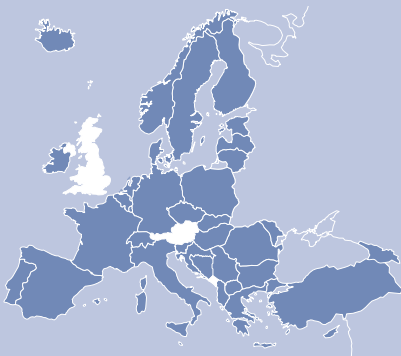


www.coebank.org

About the CEB

The Council of Europe Development Bank (CEB) is a multilateral development bank with 39 member states. Placed under the Council of Europe's authority, its overall objective is to foster social cohesion, and it uses its resources and collaborates with other organisations to help its member states achieve sustainable and equitable growth.

The CEB offers customised services to its member states, including loans and technical assistance. Since its inception in 1956, the CEB has granted € 25 billion in loans. In 2006, the CEB approved loans worth € 2.5 billion for 37 projects spread over 18 countries, including 9 in Central and Eastern Europe.



The CEB and human capital development



This brochure describes the CEB's work for the development of human capital in the health, education and vocational training sectors. It outlines its areas of expertise and main achievements to date in this field.

■ CEB's guiding principles for action

Promoting the long-term development of human capital in the key sectors of **health, education and vocational training** facilitates a more dynamic and equitable economic and social growth, thereby promoting individual fulfilment and collective wellbeing.

The **development of human capital** is one of the CEB's three sectoral lines of action, together with social integration and the management of the environment.

Health

Facilitating access to efficient healthcare services for all contributes to fostering greater social cohesion in Europe.

In this area, the CEB participates in financing the construction, renovation and modernisation of medical and social infrastructure facilities and can finance projects such as:

- construction and/or rehabilitation of public or private hospitals

- creation and/or rehabilitation of public or private medical and social service infrastructure, including those specialised in assisting vulnerable populations
- construction and/or rehabilitation of nursing homes for the elderly ; welfare centres
- purchase of equipment
- programmes involving the training of specialised staff in the social and health sectors.

Within the framework of health projects, financing can also be granted for investments in basic infrastructure contributing to improvement of health standards such as water electricity and gas supply and the collection and treatment of waste water and solid waste, including toxic waste.

Investments in private establishments and infrastructure must be state-approved (in compliance with national specific criteria for this type of establishment).

The CEB and human capital development

Education and vocational training

The CEB is involved at all levels of the **education** system from pre-school, primary and secondary to university level; the Bank finances the construction and/or modernisation of school infrastructure facilities and the supply of modern teaching materials and equipment.

As regards **vocational training**, CEB favours programmes that alternate theoretical training and hands-on work experience as an appropriate response both to the needs of businesses, in particular SMEs, and to the expectations of those preparing to enter the workforce.

In the sector of education and vocational training, the CEB can finance projects such as:

- construction and/or rehabilitation of school and university establishments, including sports and cultural facilities
- construction and/or rehabilitation of housing for school and university students
- programmes for training of specialised staff in the social and education sectors
- construction and/or rehabilitation of vocational training centres
- training programmes for the unemployed and/or in favour of disadvantaged populations
- programmes for professional reconversion in declining economic sectors
- programmes providing training in natural or ecological disaster prevention for members of the civil protection forces
- programmes involving the training of magistrates, administrators, civil servants and government officials.

Beyond financing the construction and modernisation of school infrastructure and the supply of pedagogical equipment, the CEB can also fund investments involving research and development centres. Investments in private establishments must be state-approved (recognition of diplomas at national level, eligibility for government scholarships).

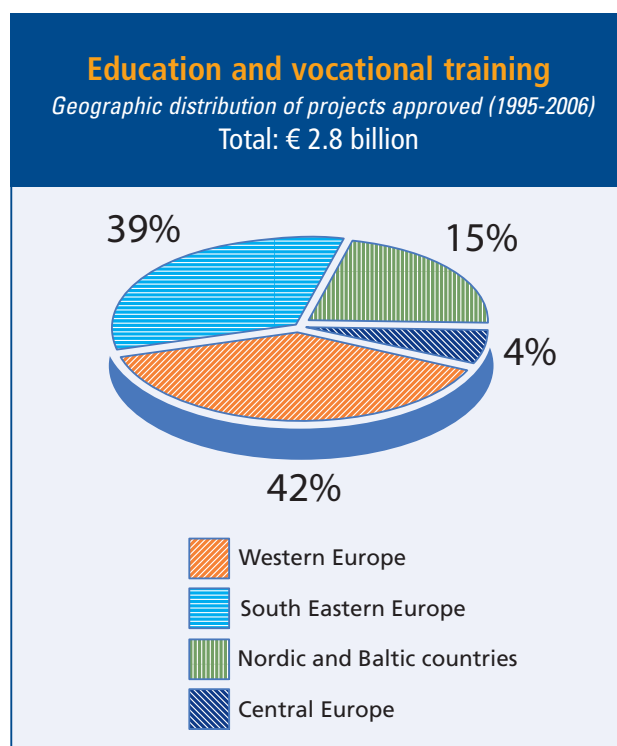
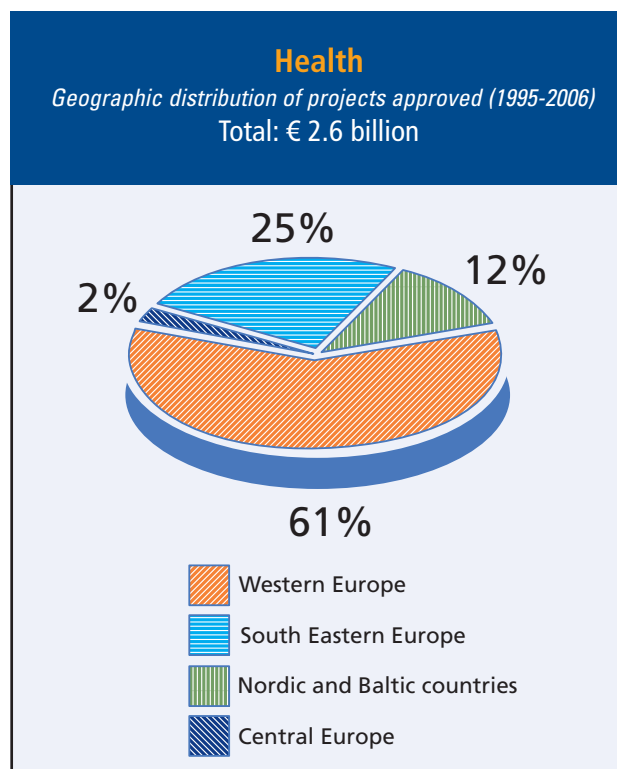
Education-related infrastructure includes water supply, collection and treatment of waste water and solid waste and electricity and gas supply to the extent that it benefits educational establishment.

■ Achievements to date

By 2006, the CEB had approved a cumulative amount of **€ 6.8 billion** in loans for projects aimed at developing human capital, accounting for 19% of the total amount of approved loans since the CEB's inception in 1956.

Between 1995 and 2006, the cumulative amount of loans

approved under this sectoral line of action was **€ 5.4 billion** (representing 24% of total loans approved in the same period), of which **€ 3.7 billion** have been disbursed. In 2006 alone, loan approvals reached a total of € 276 million.





Croatia

■ CEB financing

In order to respond to the specific nature of each project to which it contributes, the CEB offers flexible long-term financing solutions to its 39 member states, their regional or local authorities and public or private financial institutions. In this respect, the CEB grants long-term loans of up to 20 years, at attractive interest rates and usually carrying a deferred repayment period, reflecting the CEB's status as a non-profit institution.

The CEB finances up to 50% of the total eligible cost of projects. However, for Central and South Eastern European countries, this proportion may be higher in the case of public borrowers and for projects with particularly marked social effects. Investment costs not financed by CEB can be covered by public budgets, loans from other financial institutions, EU Structural or Cohesion Funds, grants, subsidies or end-beneficiary own funds.

Loans are granted in accordance with specific technical and social criteria and in strict compliance with public procurement rules. The CEB stands ready to assist the borrowers in preparing the project and loan applications, when needed.

■ The CEB's complementary activities

In addition to its traditional project financing operations, the CEB seeks to enhance its upstream contribution to social cohesion by participating in the drawing up of sectoral policies to promote sustainable development of human capital. In 2006, the CEB published a sector report on **Health and economic development in South Eastern Europe** in cooperation with the World Health Organisation, following on from the Second ministerial conference on Health that was held in Skopje (2005).

The CEB also seeks to improve the quality of ongoing and future projects through ex post evaluation, whereby the social impact of its projects is assessed following completion.



Bulgaria



Romania



Portugal



The CEB and human capital development

■ Developing human capital: some examples of the CEB's action

The following projects illustrate the diversity of the CEB's interventions to date in this sectoral line of action:

HEALTH

- Albania** Financing for the Tirana University Hospital Centre Reform Programme in order to improve the quality of healthcare services dispensed each year to some 6 000 patients.
- Bulgaria** Project co-financed with the World Bank for the rehabilitation of Bulgarian hospitals, blood transfusion centres and the provision of general medical services in rural areas.
- Finland** Credit programme for the construction of retirement homes and housing for the handicapped, implemented by local authorities and organisations caring for the elderly.
- Moldova** Improvements to the blood transfusion service chain, from collection to transfusion to help solve the problem of insufficient quantities of available blood and to prevent the spread of infections.
- Spain** Credit programme to facilitate investments in healthcare (primary healthcare services and hospital infrastructure) and social infrastructure (long-stay centres, homes for the elderly, palliative care centres and centres for the treatment of the mentally ill) in Catalonia.

EDUCATION AND VOCATIONAL TRAINING

- Albania** Construction and rehabilitation of several schools, including the elimination of dangerous materials such as asbestos, in order to improve teaching conditions for 17 000 pupils and 1 000 teachers in the city of Tirana.
- Bosnia and Herzegovina** Reconstruction work on the prestigious Mostar Gymnasium so as to complete repairs on the building, thereby making it possible to bring the 200 students together under one roof.
- Croatia** Three projects for the reconstruction and refurbishment of school facilities throughout the country, including in war-damaged areas.
- Greece** An extensive government-sponsored education programme for the construction and rehabilitation of schools throughout the country, aimed at reducing regional disparities and phasing out the shift system.
- Romania** A large programme implemented in several phases for the rehabilitation of pre-university schools and construction of sport halls in rural and urban areas, targeting about 2 900 school units and more than 900 000 pupils in total.
- Spain** Credit programme to provide vocational training for almost 20 000 young Roma.

Council of Europe Development Bank (CEB)

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