

Financing Environmental Projects

**TSKB Conference, Istanbul
5 December 2007**

The CEB at a Glance

- Development bank founded in **1956** to contribute to **social cohesion** in Europe
- **40 member States** to date
- **€25 billion** in projects financed since inception within 3 sectoral **lines of action**:

<i>Social integration</i>	<ul style="list-style-type: none">▶ Social housing▶ Urban and rural modernisation▶ Job creation and preservation in SMEs
<i>Human capital</i>	<ul style="list-style-type: none">▶ Health▶ Education
<i>Environmental management</i>	<ul style="list-style-type: none">▶ Natural or ecological disasters▶ Protection of the environment▶ Protection and rehabilitation of historical and cultural heritage

CEB Financed Environmental Projects

- Environmental projects financed since inception: **€ 8.5 billion**
- **Increased activity** in the last 10 years:
 - ▶ Projects approved: **€7 billion**
 - ▶ Funding of more than **130 projects**
- Expansion of activity in the **Central and Eastern European countries** and **SE Europe** :
18 countries joined the CEB since 1994

Regional Focus, New Loan Policy

- Domain: Facilitate improvements in living conditions and social cohesion
- Development Plan: 50 % of the Bank's annual disbursements must be in favour of target countries
- Target countries: CEE, Turkey, Georgia
- New Loan Policy adopted in June 2006 defining CEB's sector of actions, loan approval and project stock mechanisms, operational provisions (available at www.coebank.org)

Eligible areas for Environment Financing

Natural and ecological disasters	<ul style="list-style-type: none">◆ Prevention of natural and ecological disasters◆ Reconstruction or rehabilitation of damaged structures and infrastructures
Protection of the environment	<ul style="list-style-type: none">◆ Reduction & treatment of solid and liquid waste◆ Clean-up & protection of water◆ Decontamination of soils and aquifers◆ Reduction of air pollution and noise◆ Protection & development of biodiversity◆ Production of renewable energy◆ Energy saving measures◆ Cleaner transport means and network



Who can borrow from the CEB?

- Two principal considerations:
 - “ownership” and responsibility for the project
 - “creditworthiness”: credit quality may be enhanced through guarantees, collateral or the assignment of receivables

- Possible borrowers:
 - Member States (represented by a Ministry, State agency, national development bank, etc.)
 - Local or regional authorities
 - Financial institutions (private or state-owned)

CEB's General Loan Terms

- ◆ Rate : fixed or variable, based on CEB's cost of funds (AAA) + modest margin
- ◆ Tenor : up to 20 years with a possible grace period
- ◆ Amount : up to 50%* of total project cost
- ◆ Currency : according to borrower's needs and CEB's funds available
- ◆ Guarantee: when required, from member state, local authority or first class financial institution

Some Examples of Recent Projects

Some recent projects

Borrower/ Country	Beneficiaries	Project Description	CEB loan amount
Banco Espirito Santo / PORTUGAL	Local population	<i>Development of wind energy facilities contributing to the decrease in consumption of fossil fuels and related emission of air pollutants/greenhouse gasses.</i>	€ 100 million
Republic of HUNGARY	Tenants of condominiums and housing cooperatives throughout Hungary	<i>Improvement of the energy efficiency of traditional buildings through insulation and modernization of heating, water supply and electric systems, etc.</i>	€ 150 million

Some recent projects

Borrower/ Country	Beneficiaries	Project Description	CEB loan amount
BOS Bank / POLAND	Inhabitants of various Polish municipalities	<i>Construction/rehabilitation of municipal infrastructures related to water/wastewater services; energy efficiency measures in buildings; rehabilitation of an abandoned industrial site.</i>	€ 50 million
Reykjavik Energy / ICELAND	More than 50% of the Icelandic population	<i>Construction of a geothermal power plant which will improve the local population's access to electricity and hot/cold water.</i>	€ 170 million
Comunidad de Madrid / SPAIN	Inhabitants of Madrid	<i>Construction of a landfill for the disposal of municipal waste collected in the northern agglomerations of Madrid.</i>	€ 3 million
Republic of TURKEY	Inhabitants of Istanbul	<i>Construction and rehabilitation of the Marmaray commuter rail service as a cleaner means of public transport.</i>	€ 500 million

For more information:

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