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The CEB and the management of the environment

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.



Bulgaria

This brochure describes the CEB's work to support environmental projects as well as its involvement in the preservation of historic and cultural heritage. It outlines its areas of expertise and main achievements to date in this field.

■ CEB's guiding principles for action

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

To help foster a more responsible management of the environment, the CEB finances projects in a variety of circumstances and spheres:

- in response to emergency situations in the event of natural or ecological disasters and/or by undertaking sustainable action for disaster prevention
- contributing to protecting and improving the environment
- participating in projects aimed at preserving historic and cultural heritage.

The European Principles for the Environment

On 30 May 2006, the CEB signed the European Principles for the Environment (EPE), a declaration which brought together the European Commission and five European international financial institutions (IFIs) – EIB, EBRD, NEFCO and NIB – in a joint effort to implement the “*fundamental right of present and future generations to live in a healthy environment*”.

The EPE recognise that the IFIs will ensure the respect and promotion of the *acquis communautaire* and international commitments made by the European countries concerning the protection and management of the environment.

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Serbia

Natural or ecological disasters

Since its inception, the CEB's prime objective has been to respond to emergency situations and to provide financial assistance to victims of natural or ecological disasters.

Floods, earthquakes and devastating storms are regular occurrences throughout Europe. Moreover, growing urbanisation, profound changes in the environment and, in some cases, the absence of any means of disaster prevention are all factors affecting environmental management in CEB states.

Eligible projects in this sector include repair and protection works, such as, for example, the reconstruction of hydro-technical structures damaged by floods. Such projects aim to provide lasting solutions to reducing the vulnerability to natural disasters, reverse environmental degradation and promote the member states' sustainable development and adherence to national and international environmental standards. The provision of emergency response materials and equipment is also eligible for CEB financing.

The purpose of the actions undertaken is to:

- provide national and local authorities with assistance in the reconstruction of the affected areas
- rehabilitation of destroyed or damaged structures, in particular basic infrastructure such as water, electricity and gas supplies as well as waste water and solid waste treatment

- develop the means for prevention of natural or ecological disasters, in particular floods, fires, avalanches, earthquakes and landslides.

Protection of the environment

The CEB finances projects that contribute to the protection and improvement of the environment. To date, initiatives that have been taken in this sector are of a wide geographical diversity.

The CEB can finance projects concerned with:

- clean-up and protection of surface and underground water
- decontamination of soils and aquifers
- reduction and treatment of solid and liquid waste
- production of renewable energy
- energy saving measures (excluding energy production/distribution)
- reduction of air pollution
- protection and development of biodiversity
- protection against noise
- cleaner transport means and networks.

In parallel to its specific action in this field, the CEB attaches a great importance to and systematically takes into account the environmental aspects of all the projects it appraises, regardless of the sector concerned. Borrowers must therefore provide all the requisite information for an environmental assessment of the project.

Historic and cultural heritage

The conservation and protection of historic and cultural heritage contributes to social cohesion by promoting the cultural diversity in CEB member states, including through steps to enhance access to cultural exchanges and activities. Projects in this sector also support sustainable social and economic development given the multiple effects that the protection and rehabilitation of historic and cultural heritage has on economic activity, employment, cultural life and tourism.

Eligible projects in this sector involve the reconstruction and rehabilitation of historic and cultural heritage units classified as such by UNESCO or by the member state concerned.



Slovak Republic

■ Achievements to date

By 2006, the CEB had approved a cumulative amount of **€ 8 billion** in loans for projects aimed at managing the environment, accounting for 22% 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 **€ 6.8 billion** (representing 30% of total loans approved in the same period) of which **€ 4.2 billion** have been disbursed.

In 2006 alone, loan approvals reached a total of **€ 754 million**.



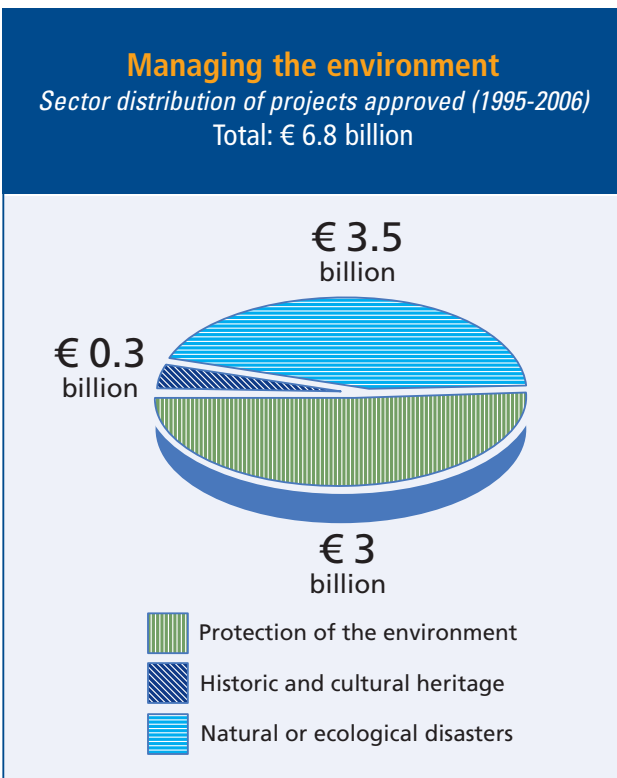
Romania

■ 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.

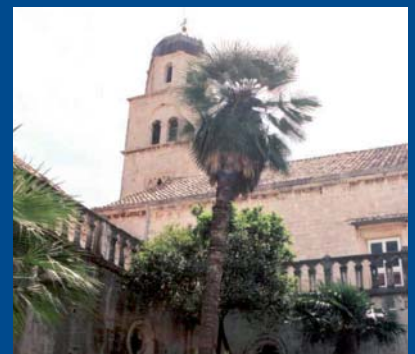
Loans are granted in accordance with specific technical and social criteria and in strict compliance with public procurement rules. The CEB stands ready to assist the borrowers in preparing the project and loan applications, when needed.



Greece



Spain



Croatia



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■ Managing the environment: examples of CEB projects

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

NATURAL OR ECOLOGICAL DISASTERS

Hungary	Major flood prevention works in the valley of the River Tisza, within the framework of the Hungarian Government's Vásárhelyi Plan.
Italy	Construction and renovation of buildings following a major earthquake in the Umbria/Marche regions, including public infrastructure, social housing, and the repair of historical heritage.
Poland	Large-scale project involving the financing of flood prevention works and the reconstruction of property and production capacity in the Oder River Basin.
Romania	Major flood prevention works following the torrential rains that hit the country in 2005 and 2006: upgrading the level of protection of the existing hydro-technical structures on the main watercourses, thereby ensuring optimum protection to the inhabitants in the worst-hit areas.
Serbia	Reconstruction and rehabilitation of housing and related infrastructure in the Northern part of Serbia (Vojvodina Province) destroyed by floods in April 2005.
Turkey	Construction of some 18 000 social housing units (in urban and rural areas), following the earthquake in the summer of 1999 in the regions of Izmit and Marmara.

PROTECTION OF THE ENVIRONMENT

Cyprus	Project to provide 200 000 persons with access to sewage disposal services in the Limassol sector and surroundings. The beneficiaries of this project will be both permanent residents and tourists.
Germany	Investments aimed at promoting energy saving and reductions of harmful emissions in the new Länder.
Latvia	Reconstruction of a co-generation plant located in the Riga district, thus contributing to the protection of the environment through a reduction of atmospheric pollution.
Portugal	Protection of the environment through the production of renewable energy (wind power) resulting in a reduction of harmful gas emissions.

HISTORIC AND CULTURAL HERITAGE

Croatia	Restoration works of the Mala Braća Franciscan monastery in Dubrovnik.
Italy	Credit programme for the maintenance, restructuring and rehabilitation of sites and monuments, museums and historic town centres in different Italian regions with valuable artistic and cultural heritage.
Romania	Restoration works on the Athenaeum concert hall and its dome in Bucharest. The Athenaeum is the leading concert hall in Romania and is a symbol of the artistic and cultural life of the country.

Council of Europe Development Bank (CEB)

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