

40 Member States

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Co-financing of a prison infrastructure project in Bosnia and Herzegovina

Sarajevo, 30 June 2010: Mr. Dragan Vrankic, Minister of Finance and Treasury of Bosnia and Herzegovina, and Mr. Imre Tarafás, Vice-Governor of the CEB, today signed a Framework Financing Agreement worth € 23.3 million.

The agreement covers a long term subsidized loan of € 19.3 million combined with € 4 million grant from the EU Instrument for Pre-accession, aimed at co-financing the construction of a 350-inmate high security prison that will be located in Istocna Ilidza, near Sarajevo.

This is the first prison construction project approved by the Administrative Council, following the Third Council of Europe Summit (Warsaw, 2005), where the CEB was asked to assist its Member States in improving their judicial public service infrastructure. The Bank is presently reviewing similar prison projects in several other countries for possible co-financing.

Such projects which come under the aegis of the rule of law are designed according to the European Prison Rules as recommended by the Council of Europe in 2006. "We hope that this prison will serve as a model for these types of facilities that are now being considered elsewhere in the region for the first time", Vice-Governor Tarafás said.

The CEB has recently approved projects in Bosnia and Herzegovina in the health, education and low income housing sectors, with total exposure of € 21 million. In addition, it has provided € 125 million to local banks to finance projects that promote job creation through the SME sector, and the development of public infrastructure in small municipalities. Furthermore, since the country joined the CEB in 2003, the Bank has provided € 16 million in grants and subsidies.

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Set up in 1956, the **CEB** (Council of Europe Development Bank) has **40 Member States**. 18 Central and Eastern European countries are listed among the Member States.

As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available to them resources raised in conditions reflecting the quality of its rating (**AAA** with Standard & Poor's, Fitch Ratings and Moody's). It thus grants loans to its member states, to financial institutions and to local authorities for the financing of projects in the social sector, in accordance with its Articles of Agreement.