Chapter 11

The Council of Europe Development Bank

General

Established on April 16, 1956, the Council of Europe Development Bank (CEB) is a multilateral development bank with a social vocation. Initially set up to as one of the solutions to the problems of refugees, the CEB is the oldest pan-European supranational financial institution. All its 40 member states are member of the Council of Europe. Its scope of action has progressively widened to other sectors of action, directly contributing to strengthening social cohesion in Europe. The CEB is a major instrument of the policy of solidarity in Europe, in order to help its 40 member states achieve sustainable and equitable growth. Since 2012, two of the three rating agencies downgraded the CEB from AAA to AA+, as a consequence of the downgrading of many CEB member countries and borrowers.

Core Missions

The CEB contributes to the implementation of socially oriented investment projects through three sectoral lines of action, namely:

- strengthening social integration

  For the CEB, to contribute to strengthening social integration and thus to attack the roots of exclusion means, at an operational level, acting in favor of refugees, migrants, and displaced persons; promoting social housing, job creation, and preservation; and improving living conditions in urban and rural areas.

- managing the environment

  To contribute to managing the environment means not only systemati-
  cally responding to emergency situations in the event of natural or ecological
disasters, but also promoting protection of the environment and preservation of historic and cultural heritage.

- supporting public infrastructure with a social vocation

Supporting the development of public infrastructure with a social vocation in the key sectors of health, education, vocational training, and administrative and judicial public services, in the long term, facilitates more dynamic and more equitable economic and social growth, thus promoting individual fulfilment and collective wellbeing. The CEB enjoys a unique and original position in Europe, both on account of the nature of the projects it finances, the sectors in which it undertakes its action, and the geographic scope of its shareholder base.

**The Organizational Structure of the CEB**

Under Article VIII of the Articles of Agreement, the CEB is organized, administered, and controlled as follow:

**The Governing Board**

The powers of the governing board are described in Article IX of the Articles of Agreement. It consists of a chairman, and one representative for each member state. The governing board sets out the general orientations for the CEB’s activity, lays down the conditions for CEB membership, decides on capital increases, and approves the annual report, the accounts, and the CEB’s general balance sheet. It elects its own chairman and the chairman of the administrative council and appoints the governor and the members of the auditing board.

**The Administrative Council**

The powers of the administrative council are described in Article X of the Articles of Agreement. The administrative council consists of a chairman, elected by the governing board; and one representative for each member state.

The administrative council exercises the powers delegated to it by the governing board, establishes and supervises operational policies, and approves investment projects submitted by the governments. It votes on the CEB’s operating budget.

**The Governor**

The powers of the governor are described in Article XI of the Articles of Agreement. The governor is the CEB’s legal representative. He/she is the head of the CEB’s operational services and is responsible for its staff, under the general supervision of the administrative council.