Rule 8: Attendance at meetings

1. The Secretary General of the Council of Europe or his representative is entitled to participate in the meetings without right to vote. In addition, unless the Governing Board decides otherwise, the Governor or his representative, the Legal Adviser and the Secretariat of the organs shall, as a general rule, participate in meetings.

2. The Governing Board may invite to its meetings:
 - representatives of other Council of Europe bodies;
 - the Auditing Board, in particular for the meeting concerning the Governor's annual report;
 - representatives of other international organisations or other persons or experts whose presence is deemed helpful for the Board's work.

Rule 9: Convening of meetings

1. The Secretariat of the Board shall give members at least thirty days' notice of a meeting.
2. When such official notification has been given, any Representative requesting a postponement must inform the Chairman at least a fortnight before the date appointed for the meeting. This request, together with the opinion of the Chairman, shall then be reported to the other Representatives by the Secretariat. A postponement shall be granted if a majority of the members have signified their agreement at least seven days before the appointed date.

Rule 10: Agenda

1. The draft agenda for each meeting prepared by the Secretariat and approved by the Chairman shall be transmitted to members at the same time as the notice of meeting.
2. The Governing Board shall adopt the agenda for each meeting at the opening of the meeting.

The Board may decide at any time to include an additional item on the agenda.

Rule 11: Quorum

The discussions and decisions of the Governing Board shall not be valid unless two-thirds of its members are present. The quorum shall be noted by the Chairman and checked by the Secretariat throughout the meeting.

Rule 12: Documentary material

1. The documentary material in both official languages needed for the meeting must be received by the Members at least two weeks before the date appointed for the meeting. However, this time limit shall not apply in respect of extraordinary or emergency meetings.
2. The Chairman shall transmit the following documentary material, underlining, where appropriate, its confidential nature:
 - a) recommendations and resolutions of the Committee of Ministers and the Parliamentary Assembly, as well as requests for opinions from these organs, which concern the Bank;
 - b) the annual report by the Governor and the Bank's accounts and other financial statements;
 - c) draft general agreements on co-operation and/or association with other international organisations and draft association agreements with European States which are not members of the Council of Europe;
 - d) the report and communications by the Chairman of the Governing Board to the Committee of Ministers and the Parliamentary Assembly;

- e) the minutes of meetings, together with the decisions taken, duly signed by the Chairman and the Secretary;
- f) any other documentary material of general interest or material requested by a member.

Rule 13: Secretariat

1. The secretariat of the Governing Board shall be provided by the Secretariat of the Enlarged Partial Agreement on the Council of Europe Development Bank.
2. In accordance with the arrangements made by the Secretary General, the Secretariat of the Governing Board shall ensure all necessary assistance for the carrying out of its work including legal assistance and assistance in the relations with the Council of Europe and its organs.
3. The Secretariat shall prepare the documentary material referred to in Rule 12, the agendas and minutes. It shall further transmit to the Governing Board the agendas, minutes and decisions of the Administrative Council and shall ensure that the respective documents of the Governing Board are transmitted to the Administrative Council. In this context, the Secretariat must in particular notify the Governing Board beforehand of the part of the draft annual budget which relates to it, in order to enable the Board to give its opinion in good time before the budget is approved.

Rule 14: Languages

The official languages of the Governing Board shall be French and English.

Any member may speak in a language other than the official languages, but in that case he must make his own arrangements for interpretation into one of the official languages.

Rule 15: Voting

1. Decisions of the Governing Board shall be taken by voting, as laid down in Article IX Section 4 of the Bank's Articles of Agreement.
2. Between meetings the Governing Board may take decisions in writing, as provided for in Article IX Section 4 *litt.* b. of the Articles of Agreement. To this end, the Secretariat shall transmit to Representatives, on the Chairman's instruction, the draft decision to be voted upon together with a postal voting form. Save in exceptional circumstances, Representatives must ensure that their vote reaches the Secretariat of the Governing Board within two weeks of the date of their receipt of the aforementioned papers.
3. The Governing Board may make decisions *ad referendum*. In this case Representatives shall be invited to notify the Secretariat of their vote on an appropriate form. Save in exceptional circumstances, Representatives must ensure that the form reaches the Secretariat within two weeks.

Rule 16: Decisions

Decisions reached by the Governing Board within the powers conferred upon it, which are final decisions in respect of Member States or other organs of the Bank, shall take the form of resolutions. The decisions concerning the internal machinery of the Governing Board shall take the form of conclusions.

Rule 17: Procedural decisions

In order to change a decision by the Chairman on a point of order or procedure, the decision shall be taken by a simple majority of the members present unless a member asks for the decision to be taken in accordance with the rules provided for in Article IX, Section 4 of the Articles of Agreement. Procedural issues shall take precedence over substantive issues, the discussion of which shall be suspended while the procedural issues are being considered. Any decision as to the procedural nature of the point in question shall be determined in accordance with the rules laid down in Article IX Section 4 of the Articles of Agreement.

Rule 18: Minutes

1. The proceedings of the Governing Board shall be recorded in digital audio files which shall be kept by the Secretariat. The audio files shall be destroyed after two years unless the Chairman or a member requests otherwise. Recording may be suspended at any time at the request of the Chairman or of a member, and the Secretariat shall take notes for that part of the meeting.

2. Draft minutes shall be prepared by the Secretariat and submitted by the Chairman to members within ten days of each meeting.

The minutes shall give a summary of any discussion on particular items, especially those on which decisions are taken, and shall record all decisions reached. The individual views of a member shall be recorded on request.

Members shall be asked to notify the Secretariat of any proposed amendments to the provisional minutes so that revised minutes may be drafted.

3. The texts of decisions must be approved at the meeting and shall enter into force immediately unless express provision to the contrary is made, in particular to enable other organs to take the measures necessary for their implementation.

4. The votes cast on each decision shall be indicated. The individual views of members may be recorded on request.

5. The minutes shall be adopted finally at the following meeting.

6. The persons entitled to participate in the meetings as defined under Article IX, Section 1 of the Articles of Agreement and Rule 8, point 1 of the Rules of Procedure, i.e. the Chairman, the representatives appointed by each Member and the Secretary General of the Council of Europe or his representative, shall have access to the audio recording of the debates, for their own use and in accordance with the Code of Conduct in force, during a period of two years via the secure website maintained by the Secretariat. In addition, access shall be given, in conformity with the conditions set out in Rule 8, point 1, to the Governor or his representative, the Vice-Governors, the Legal Adviser and the Secretariat of the organs. If necessary, the aforesaid persons may ask the Secretariat to establish a verbatim transcript, in the original language, of a specific part of the debates. The verbatim transcript shall be made available to them on an individual basis and upon request.

Rule 19: Amendments to the Rules of Procedure

These Rules of Procedure may be amended by decision of the Governing Board in accordance with Article IX Section 4, of the Articles of Agreement.

APPENDIX

Majorities required for the decisions to be taken by the Governing Board

A majority of the Members voting in favour or against and holding two thirds of the votes cast, shall be required for:

- determining the conditions upon which Council of Europe Member States become Members of the Bank;
- authorising European States not members of the Council of Europe and international institutions with a European focus to become Members of the Bank and laying down the conditions for such authorisation and the number of participating certificates to be subscribed by such members;
- increasing or reducing the authorised capital and fixing the proportion of the subscribed shares to be paid up and the dates by which payment must be made;
- ensuring compliance with the aims stated in the Articles of Agreement;
- approving the Bank's annual report, accounts and other financial statements;
- providing general guidelines concerning the institution's activity;
- interpreting the Articles of Agreement and determining any appeals against decisions concerning the interpretation or application of the Articles of Agreement;
- authorising the conclusion of general agreements on co-operation with other international organisations;
- electing the Chairman of the Governing Board and the Chairman of the Administrative Council;
- appointing the Governor and, as necessary, on a proposal by the Governor, one or more Vice-Governors, one of whom shall replace the Governor in the latter's absence, and removing them from their posts and accepting their resignations;
- appointing the members of the Auditing Board;
- appointing the external auditor and laying down his terms of reference;
- drawing up its Rules of Procedure;
- concluding an association agreement (Article III, b, ii) with a European State which is not a member of the Council of Europe;
- fixing the conditions for accession or of an association agreement with international institutions with a European focus;
- fixing the minimum percentage of subscribed participating certificates to be paid up, and the dates of the relevant payments;
- when the Bank's capital is increased, determining, upon uniform conditions for all Members, the percentage to be paid up and the corresponding payment dates.

A majority of three-quarters of the Members voting in favour or against and holding three quarters of the votes cast, shall be required for the following decisions:

- reassuming the powers delegated to the Administrative Council in the Articles of Agreement (see Article IX, Section 3, para. 3);
- adjusting the apportionment table appended to the Articles of Agreement, not resulting from the admission of new Members.

A unanimous vote shall be required for the following decisions:

- suspending or terminating the Bank's operations and, in the event of liquidation, distributing its assets;
- amending the Articles of Agreement, without, however, making any change in their stated aims.