



COUNCIL OF EUROPE DEVELOPMENT BANK
BANQUE DE DÉVELOPPEMENT DU CONSEIL DE L'EUROPE

Integrity and Compliance Report **2024**



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About the CEB

The Council of Europe Development Bank (CEB) is a multilateral development bank with an exclusively social mandate from its 43 member countries. The CEB finances investment and provides technical assistance in social sectors such as education, health and affordable housing, while focusing on the needs of vulnerable people, as well as on the social dimensions of climate change and the environment. Borrowers include governments, local and regional authorities, public and private banks, non-profit organisations and others. The CEB, which has a triple-A credit rating, funds itself through international capital markets. In addition, the CEB receives funds from donors to complement its activities.

The CEB was originally established as a resettlement fund in 1956 by eight of the 15 member states that made up the Council of Europe at the time. The CEB is Europe's oldest multilateral development bank, and is a legally and financially separate entity from the Council of Europe.

For more about CEB, visit [**coebank.org/en/about/**](http://coebank.org/en/about/)

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Message from the Governor

Integrity is a prerequisite of the CEB's financial resilience and credibility. It underpins the Bank's social mandate.



The Annual Activity Report of the Office of the Chief Compliance Officer (OCCO) provides an overview of actions taken to improve integrity and compliance at the CEB, and describes the key contribution of the Compliance Office in upholding the highest standards of governance across the CEB's operations.

In 2024, OCCO conducted several compliance risk assessments on the activities regarding both the asset and liability side of the Bank's balance sheet. It also took steps to strengthen internal accountability, notably regarding the institution's workflow for complaint handling processes, as well as providing training and awareness programmes, and reinforcing the overall accountability architecture.

“ The Office of the Chief Compliance Officer's work ensures that the Bank abides by the highest standards of integrity and compliance

OCCO upgraded the CEB's "Integrity and Compliance Policy", which sets forth the integrity and compliance objectives, principles, and measures that enable the CEB to limit its exposure to financial and non-financial loss, including reputational risks.

A handwritten signature in black ink, appearing to read "Carlo Monticelli".

Carlo Monticelli
CEB Governor

Integrity and compliance at the CEB

The Office of the Chief Compliance Officer (OCCO) defines the CEB's integrity and ethical standards and promotes good governance within the Bank, as well as its investment projects and relationships with counterparties. The Compliance Office strives to ensure that all banking operations adhere to the highest standards.

The CEB's Integrity and Compliance Policy was revised by OCCO and approved by the Collegial Organs in April 2024; it replaces the CEB's framework for a Compliance Policy from 2012.

The CEB is committed to promoting the highest standards of integrity with respect to its counterparties, procurement procedures and internal activities as well as best international practices. Under the supervision of the Chief Compliance Officer (CCO), the independent compliance function is dedicated to continually managing integrity and non-compliance risks and misconduct risks, as well as reporting to and advising the CEB's management regarding the Bank's oversight of its financial and non-financial risks.

In managing these risks, the Office continuously follows the latest developments in the Basel Committee core banking principles and in the European Banking Authority basic principles, when creating public or internal policies and procedures.

The CCO meets with the Auditing Board and external auditors on a regular basis during the year, and reports on the Compliance Office's activities to the Auditing Board annually.

OCCO's mission, objectives and management approach are defined as follows:

- **Mission:** The Compliance Office is tasked with the compliance and investigation functions at the CEB based on "prevention and advice" and "control and investigation" holistic approach.
- **OCCO role and responsibilities:** The Integrity and Compliance Policy defines the organisational position, role and responsibilities of OCCO as follows: OCCO is headed by the Chief Compliance

Officer, who reports functionally and administratively directly to the Governor, the Executive Organ of the Bank, and has full and free access to all levels of management and to the Collegial Organs, Auditing Board and to the assigned external auditors of the CEB. The compliance function operates independently from the Bank's operational and business activities.

- **CEB Compliance Committee for issues concerning the elected officials:** The Compliance Committee has the mandate to address cases of alleged violations of the applicable codes of conduct involving the Governor, the Vice-Governors, a member of the Bank's Collegial Organs, including their Chairperson, or a member of the Auditing Board.

Figure 1: How Compliance and Risk Management works at the CEB



Compliance 2024 at a glance

From policy making and due diligence, to awareness training, in addition to investigations and complaint handling, in 2024 the CEB continued its process of modernisation and alignment with best international practices.

Policy standards

Update of the CEB framework for a Compliance

Policy: Following extensive revisions, the Administrative Council and Governing Board approved in April 2024, the CEB "Integrity and Compliance Policy", which replaces the CEB framework for a Compliance Policy from 2012.

The revamped policy gives light to the Compliance Office's policy objectives and principles; describes more thoroughly OCCO's mandate, mission and responsibilities; includes information security and data protection fields; describes the role of the Compliance Committee which now also concerns the Vice-Governors; mentions existing compliance policies in place (including the new role for the CCO as Chairperson of the Compliance Procurement Committee (PCC); refers to the International Financial Institutions Principles and Guidelines for Investigations; and refers to OCCO's annual public reporting obligations.

Internal Investigation procedure: The CEB internal Investigation Procedure, entered into force in July 2024, and is fully aligned with international financial institution principles and guidelines for investigations.

OCCO is the Principal Investigative Unit for fraud, corruption and prohibited practices in the CEB's projects as well for investigating allegations of non-observance of CEB policies, guidelines, rules, procedures and standards of ethical behaviour and integrity by CEB staff members. All investigations that are conducted under this Procedure are administrative in nature.

Designing the CEB's Accountability architecture: In 2024, OCCO made progress on designing a complete complaint handling process, by creating and streamlining the complaint handling workflows. This

project included the identification of different complaint workflows and dialogue with relevant Directorates, taking into account CEB's specificities (resources and size), as well as leveraging existing policies and procedures

Project Integrity

The Compliance Office supports CEB efforts in monitoring of counterparties, advising the Project Appraisal Committee (PAC) and Credit Risk Committee (CRC) on a bimonthly and weekly basis respectively.

Ex-ante and event-driven integrity due diligence

The integrity due diligence process is central to CEB's compliance framework, ensuring a comprehensive evaluation of risks linked to counterparties, transactions and geographic exposure. The Compliance Office's structured approach includes:

- Identifying Ultimate Beneficial Owners (UBOs) and assessing ownership structures;
- Evaluating AML/CFT controls and screening against international sanctions lists, including those of OFAC and the EU;
- Reviewing jurisdictions flagged as non-compliant or uncooperative for tax purposes;
- Identifying Politically Exposed Persons (PEPs) and assessing associated risks;
- Detecting potential corruption and fraud risks.

Table 1: Number of integrity due diligence checks of counterparties

2021	2022	2023	2024
1 285	1 204	1 051	1 572

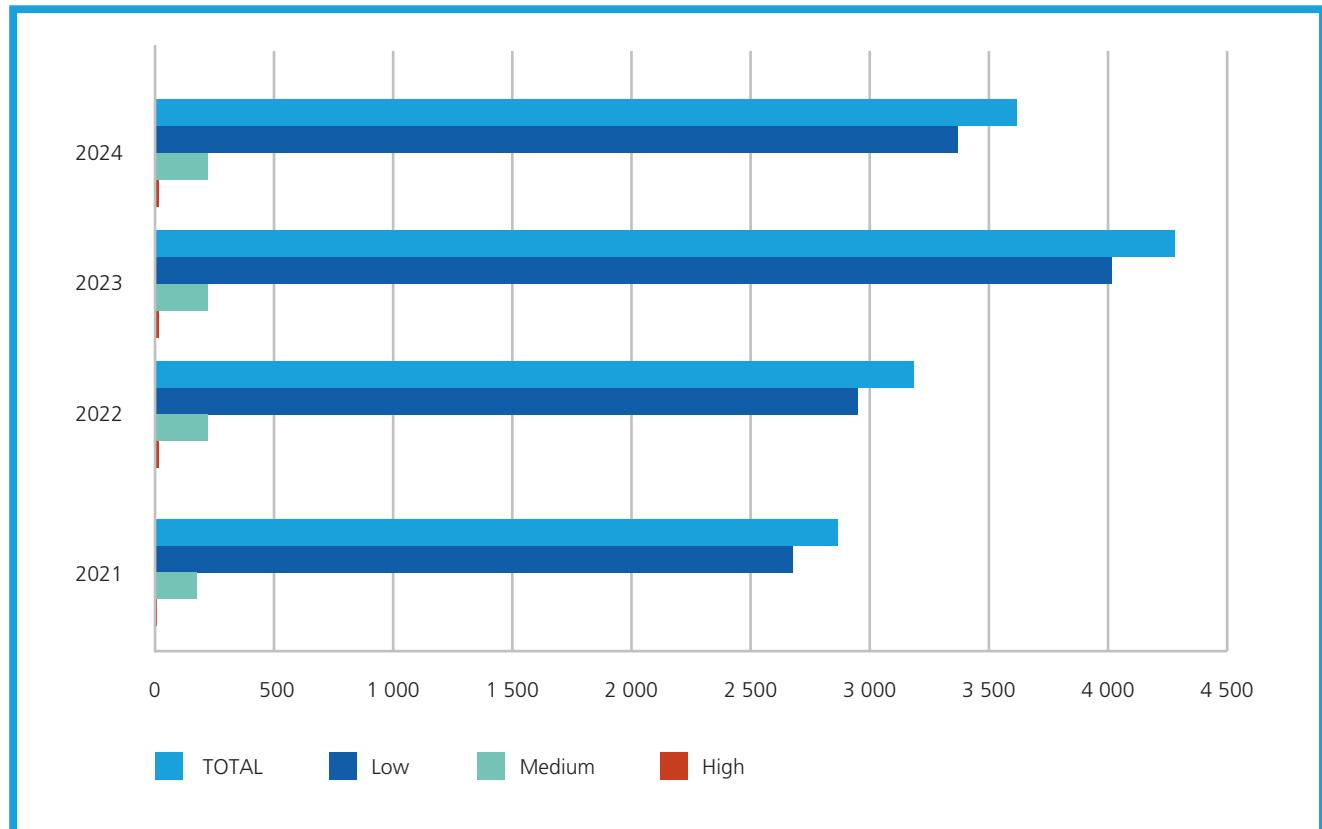
Ex-ante due diligence checks on CEB individual counterparties for PAC and CRC

Ex-post risk assessment of AML/CFT/tax and other prohibited practices

OCCO conducts systematic and ongoing screening of counterparties to detect compliance risks at an early stage. This process includes screening for sanctions, adverse media, financial crime risks, and other integrity concerns. Enhanced monitoring is conducted for high-

risk counterparties, with more frequent reviews and deeper scrutiny where necessary. This proactive approach strengthens the Bank's ability to anticipate and mitigate risks, reinforcing its commitment to sound governance and financial integrity.

Portfolio risk level – Overall compliance risk remains at a low level, consistent with previous years.

Figure 2: Compliance risk exposure (in millions, €)

KYC and AML/CFT in treasury operations

The CEB applies rigorous compliance checks, not only to its lending activities, but also to all financial operations managed by the Finance Directorate. This comprehensive approach aligns with international standards and best practices, safeguarding the integrity of financial transactions and partnerships. In practice, these controls ensure that counterparties in interbank relationships comply with global regulations on AML, CFT, fraud and corruption.

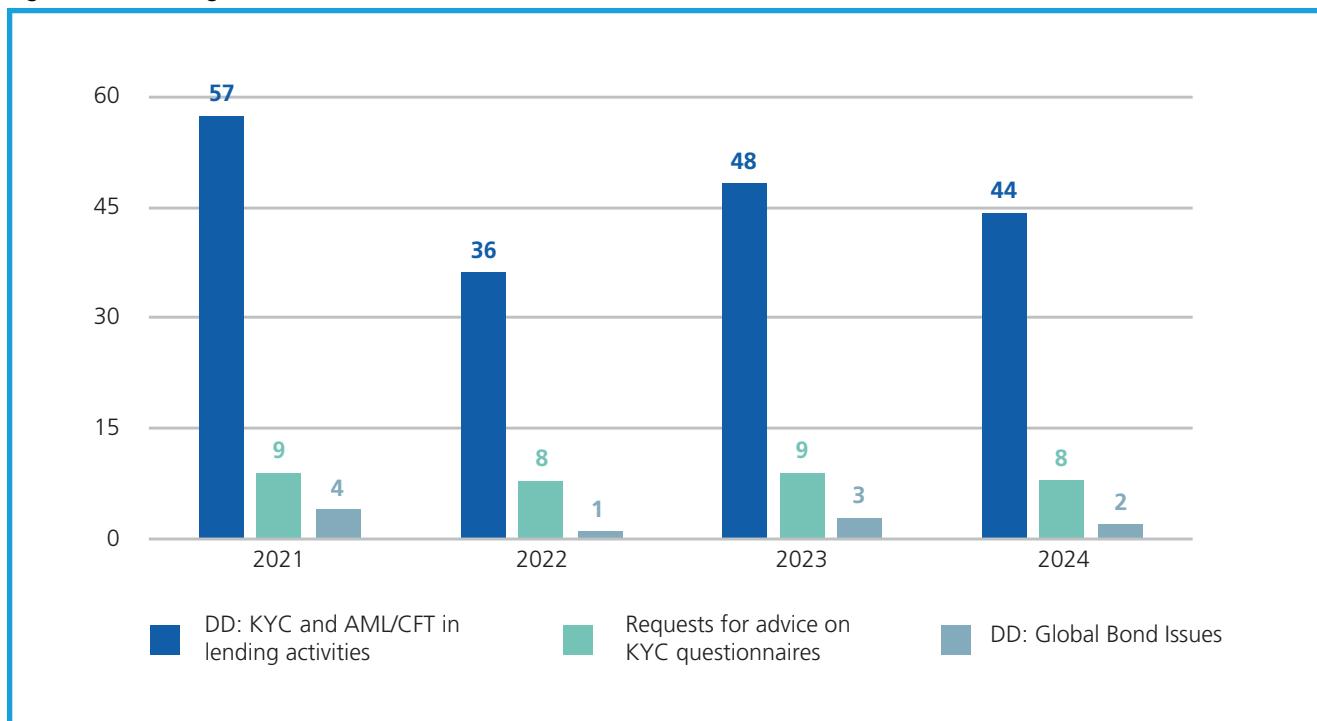
The Bank also assesses whether these institutions uphold adequate integrity standards for their own clients and partners, applying the same scrutiny to relationships formed through borrowing programmes with financial intermediaries.

In 2024, the Compliance Office participated in two due diligence reviews for CEB Global Bond Issues. These assessments covered key compliance areas, including:

- exposure to borrowers subject to EU or OFAC sanctions, anti-corruption laws, and bribery legislation;
- integrity concerns, such as allegations against directors or staff;

- use of proceeds, ensuring no financing of sanctioned petroleum products or oil;
- evaluation of the CEB's compliance policies, codes of conduct, procedures, training programmes and reporting mechanisms.

Figure 3: Due diligence



Know Your Customer enquiries

In 2024, OCCO processed 29 Know Your Customer (KYC) enquiries from financial institutions. These requests focused on ownership structure, key executives, sources of funds and wealth and measures to combat money laundering and terrorist financing. The Compliance Office has observed a growing demand for written clarifications on Anti-Money Laundering regulations, KYC procedures and tax compliance frameworks.

Whistleblowing and complaints

OCCO manages project-related complaints received through multiple channels. Stakeholders can submit complaints about Environmental, Social, and Governance (ESG) issues, fraud, corruption, other

prohibited practices, misconduct or data breaches. Complaints can be submitted via the compliance section of CEB's website or through designated e-mail addresses, including:

- compliance@coebank.org
- occo-whistleblowing@coebank.org
- dpo@coebank.org
- dpc@coebank.org
- info@coebank.org

In 2024, OCCO received five (5) new project-related complaints out of which, one (1) was found inadmissible, and four (4) were closed.

Figure 4: The CEB complaint handling process



Table 2: Breakdown of projects' related complaints in 2024

Country	Year received	Year closed	Status	Type of complaint
Greece	2023	N/A	Ongoing	ESG
Bulgaria	2024	2024	Closed	Fraud/Corruption
Cyprus	2024	2024	Closed	Corruption
Malta	2024	2024	Closed	Corruption
Moldova	2024	2024	Fraud	Fraud
Ukraine	2024	2024	Closed	Fraud/Corruption

Ethics and integrity

The Codes of Conduct of the CEB set out the values, guidance, duties and obligations as well as the conduct that the CEB expects from staff members, elected officials, contractual collaborators and governing body members.

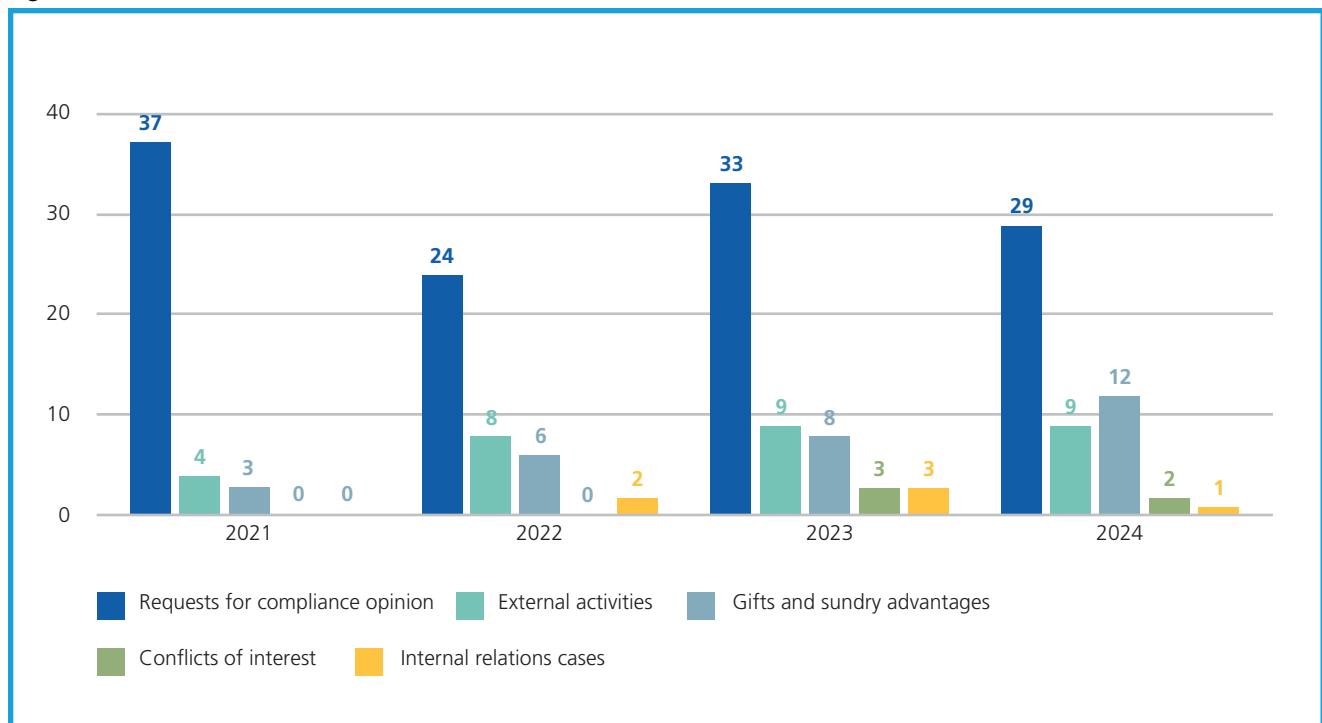
In 2024, the Compliance Office provided extensive advice on 29 internal cases related to CEB Code of Conduct issues, responding to queries from personnel of all levels, mainly related to compliance with internal procedures, due diligence, respect of confidential information and disclosure, incompatibility and external activities.

OCCO is called upon by the management and by the CEB's services to issue professional opinions and preliminary assessments on governance and ethical matters via its "open-door" policy, via interviews and advice upon request. This activity contributes to enhancing compliance awareness and complements

OCCO's mandate as per CEB Integrity and Compliance Policy.

The Compliance Office encourages the amicable resolution of complaints and/or mediation where appropriate, while maintaining an open-door policy to encourage advice-seeking, thereby proactively contributing to speak-up culture at the CEB.

Figure 5: Ethics and conduct



Investigations

The new Rule of the Governor and investigation internal procedures were issued in July 2024, in line with the [MDBs joint investigations principles, guidelines and procedures](#).

Training and awareness raising

1- Compliance, Bank-level event on "Anti-corruption in development and post-conflict countries"

In October 2024, a Compliance town hall event was addressed to all CEB staff members, focusing on challenges and successes of anti-corruption initiatives in post-war and fragile countries. The event gathered more than 90 staff members underlining the interest in the topic.

2- Marking "International Anti-corruption Day 2024"

In keeping with its annual tradition, the CEB observed International Anti-corruption Day 2024 on 9th

December, and joined its peers and the global community. CEB marked the important role of young people in combating corruption and building a future grounded in integrity.

The Council of Europe Development Bank (CEB) is committed to fostering social cohesion by financing projects that directly benefit youth, such as student housing and educational infrastructure. These initiatives empower the next generation, meet young people aspirations and promote transparency and accountability. On this Anti-Corruption Day, CEB called upon everyone to unite against corruption, amplify the voices of young integrity leaders and nurture the values of transparency, accountability and integrity from early age: "Together, we can build a fairer world where every young person can achieve their dreams."

PARIS, 10 OCTOBER 2024

Anti-corruption in development and post-conflict countries



Carlo Monticelli
Governor
Council of Europe Development Bank (CEB)



Katherine Delikoura
Chief Compliance Officer
Council of Europe Development Bank (CEB)



Yannis Kyriakopoulos
Country Manager/Chairman of the Board
Piraeus Bank ICB



Lena Andersson
Anti-corruption Expert/ Lecturer
Malmö University

3- Mandatory compliance training

The Compliance Office carries out a compulsory induction class for CEB newly recruited staff members each December. This training serves as a comprehensive introduction to our compliance corporate culture and obligations. The Chief Compliance Officer covers a diverse range of topics, from reinforcing our Bank's core values, to describing OCCO's mission and goals, and addressing critical compliance risks such as corruption, money laundering or other prohibited practices.

4- Masterclasses and compliance ambassadors

On November 2024, the CCO provided an advanced training to ten CEB Compliance Liaison Officers (CLO), in order to inform them about of the latest compliance updates: i) CEB new compliance policies and internal procedures i.e. – Integrity and Compliance Policy, the investigations internal Rule of the Governor and its procedures published in July 2024, CEB project related complaints handling procedures; ii) OCCO's role in procurement matters; iii) focus on high risk countries and post-war countries; iv) discussion on CEB member countries under increased monitoring (FATF); v) OCCO annual exercises (AML/CFT/TAX/Code of conduct and gift); vi) OCCO training programme etc. This event also provided an opportunity to have an open discussion between the CCO and CLOs.

5- Bespoke, high-level compliance sessions

The CCO met separately with two (2) newly recruited Directors in "one-to-one" bespoke targeted ethics briefings and Code of Conduct awareness sessions.

6- High-level briefings for governing bodies

In 2024, OCCO provided a technical briefing focused on the Integrity and Compliance Policy to be approved, revisiting the basic principles of integrity and enhancing CEB corporate values. This comprehensive technical briefing was designed to enhance collegial organs' awareness and understanding of integrity and compliance issues.

Information security and personal data protection

The CEB remains committed to advancing its cybersecurity and data protection framework by proactively addressing emerging threats through comprehensive preventive and response strategies. Fostering digital awareness is essential to upholding organisational integrity and ensuring regulatory compliance.

Information security

This year, the CEB did not face any major cybersecurity incident. However, various incidents of limited severity occurred, and were diligently handled as per the procedures in place.

1- Strategy and governance

Following the publication of the Digital Operational Resilience Act (DORA) by the European Commission, which aims to strengthen the solidity of the financial sector across Europe, especially against cyber threats, the Bank conducted a detailed analysis of the CEB's compliance with DORA's 121 requirements. While the Bank is not subject to DORA *per se*, as an international organisation, the CEB has always been willing to voluntarily follow and comply with industry standards and best international practices on cybersecurity. The outcome of this analysis, presented to the Operational Risk Committee (CORO) in September 2024, confirmed that the Bank is already applying most of the requirements expected, and that the gaps identified during this analysis were already known and part of the Bank's security strategy.

2- Support of major IT projects

Enterprise Resource Planning: Following the selection of the most relevant technology in 2023 to implement an Enterprise Resource Planning (ERP) software across the Bank, the Chief Information Security Officer (CISO) followed up on the implementation of the project in 2024 to ensure that the security requirements were properly addressed.

Implementation of new IT infrastructure: As part of the life cycle of IT assets, a major project to renew the Bank's core IT infrastructure of the Bank (i.e. servers and databases) to maintain up-to-date technology that supports the Bank's various processes was conducted in 2024. The CISO was

involved in this project to ensure that security aspects were properly taken into account.

Data platform: Following the selection of a cloud-based technology solution, the CISO made sure the appropriate safeguards were implemented.

3- Swift Customer Security Programme

Like any organisation using the Swift platform, the CEB has to comply with the Swift Customer Security Programme (Swift CSP) annually. This programme, which has been enriched regularly throughout the years, is composed of 32 controls (of which 23 are mandatory) covering the main aspects of cybersecurity, such as vulnerability management, access management and security awareness. The assessment conducted in 2024 rated 100% of the controls as fully compliant. As imposed by Swift, the outcome of this assessment was published on the Swift customer website so that our counterparties can have the visibility of the Bank's compliance.

4- Cyber Resilience

Formalisation of cyber incident response playbooks: additional playbooks were documented and formalised in 2024 to cover other types of cyber incidents.

Organisation of cybersecurity table top exercises: In order to train and develop the Bank's senior management capacities and reflexes in front of a cybersecurity crisis, two cybersecurity simulation exercises were undertaken in 2024. These exercises simulated specific cyberattacks hitting the CEB, testing how the persons in charge would react and make the appropriate decisions when confronted with various evolutions of the crisis.

4- Training and awareness

Fostering a security culture within the organisation is one of the key aspects of the Bank's cybersecurity strategy,

leading to the delivery of, a series of awareness actions throughout 2024, in particular:

- general security awareness sessions: a series of two training sessions (one in French, one in English) was organised at the end of 2024, during which the CISO was able to raise CEB staff members' awareness of the current cyberthreat landscape and deliver concrete tips and best practices for appropriate day-to-day behaviour to reduce the risk.
- phishing simulation campaigns: five phishing campaigns were carried out to train staff members to identify real phishing e-mails.
- delivery of ad hoc messages: specific messages were delivered to inform staff about specific situations throughout the year.
- an e-learning module for IT staff: created in an interactive way, this e-learning provided various tips and best practices to the IT staff who may have access to some sensitive systems or data as part of their functions.

Personal data protection

1- Training on personal data protection

A training course on the core principles of data protection as well as the specificities of the new CEB regulations was delivered in February to selected CEB staff. Two internal populations were particularly targeted by these training sessions:

- **HR staff members** who joined the Bank since last year, and as a consequence did not benefit from this training in 2023. By nature, this division processes a big majority of the personal data within the Bank (staff-related data). It is essential that these agents are well informed about data protection principles and obligations;
- **Compliance Liaison Officers** of each Directorate/Division of the Bank received key messages around personal data protection to support colleagues within their respective divisions who might have to manipulate personal data in the course of their business activities.

2- Data protection Impact assessments (DPIA)

In 2024, as part of the implementation of the ERP system, two DPIAs were conducted: one for the Human Resources module and the other one for the Missions module, both of them handling personal data. These exercises allowed for

the proper formalisation of the data processed and led to a certain number of recommendations issued in order to strengthen the process from a data protection perspective.

3- Data Protection Commissioner

The CCO and DPO held two regular meetings in 2024 with the Data Protection Commissioner (DPC). Following these meetings, and as stated in the CEB personal data protection regulations, the DPC issued his annual report, providing his assessment of where the Bank stands regarding the protection of personal data. This report is available on the coebank.org website: [CEB Data Protection Regulations](#)



International cooperation

As is the case with other international financial institutions, cooperation between the CEB and various international reference bodies responsible for fighting corruption, fraud and money laundering (such as [FATF](#), [MONEYVAL](#) and [GRECO](#)) bears witness to the Bank's firm commitment to combatting financial crime, keeping abreast of the latest developments in the compliance function and extending its efforts in all areas of compliance safeguarding. Priority is given to deepening cooperation with the Council of Europe's specialist bodies.

In this context, the Compliance Office continued to engage as an observer member with key intergovernmental initiatives. It participated in major events such as the [OECD Global Anti-Corruption and Integrity Forum](#), the [OECD Anti-Corruption Network for Eastern Europe and Central Asia \(ACN\)](#), the [OECD Working Group on Bribery](#) plenary meeting, and the plenary meeting of the [Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism \(MONEYVAL\)](#).

In 2024, OCCO remained actively engaged with its international partners, whether as part of intergovernmental initiatives or in cooperation with other MDBs. Its participation included high-level meetings and forums such as the Economic Crime Prevention conference, the [Forum International de la Cybersécurité \(INCYBER\)](#), the MDB Private Sector Integrity Symposium, the [Ethics Network for Multilateral Organisations \(ENMO\)](#)

meeting, the [EDPS workshop on data protection](#) and the [8th annual MDB Privacy Symposium](#), as well as the [Conference of International Investigators \(CII\)](#)

Award recognition

In 2024, the Compliance Officer was shortlisted by the International Compliance Association (ICA)'s Compliance Award 2024 in the category, "Small Compliance Team of the Year" (<5 team members) – Financial Services".

This Award celebrates the outstanding achievements, collaboration and innovation of compliance and financial crime prevention teams across the globe. Following a thorough process with 60 independent judges, the CEB's OCCO team was shortlisted, being one of only two MDBs to reach the final round. The Nordic Environment Finance Corporation (Nefco) Ethic and Compliance team won the award, with the CEB OCCO team ranked second among MDBs.



Abbreviations

AML	Anti-money laundering
CCO	Chief Compliance Officer
CFT	Combating the financing of terrorism
CLO	Compliance Liaison Officer
CRA	Credit risk assessment
CRC	Compliance Risk Committee
CRM	Compliance risk management
CISO	Chief Information Security Officer
DPC	Data Protection Commissioner
DPO	Data Protection Officer
ENMO	Ethics Network of Multilateral Organisations
GDPR	General Data Protection Regulation
GRECO	Group of States against Corruption
IFI	International financial institution
KYC	Know Your Customer
MDB	Multilateral development bank
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures Financing of Terrorism
OCCO	Office of the Chief Compliance Officer

Contact information

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Member Countries

The CEB has 43 member states, which are the Bank's shareholders. All countries that are members of the Council of Europe are eligible to join the CEB.



- Albania★
- Andorra
- Belgium
- Bosnia and Herzegovina★
- Bulgaria★
- Croatia★
- Cyprus★
- Czech Republic★
- Denmark
- Estonia★
- Finland
- France
- Georgia★
- Germany
- Greece
- Holy See
- Hungary★
- Iceland
- Ireland
- Italy
- Kosovo★
- Latvia★
- Liechtenstein
- Lithuania★
- Luxembourg
- Malta★
- Republic of Moldova★
- Montenegro★
- Netherlands
- North Macedonia★
- Norway
- Poland★
- Portugal
- Romania★
- San Marino
- Serbia★
- Slovak Republic★
- Slovenia★
- Spain
- Sweden
- Switzerland
- Türkiye★
- Ukraine★

★ Target countries



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