Resolution 1094 (1996)[1]

Activities European BERD

Parliamentary Assembly

1. The Assembly, taking note of the report of its Committee on Economic Affairs and Development on the activities of the European Bank for Reconstruction and Development (EBRD) in 1995-96, welcomes the continuous efforts made by the Bank to streamline its internal organisation and activities, and to contain administrative expenses.

2. It believes, however, that administrative expenses may be further reduced by making the Bank's so far resident board of directors non-resident as well as smaller in size, thereby liberating resources for operational activities.

3. The Assembly, while aware of the greater commercial risks this may entail, encourages the Bank to pursue its policy of expanding its presence and lending activities in the least developed countries of operations, with particular emphasis on strengthening economies at the local and community level paying attention to the positive impact that access to micro-credit can have on women and their families.

4. The Assembly welcomes the Bank's fulfilment of its statutory target of having 60% of its loans directed to the private sector. It nevertheless recalls the useful role which the Bank can also play in assisting public sector projects, for example in transport infrastructure, energy and environment protection, all of which can be important in promoting environmentally, economically and socially sustainable development.

5. It supports the Bank's increasing role in the co-financing of projects together with other international institutions, and believes more specifically that there is scope for greater financial partnership with the Social Development Fund of the Council of Europe.

6. The Assembly welcomes the Bank's increasing reliance on equity financing and co-operation with local credit institutions, especially in the less developed countries of operations - a policy which, under careful risk management, may reduce handling costs, encourage the development of a local banking culture and enhance the multiplier effect of resources directed toward the essential target of small and medium-sized enterprises.

7. The Assembly believes that the Bank has found a useful role among international financial institutions in assisting transition economies in their reform efforts. It therefore welcomes the doubling of the Bank's capital from 10 to 20 thousand million ecus, decided at the EBRD's annual meeting in Sofia in April 1996, which will permit the Bank to expand operations rather than being gradually reduced to dependence on the repayments of existing loans.

8. The Assembly asks the Bank to enhance operations aimed at promoting sustainable trade among the countries of operations, as well as with the rest of the world.

9. It encourages the Bank to continue to implement its statutory obligation to promote democracy and human rights alongside economic and social development in its countries of operations, and to pursue its close co-operation with the Council of Europe towards this aim.

1. Assembly debate on 25 June 1996 (19th Sitting) (see Doc. 7564, report by the Committee on Economic Affairs and Development, rapporteur: Mr Bogár; and Doc. 7576, contribution by the Committee on Science and Technology, rapporteur: Mr Birraux). Text adopted by the Assembly on 25 June 1996 (19th Sitting).

10. The Assembly notes that the Bank intends to develop a "graduation policy" which will include the criteria for a cessation of the activities of the Bank in a country of operations upon its reaching a certain stage of development, and hopes that there will be an opportunity for public discussion of the proposed criteria before they are adopted by the Bank.

11. The Assembly welcomes the efforts made by the Bank to finance measures destined for the improvement of the safety of nuclear power plants in central and eastern Europe, in particular through the Nuclear Safety Account, and recalls its Recommendation 1209 (1993) which contains precise guidelines to be followed in this field.

12. The Assembly therefore invites the Bank to implement the following measures:

12.1. to study the possibility of abandoning the generalised voluntary system for contributions to the Nuclear Safety Account and encourage EBRD member countries (with the exception of the countries of central and eastern Europe and the Commonwealth of Independent States (CIS)) to make payments in proportion to their GDP;

12.2. to increase the minimum amount of contributions - at present 1,5 million ecus - both from EBRD members and voluntary donor countries;

12.3. to review the arrangements for providing aid to the countries of central and eastern Europe and the CIS in order to speed up procedures and make them more effective, if necessary by revising the current system of raising contributions.

13. Finally, the Assembly calls on those of its member states or on those countries whose parliament has special guest status and which are countries of operations of the Bank to do everything in their power to facilitate the Bank's work and aims.

14. The Assembly congratulates the Bank on :

14.1. its efforts in transport sector lending and urges it to facilitate initiatives that would help the reduction of CO2, NO, and other polluting emissions;

14.2. the work it carries out through its Municipal and Environmental Infrastructure Team and encourages it to expand its activities in waste-water treatment, district heating and solid-waste management;

14.3. its efforts in favouring energy-efficiency and energy conservation and urges it to give priority to projects that would facilitate stabilisation and reduction of CO2 emissions; furthermore, it urges the Bank, when expanding its activities in the energy field, to take into account implications and impacts resulting from increased emissions of greenhouse gases;

14.4. its efforts to facilitate the distribution and utilisation of natural gas and for reduction and containment of oil-spills; furthermore, it urges that funding of mining activities be made conditional upon commitments to adopt sound environmental practices.

15. Furthermore, the Assembly encourages the overall implementation of sustainable development practices as part of the Bank's integrated environment and economy strategy, including giving greater momentum to renewable energy initiatives, thereby continuing to strengthen the realisation of the Bank's environmental mandate.

16. Finally, the Assembly also congratulates the Bank for its March 1996 adoption of a disclosure policy, another positive development which should enhance transparency and accountability, thereby further justifying the Bank's increased role.