



## MIGRANT AND REFUGEE FUND (MRF) FREQUENTLY ASKED QUESTIONS

### 1. What is the MRF?

The Migrant and Refugee Fund ("MRF" or "Fund") is a trust fund set up by the Council of Europe Development Bank ("CEB" or "Bank") to help its member states deal with migrant and refugee flows.

The Fund aims at supporting CEB member states' efforts to ensure that migrants and refugees who arrive on their territory enjoy basic human rights, such as shelter, food and medical aid, as well as personal security. The Fund may also be used to help CEB member states integrate these populations and enable them to rebuild their lives in dignified conditions.

### 2. How is the MRF funded?

The MRF is endowed with a € 5 million contribution from the CEB. The Bank is inviting Donors to contribute funds to reach an amount of € 20 – 25 million.

### 3. What type of projects does the MRF support?

The Fund supports projects benefitting migrants and refugees. As an immediate response to the inflow of migrants and refugees, the Fund will help set up or improve, as well as operate reception and transit centres. Other types of projects which facilitate the integration of migrant and refugees are also eligible. All projects must comply with the European Convention on Human Rights and the European Social Charter.

### 4. How does the MRF support projects?

The Fund may support projects in four ways:

- grants to finance investment or operating costs, of up to € 2.5 million per project ("Grants")
- technical assistance grants related to the preparation and implementation of projects, of up to € 0.5 million per project ("TA Grants")
- where the project is financed by a CEB loan, interest subsidies, of up to € 0.5 million for every € 10 million loan amount ("Interest Subsidies")
- where the project is financed by a CEB loan, loan guarantees, of up to € 2.5 million per project ("Loan Guarantees").

### 5. In which countries can MRF support projects?

The MRF supports projects located in CEB member states. The 41 member states of the CEB are the following: Albania, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Montenegro, Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, San Marino, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, "the former Yugoslav Republic of Macedonia" and Turkey.

### 6. Which costs are supported by the MRF?

Costs eligible for funding by Grants are investment costs, such as expenses related to the construction and upgrading of buildings and related technical infrastructure, as well as current expenditures, emergency aid and cost of dedicated staff. Costs eligible to funding by TA Grants include advisory and support services related to the preparation and implementation of projects.

### 7. Can contributions to the MRF be counted as ODA (Official Development Assistance)?

Yes, if they fund projects in the nine CEB member countries that are ODA-eligible (Albania, Bosnia and Herzegovina, Georgia, Kosovo, Republic of Moldova, Montenegro, Serbia, "the former Yugoslav Republic of Macedonia" and Turkey).

Contributions may also be counted as ODA if they fund temporary assistance in non-ODA CEB member countries. Temporary assistance includes current expenditures benefitting migrants and refugees during their first twelve months of stay in Donor countries.

Donors may report their contributions to the MRF as ODA by earmarking them for funding of ODA-eligible expenditures.

#### **8. Who can request support from the MRF?**

Requests for Grants and TA Grants may be submitted for approval to the CEB by the national authorities of member states or with their endorsement if submitted by the CEB member states' regional or local authorities or international institutions, or non-governmental organisations approved jointly by the CEB and the relevant member state.

Interest Subsidies and Loan Guarantees are approved by the Bank upon review of a CEB loan request for a project in favour of migrants and refugees.

#### **9. How is the MRF support provided?**

Grants and TA Grants are disbursed to, and may be implemented by, national, regional or local authorities of CEB member states, or international institutions, or non-governmental organisations approved jointly by the CEB and the relevant member state.

#### **10. Is there a minimum or maximum amount for projects supported by the MRF?**

There is no minimum or maximum amount. However, the amount of support requested from the MRF must be commensurate with the amount of the project.

#### **11. How advanced must a project be to benefit from MRF support?**

The purpose of MRF is to support the development of projects that have already been identified. Project implementation should start rapidly and, in any case, within 6 months following the signing of the financing agreement (see § 16).

#### **12. Is there a link between CEB loans and MRF support?**

Grants and TA Grants may be provided on a stand-alone basis or in conjunction with a CEB loan. Interest Subsidies and Loan Guarantees are provided only in conjunction with a CEB loan.

#### **13. Who should I contact regarding MRF support?**

Any request for information related to the MRF should be addressed to the following email: [mrf@coebank.org](mailto:mrf@coebank.org).

#### **14. Is there a deadline for submitting requests for MRF support?**

There is no deadline. Requests for MRF support may be submitted as long as resources are available in the Fund to finance support.

#### **15. How are requests for MRF support approved?**

The CEB appraises each request for support. It assesses the applicant, the project and the support requested. If this appraisal is positive, the CEB approves the MRF support.

#### **16. If a request for support is approved by the CEB, what happens next?**

The beneficiary and the CEB enter into a financing agreement, which covers the MRF support and, where applicable, the CEB loan. The agreement provides, *inter alia*, the terms of the support, as well as reporting requirements.

#### **17. Can MRF support be combined with other funding?**

To leverage the support provided by the MRF, applicants are invited to combine it with complementary funding, in the form of other grants, loans, including from the CEB, and own funds.

#### **18. What is the disbursement schedule for MRF support?**

Disbursement depends on the type of MRF support provided and the schedule of the project. The disbursement schedule is agreed between the CEB and the beneficiary during the negotiation phase of the agreement.

Council of Europe Development Bank  
Rolf Wenzel  
Governor

Paris, 7 September 2015

Mr Jean-Claude Frécon  
President of the Congress of local and  
regional authorities of the Council of Europe  
Palais de l'Europe  
Avenue de l'Europe  
67075 STRASBOURG CEDEX

Dear President,

In recent months Europe has been confronted with a surge of migrants and refugees – people hoping to find safety and a future on the European continent. Countries receiving these refugees and migrants, however, are struggling with providing adequate shelter, medical care and food.

The Council of Europe Development Bank (CEB) stands ready to support countries in establishing or rehabilitating transit and reception centres. I believe that the most appropriate form of support is the provision of grant financing. Hence, I am proposing to establish a new grant facility at the CEB to finance transit and reception centres in countries receiving refugees and migrants.

The Bank will, pending approval from its organs, provide as seed money €5 million. However, more financing will be needed and I call on your country to support this initiative by making a grant contribution to this new facility. The Bank believes that overall € 20 – 25 million will be sufficient as a first emergency support. An outline of the proposal is attached to this letter. The Bank will in the coming days provide more details to its Administrative Council meeting on 2nd October. In the meantime, inquiries should be directed to Mr Thierry Poirel, Director General for Loans and Development ([thierry.poirel@coebank.org](mailto:thierry.poirel@coebank.org)) or Mr Stephan Sellen, Deputy Director General for Loans and Development ([stephan.sellen@coebank.org](mailto:stephan.sellen@coebank.org)).

In addition, the CEB stands ready to support its members with all its financial instruments and expertise. I would like to recall that the CEB has the explicit mandate of strengthening social cohesion in Europe and was founded in 1956 to bring solutions to the problems of refugees. As a member of the Bank, I am sure you will recognise the important role that the CEB can and should play at this critical juncture and I look forward to your support.

Yours sincerely,

Rolf Wenzel

Attachement (1)

Cc Secretary General, Council of Europe, President PACE

## **A new facility to finance reception and transit centres**

### **CEB response to the migrant and refugee crisis**

#### **1. An unprecedented crisis**

Political turmoil and economic hardship in the Middle East and Africa have spurred a massive arrival of migrants and refugees in Europe through various entry points and corridors. Most of these migrants and refugees try to reach Western and Northern Europe countries. But on their way to their final destination, they often experience grossly inadequate living conditions. Indeed, entry and transit countries lack adequate infrastructure and resources to provide them with shelter, food, basic healthcare and personal safety. The situation is all the more dramatic since some of these migrants and refugees, such as unaccompanied minors and families with children, are extremely vulnerable.

#### **2. CEB's unique expertise**

The CEB is uniquely positioned to assist its member countries in addressing the refugee and migrant crisis. The primary purpose of the Bank, as stated in its Articles of Agreement, is to help its member states address the social problems resulting from the presence of refugees, displaced persons or migrants. In line with this priority mission, the Bank has developed a strong expertise in funding and implementing projects in favour of migrants and refugees. The CEB is currently involved in a number of such projects, including the Regional Housing Programme (RHP). The RHP is a large-scale programme targeting refugees and displaced persons from the war in ex-Yugoslavia.

#### **3. A new facility**

As an immediate response to this emergency situation, the Council of Europe Development Bank (CEB) will, subject to the approval of its organs, set up a dedicated facility named "Migrant and Refugee Fund" and endow it with EUR 5 million. The Bank will invite its shareholders as well as other Donors to provide additional contributions.

The resources of the Fund will be used to support actions benefitting refugees and migrants. To enhance the living conditions of these migrants and refugees, the Bank will assist entry and transit countries in setting up or improving, as well as operating reception and transit centres. In practical terms, the Bank will provide these countries with grants to help them finance these centres. The CEB can also provide these countries with technical assistance to help them ensure that the centres meet good standards.

Over the medium term, the Bank will look into broadening the scope of its support in favour of refugees and migrants beyond these emergency measures. The CEB could in particular fund, with the whole range of its instruments, projects for the integration of those populations in their host countries.

#### **4. A collaborative approach**

To ensure that its action has the most impact, the CEB will work within the coming weeks in close coordination with all stakeholders. The Bank will engage with its member countries to identify projects and raise additional funds for the "Migrant and Refugee Fund". It will also coordinate with organizations involved in addressing this crisis, in particular the Council of Europe, as well as the European Union and the Office of the United Nations High Commissioner for Refugees (UNHCR). The Bank will immediately liaise with financial institutions, in particular the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), as well as relevant non-governmental organizations.