Parliamentary Assembly
Assemblée parlementaire
https://pace.coe.int

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1040 (1994)[1]

Activities of the European Bank for Reconstruction and Development

Parliamentary Assembly

1. The Assembly recalls its role as a parliamentary forum for an annual debate on the activities of the European Bank for Reconstruction and Development (EBRD), as agreed in the 1992 co-operation arrangement between the Assembly and the Bank. In preparation for its second debate on the Bank's activities, the Committee on Economic Affairs and Development met at EBRD headquarters in London in February 1994 for talks with the Bank's president and senior staff. The Assembly was also represented at the third annual meeting of the EBRD in St Petersburg in April 1994.

2. The Assembly welcomes the reorganisation of the Bank at the end of 1993, and also the new expenditure policies and controls which have been introduced by the Bank in order to ensure good use and careful management of the public funds with which it is entrusted.

3. The Assembly encourages the Bank:

3.1. to pursue its policy of being active in all countries of operations, taking the specific needs of each country into account;

3.2. to intensify, within the constraints of business prudence, its role as a catalyst for private banking institutions capable of serving as financial intermediaries, in particular for the supply of investment funds to small and medium-sized local enterprises;

3.3. to place greater emphasis on equity investments, venture capital funds and trade promotion schemes;

3.4. to increase its local presence and visibility in the countries of operations;

3.5. to assume a larger role in restructuring enterprises and thus provide a valuable example to other investors and lenders;

3.6. to reinforce its mission in the environmental field by financing projects which improve the efficient utilisation of energy and other resources, and introduce "cleaner" technology;

3.7. to expedite improvements in the safety, and where necessary the closure, of nuclear plants in the countries of operations through the Multilateral Nuclear Safety Fund;

3.8. to co-operate with the Social Development Fund of the Council of Europe in assisting the countries of operations to deal with social problems, in particular that of refugees;

3.9. to include Bosnia-Herzegovina in its countries of operations and develop a strategy for the economic reconstruction of Bosnia-Herzegovina;

3.10. to co-ordinate its activities with other international organisations and donor countries.

4. The Assembly considers that the constraint placed on the Bank to award only 40% of the loans to the public sector while 60% are attributed to the private one should be applied flexibly, as public investment contributes to a large extent to the development of the private sector.

---

1. Assembly debate on 29 June 1994 (20th Sitting) (see Doc. 7099, report of the Committee on Economic Affairs and Development, Rapporteur: Mr Davis). Text adopted by the Assembly on 29 June 1994 (20th Sitting).

5. The Assembly notes with concern the lesser priority given by the Bank to its political mandate to "promote private and entrepreneurial initiative in the central and eastern European countries which are committed to and applying the fundamental principles of multiparty democracy, pluralism and market economics". It considers that this change in priority damages the Bank's unique contribution in the countries of operations, and detracts from its distinctive role among financial institutions active in this field. It requests the Bank to act fully according to the political mission entrusted to it.

6. The Assembly recalls the complementary functions of the Bank and the Council of Europe in the promotion of democracy, human rights, and social and economic development. The Assembly therefore calls on both institutions to intensify and extend their co-operation through joint projects, involving the Social Development Fund in its capacity as the financial instrument of the Council of Europe.

7. Finally, the Assembly notes that the ultimate aim of the EBRD is to contribute to economic development in the countries of operations. Since this economic development depends on open trade within the region and with the rest of Europe, the Assembly calls on the governments of Council of Europe and EBRD member states to dismantle existing trade barriers and enhance access to their markets for the exports of the new democracies in central and eastern Europe.