



Resolution 1332 (2003)¹

The contribution of the European Bank for Reconstruction and Development (EBRD) to economic development in central and eastern Europe

Parliamentary Assembly

1. The Parliamentary Assembly, acting as parliamentary forum for the European Bank for Reconstruction and Development (EBRD), has taken note of the report prepared by its Committee on Economic Affairs and Development on the Bank's activities. It commends the EBRD on its unique contribution to assisting its twenty-seven countries of operation in building market economies and encouraging private entrepreneurial activity in a framework of evolving democracy, rule of law and human rights.
2. The Assembly notes with particular satisfaction the high growth rates observed in the majority of the EBRD's countries of operation – including the less advanced ones – when compared to the established market economies, and the apparent halt to, or even decline in, corruption, economic crime and political patronage observed by the Bank in many of the more successful countries. It encourages the EBRD and the countries of operation concerned to make every effort – in co-operation with the World Bank, the European Investment Bank, the Council of Europe Development Bank and the Stability Pact for South Eastern Europe, as well as non-governmental institutions such as Transparency International and Social Accountability International – to ensure that this development can continue, aided by the strengthening of democracy, the opening up and liberalisation of markets and the growth of new companies.
3. While accession to the European Union will open up new business and trading vistas for the Council of Europe member countries who are joining it, continued financial, and particularly advisory, support from the EBRD will be needed in view of the added fiscal constraints incumbent upon joining, and the administrative limits to absorbing major new European Union funding. The EBRD should ensure optimal synergy between its own projects and European Union programmes to avoid overlapping and wasting resources, and give added attention to areas such as municipal and environmental infrastructure projects, the development and diversification of financial services, and other sectors where European Union funding is not foreseen and where commercial investors may be reluctant to enter independently.
4. The EBRD's commitment to pursuing its lending in all of its countries of operation is to be welcomed, as major financing needs persist in all of them. The Assembly also commends the EBRD's increasing lending to the Russian Federation, South-eastern Europe and Central Asia and its focus there, as elsewhere, on sectors where it can serve as a catalyst for modernisation, privatisation, market liberalisation, transparency and corporate ethics – such as in electricity, gas, transport and municipal services. The Assembly calls on the EBRD to consider providing credit for Ukraine's Chernobyl Shelter Fund and to complete – in accordance with the 1995 Ottawa Memorandum – the construction of the Khmel'nitsky and Rivne units designed to make up for the lost power production capacities after the closure of the Chernobyl nuclear power plant.
5. The Assembly also welcomes the EBRD's increasing emphasis on trade facilitation measures among neighbouring countries of operation, since long-overlooked intra-regional trade holds particular promise for rapid economic growth. This task is of considerable significance, particularly for countries preparing to join the European Union and hence its Internal Market.

1. Assembly debate on 24 June 2003 (18th Sitting) (see [Doc.9825](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Braun). Text adopted by the Assembly on 24 June 2003 (18th Sitting).



6. The Assembly supports the EBRD's major efforts to promote the development of peripheral and rural areas via lending to small and medium-sized enterprises, especially those run by, or employing, women, and to agriculture and agribusinesses. It notes the close relationship between agricultural and overall economic development and hopes that trade liberalisation across Europe can also proceed in this sector, thus permitting countries of operation to realise their full development potential.

7. Finally, the Assembly commends the EBRD on its resolve to pursue firmly the political aspects of its mandate and in this regard supports its decision to cease giving financial assistance to the public sector in Belarus and Turkmenistan until these countries meet the necessary standards of democracy, the rule of law and human rights, and asks that a similar policy be considered with regard to other countries in a similar situation, such as Kazakhstan and Uzbekistan.