CEB
COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

CEB AND DONORS



Inclusive growth across Europe

The CEB is the only European multilateral development bank whose mission is to foster inclusive growth. This focus is key at a time when a rising number of Europeans feel economically excluded. By promoting inclusive growth, the Bank contributes to stability and prosperity across Europe.

In practical terms, the Bank focuses on improving the lives of vulnerable people. These people often lack access to education, healthcare and decent homes; thus, the Bank finances social infrastructure such as schools, hospitals and housing. They likewise often face difficulties finding steady work; hence, the Bank finances micro-enterprises and SMEs, which create jobs.

Cover page and below, beneficiaries of a microcredit programme in Bosnia and Herzegovina financed by the CEB



A decisive role



In December 2016, Rolf Wenzel, Governor of the CEB (second from right) and Nela Kuburović, Minister of Justice (first from right) visited the construction site of a judicial infrastructure project in Pančevo, Serbia, which is supported by donor funding.

Donors are key partners for the CEB. The Bank uses funds raised from donors to support highly social projects, such as the renovation of a hospital in a Balkan country.

Highly social projects are often located in countries whose capacity to finance and implement projects is uneven. Donor funds help alleviate this lack of capacity and ensure that the projects get done.

For instance, the Bank may use donor funding in the form of an investment grant, to complete the financing of a project. The CEB may also use donor funding to provide training for project managers. This training enables managers to implement their projects in line with best practice.

"Funds provided by donors play a decisive role. They enable the Bank to do more in favour of the most vulnerable."

Rolf Wenzel,
Governor of the CEB

Better classrooms for children in Georgia

In 2015, the Georgian authorities approached the CEB regarding the renovation of public schools in the capital Tbilisi. Only one school was built in the ten years prior to this project and many had been damaged during an earthquake in 2002.

The renovation of approximately 25 schools is expected to have a high social impact. It will improve the safety and comfort of around 15 000 schoolchildren. But the project would most likely not be happening were it not for the support provided by donors.

The CEB first helped the country secure donor funding to finance part of the project. In December 2015, Georgia was awarded a EUR 6 million grant from a multi-donor facility, the Eastern Europe Energy Efficiency and Environment Partnership (E5P). To complete the financing, the Bank then approved a EUR 14 million loan.

The Bank also secured donor funding to help the Georgian Authorities prepare and implement the project according to best practice. This technical assistance grant, amounting to EUR 210 000, was financed from two CEB trust funds, the Spanish Social Cohesion Account and the Slovak Inclusive Growth Account.





Children in Tbilisi schools awaiting renovation



Food and shelter for migrants and refugees

The CEB was created sixty years ago to provide assistance to refugees fleeing Eastern Europe. Helping migrants and refugees continues to be a priority mission. It also remains highly relevant given the backlash against immigration and the need for better integration of migrants across Europe.

Since 2015, close to 1.5 million migrants and refugees have crossed into Europe. This surge in arrivals has strained the reception capacities of most countries, particularly in the Balkans.

To help its member states address this challenge, the Bank established the Migrant and Refugee Fund and appealed to the international community for funding. The response from donors has been very positive. So far, the CEB has raised EUR 21 million.

Thanks to these contributions, the Bank has financed fourteen projects to date. For the most part, these projects share twin goals. First, to improve the ability of the Bank's member countries to manage displaced persons. Second, to ensure that migrants and refugees enjoy basic human rights, such as food, medical care and shelter.

The Migrant and Refugee Fund illustrates the decisive impact of donor funding. Thanks to the funding received from the international community, the CEB has been able to improve the lives of thousands of displaced persons across Europe.





Maximum visibility

Donors who provide funds to the CEB enjoy several benefits. First, they can be sure that their contributions will help disadvantaged persons, given the Bank's wholly social mandate. Second, they can be certain that their support will be widely publicised by the Bank. In effect, the Bank devotes a whole section of its website to donors. It also ensures that beneficiaries are made aware of the donor support received through billboards, plaques and visibility events on project sites. Moreover, the CEB is recognised by the OECD as eligible for official development assistance (ODA). Thus, donor funds provided to the CEB for official development assistance purposes may be reported as such to the OECD by the donors.



Representatives of the European Union, the United States and Montenegro at the inauguration of works of a project financed by the Regional Housing Programme in Nikšić, Montenegro



Billboard highlighting donor support in front of an apartment building financed by the Regional Housing Programme in Zenica, Bosnia and Herzegovina





Unveiling of a plaque showcasing donor support during the inauguration of a building funded by the Regional Housing Programme in Korenica, Croatia

A new impetus

During the past year, donors demonstrated their support for the Bank's focus on inclusive growth by making substantial pledges. These contributions will enable the Bank to do more in favour of the most disadvantaged throughout Europe.

European Union strengthens partnership with the CEB in favour of migrants and refugees

The European Union has cemented its partnership with the CEB in favour of migrants and refugees by awarding the Bank substantial funding. In July 2016, the European Union and the CEB agreed to cooperate on the construction of a hospital in Turkey. The European Union will provide EUR 50 million to finance the project and the CEB will oversee its implementation. The hospital, which is located close to the Syrian border, will alleviate the strain on medical services created by the influx of refugees. In December 2016, the European Union also pledged an additional EUR 84 million in favour of the Regional Housing Programme. This initiative, which is in favour of persons displaced during the 1990s conflicts in Yugoslavia, is managed by the CEB.



Syrian refugee camp in Suruç, a Turkish town close to the Syrian border



Kilis, the city where the hospital will be located



Shareholders enable the CEB to do more for most vulnerable

To allow the CEB to do more for the most vulnerable, its shareholders allocated EUR 7 million to the Social Dividend Account in April 2016. Financed from the Bank's results, the Social Dividend Account supports high impact projects. In 2016, the Bank used the Account to support Credo, a microfinance institution based in Georgia. Credo provides loans to micro and small enterprises. Thanks to these loans, the enterprises can grow and create jobs.



Women entrepreneurs supported by Credo

Slovak Republic supports the CEB's inclusive growth mandate

In December 2016, the Slovak Republic expressed its support for the CEB's focus on inclusive growth by establishing a trust fund, the Slovak Inclusive Growth Account, and endowing it with EUR 2 million. This fund finances technical assistance for CEB projects in target countries. The CEB has already used the fund to provide technical support to the authorities of Bosnia and Herzegovina and Georgia.

Rolf Wenzel, Governor of the CEB (left) and Peter Kažimír, Finance Minister of the Slovak Republic



Voices of the Regional Housing Programme

The Regional Housing Programme is a joint initiative by Bosnia and Herzegovina, Croatia, Montenegro and Serbia. The aim of the Programme is to provide homes to vulnerable persons displaced during the war in the former Yugoslavia and still living in dire conditions.

The Programme, which is overseen by the CEB, is expected to provide homes to more than 20 000 persons. Yet this highly social initiative would not be happening were it not for the support of the international community. Donors have pledged EUR 271 million in favour of the Programme. The European Union is the largest donor, with EUR 232 million.



"The European Union and the Western Balkans region have a common history and identity. They also share a joint future. The Programme is helping make this joint future a reality."

Johannes Hahn, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, European Commission



"There were times when I thought to simply give up and wait for my life to end in that old, mouldy house. [...] I like it here and this apartment is, finally, a place that I can call home".

Programme Beneficiary in Knin, Croatia



"We spent many years as tenants living under someone else's roof. Those days are now behind us. There is great joy when a family finally moves into their own home. Don't lose faith".

Programme Beneficiary in Inđija, Serbia



"Successful implementation of the Regional Housing Programme [...] will not only solve this painful years-long regional problem, but also increase people's willingness to stay in this region."

Semiha Borovac, Minister for Human Rights and Refugees, Bosnia and Herzegovina



"Now with our home, we do not feel refugees anymore and can continue living a normal life."

Programme Beneficiary in Knin, Croatia



"We owe special gratitude to the European Commission and to all the donors that have ensured continued funding of the RHP."

Kemal Purišić, Minister of Labour and Social Welfare, Montenegro



"As a regional programme and part of a wider political process, the RHP has [...] enhanced neighbourly relations and stability in the region."

Nikola Mažar, State Secretary, Central State Office for Reconstruction and Housing Care, Croatia



"The donation that I have received to get a new house has changed my life. Even the sickness of members of my family somehow is tolerable in a new house."

Programme Beneficiary in Goražde, Bosnia and Herzegovina



"I have finally seen the day when the house is finished and we can move in. If you hadn't helped me the 12 of us would have still lived in the shed."

Programme Beneficiary in Goražde, Bosnia and Herzegovina



"I am proud of the fact that we are now the largest construction site in the country and that the RHP is being implemented in as many as 117 municipalities and towns."

Vladimir Cucić, Commissioner, Commissariat for Refugees and Migration of the Republic of Serbia

Key figures



1996

Creation of the first trust fund, the Social Dividend Account



EUR 572 million

Funds contributed by donors to CEB trust funds



21

Years of donor support for the CEB's mandate


EUR 381
million
Funds contributed by the European Union,
the largest contributor to CEB trust funds


EUR 373
million
Funds disbursed from CEB
trust funds


170
Projects supported
by donor funds

Wide-ranging support



▲ The first high security state prison in Bosnia and Herzegovina is being built thanks to EUR 16 million in grants from the European Union, Sweden, the Slovak Inclusive Growth Account, the Social Dividend Account and the Western Balkans Investment Framework.



▲ The network of secondary and local roads throughout Albania has been improved thanks to EUR 2 million in grants from the Norway Trust Account and the Social Dividend Account.

▼ The Republican Clinical Hospital, a leading hospital in the Republic of Moldova, has been rehabilitated thanks to EUR 5 million in grants from the Neighbourhood Investment Facility and the Social Dividend Account.



▼ In "the former Yugoslav Republic of Macedonia", a set of primary schools has been rehabilitated thanks to EUR 2 million in grants from the Western Balkans Investment Framework.



▼ In Hungary, members of the Roma community have received housing, education and vocational training thanks to EUR 200 000 in grants from the Social Dividend Account.



▼ Deportees returning to Lithuania from the former Soviet Union have been provided with housing thanks to EUR 3 million in grants from the Social Dividend Account.





▲ The Shkodra hospital in Albania has been renovated thanks to EUR 1 million in grants from the Norway Trust Account and the Social Dividend Account.

Total grant disbursements: EUR 373 million

from 1996 to end March 2017

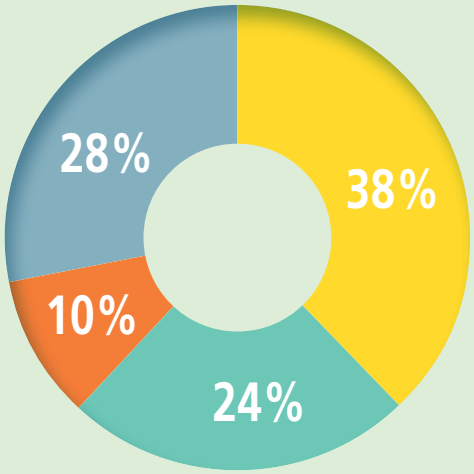
In recent years, the Bank has supported a growing number of highly social projects. As a result, funds provided by donors have come to play an increasingly important role in CEB operations.

In the two years 2015 and 2016, the Bank disbursed close to EUR 132 million in donor-financed grants to CEB projects. This represents a doubling of grant disbursements compared with the previous two-year period.

At end March 2017, the Bank managed 36 trust funds, whose total balance stood at EUR 157 million.

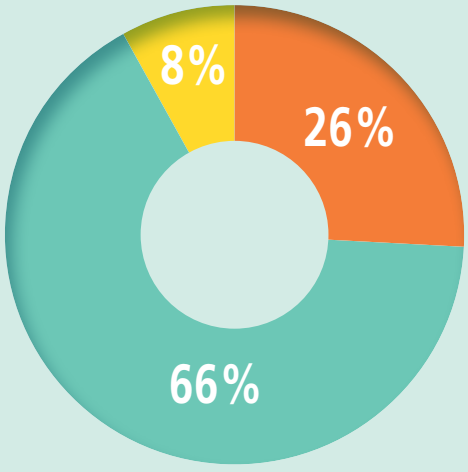
DONORS

- European Union
- Germany
- United States
- Norway
- Western Balkans Investment Framework
- Eastern Europe Energy Efficiency and Environment Partnership
- Switzerland
- Italy
- European Investment Bank
- France



Main fields of operation

- Aid to refugees, migrants, displaced persons and other vulnerable groups
- Natural or ecological disasters
- Supporting MSMEs for the creation and preservation of viable jobs
- Other sectors

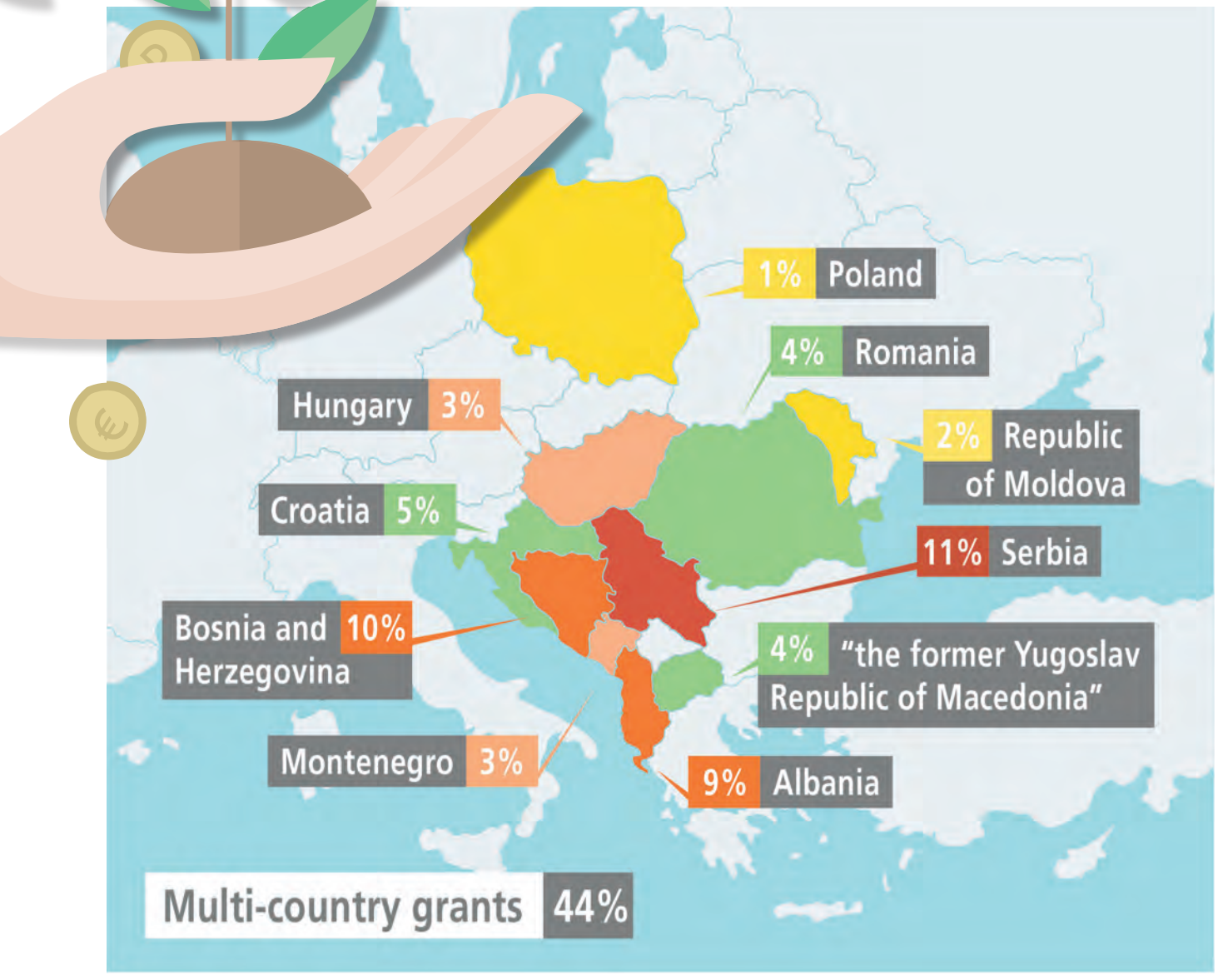


Donor contributions to CEB trust funds

- European Union
- Three largest donor countries: Germany, United States, Norway
- All other donors

Sweden
Slovak Republic
Netherlands
Spain
Denmark
Finland
Turkey
Luxembourg
United Kingdom
Ireland
Lithuania
Cyprus

Czech Republic
Hungary
Poland
Albania
Neighbourhood Investment Facility
Romania
Malta
Holy See
Bosnia and Herzegovina
San Marino
Iceland
Liechtenstein



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