



COUNCIL OF EUROPE DEVELOPMENT BANK

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ABOUT THE CEB

The Council of Europe Development Bank (CEB) is a multilateral development bank with 40 Member States.

Placed under the Council of Europe's authority, its overall objective is to foster social cohesion.

It uses its resources and collaborates with other organisations to help its Member States achieve sustainable and equitable growth.

Since its inception in 1956, the CEB has granted € 28 billion in loans.

In 2008, the Bank approved loans worth € 1.8 billion for 39 projects spread over 18 countries.



CEB activities in the Baltic States

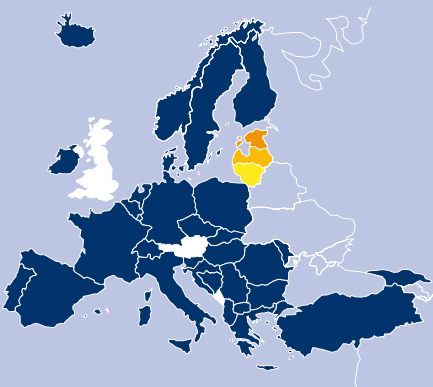
As a result of the European reunification process triggered in 1989, the Bank's shareholder base has broadened considerably over the last 15 years. Its number of Member States increased from 21 in 1994 to 40 today.

This wave of new memberships included the three Baltic States. The Republics of Lithuania, Estonia and Latvia became CEB Member States on 8 January 1996, 3 April 1998 and 14 September 1998 respectively.

Since their accession, 19 projects worth approximately € 360 million have been approved by the Bank for these three countries.

Although highly diverse, these projects represent a coherent and integrated approach of the European social dimension. Through its projects in the Baltic States, the Bank has:

- remained faithful to its original values by helping vulnerable groups of population
- contributed to the promotion of welfare and equality through innovative job creation and safeguarding schemes, in particular with regard to women entrepreneurs
- integrated a strong environmental component into the development of the social infrastructure.





Aid for vulnerable groups of population

A highly symbolic project was approved in September 1996 for the partial financing of a programme for the “provision of housing for returning deportees” put forward by the Lithuanian Government.

As a result, nearly 2 000 former deportees who had returned home from the former USSR (in particular from the Central Asian Republics and Siberia) were able to resettle in Lithuania with their families.

So far, this programme to which the CEB has contributed roughly € 10 million has aided the reinsertion of over 5 000 individuals into Lithuanian society. The project is part of a broader Government initiative to encourage the reinsertion of the persons concerned. The former deportees have also been offered training in new skills and courses to improve their Lithuanian. The school-age children have been integrated into Lithuanian schools courtesy of a tailored programme, while retired

persons have been included in the Lithuanian State pension scheme and now benefit from the same social guarantees as local population.

Also in Lithuania, the CEB has granted a loan of just over € 2 million to finance the rehabilitation of 14 centres for the disabled, the elderly or children at risk. Almost one thousand vulnerable individuals have benefited from this project.

Within the context of the reform of social policy, the project’s aim was to avoid the institutionalisation of dependent or vulnerable persons and to contribute to their social integration. Through the development of local social service infrastructure, the municipalities were able to provide community-based social services to vulnerable groups. In terms of social impact, this project has also helped to create over 200 jobs.

Finally, and on an altogether exceptional basis, the Bank made a donation of € 150 000 to Estonia for the creation of a pilot centre for the rehabilitation and treatment of drug addicts in the town of Sillamäe in northeast Estonia. Approved in late 2003, the donation supported a Government programme implemented by the Ministry of Social Affairs designed to help young (aged between 18 and 35) and highly vulnerable population groups.





preparation of a cash flow estimate and the calculation of a realistic repayment plan), basic skills in financial planning, access to consultancy services tailored to the companies' needs, etc.

- the provision of technical assistance and financial incentives for the participating banks.

In total, nearly € 20 million of investments supporting women's professional activity and employment were financed. It has helped some 350 small enterprises, a large number of which had fewer than 10 employees. The most recent assessments show that these projects have helped safeguard some 3 500 jobs and contributed to the creation of over a thousand new ones.

Promoting equality through job creation

Since 2002, the CEB has been involved with the Nordic Investment Bank (NIB) in pilot operations in the Baltic States aimed at encouraging female entrepreneurship. These operations were carried out through two Lithuanian banks, two Latvian banks and one Estonian bank. Moreover, the Finnish Government provided a grant totalling € 120 000 for the technical assistance required for the setting-up of the women entrepreneurship project located in Lithuania.

The aim of these projects was:

- to contribute to the promotion of welfare and equality in the Baltic States through the development of women's entrepreneurship
- to facilitate access to commercial credit for female entrepreneurs.

In the case of Lithuania, other complementary aims were pursued:

- the provision, to the female entrepreneurs taking part in this project, of training and advice for the preparation of loan applications (from the supply of the legal documents required by the banks to the





Social infrastructure with an environmental dimension

For a number of years, CEB has included an environmental dimension in its social housing construction or rehabilitation projects in the Baltic States.

A good example of this is the project in Latvia, set up in partnership with the Nordic Investment Bank (NIB) and approved in January 2001, for a total amount of € 15 million. This project targeted in particular the improvement of Latvia's social housing stock and the integration of environmentally responsible measures into housing renovation investments aiming at reduction of energy consumption.

A € 35 million project approved in May 2008 in favour of the Credit and Export Guarantee Fund (KredEx), Estonia, also aims at promoting energy efficiency in housing: the building renovation works financed within this

framework should result in a significant reduction in energy consumption.

Similarly, the Bank has financed programmes in the field of education in the Baltic States which incorporate environmental considerations. For instance, a project for the renovation of student housing for an amount of almost € 10 million was approved for Estonia in 2000. Meanwhile, two projects approved for Lithuania in 2001 and 2003 (for a total amount of nearly € 10 million) enabled the renovation of around fifty higher education and science establishments, with an objective of cutting their energy consumption by 20%.

Finally, the environmental dimension was at the core of a € 100 million project in favour of Latvenergo, a 100% Latvian State-owned energy utility company, which was approved in 2005. This project concerned the reconstruction of the Riga Thermo Power Plant 2 ("CHP-2") and contributed to environmental protection by reducing air pollution through cogeneration.

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In general, CEB has always strived to adopt an environmentally responsible approach in its social infrastructure projects financed in the Baltic States.

