



Resolution 1129 (1997)¹

Activities of the European Bank for Reconstruction and Development

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), welcomes the virtual conclusion of its internal reform process started in 1994. It has led to a streamlining of the Bank's organisation, to significant economies and to a great increase in effectiveness. The Bank's commitment to greater transparency and accountability through the implementation of its policy on public disclosure is a further development to be encouraged.
2. The Assembly also welcomes the positive results achieved by the Bank in its twenty-six countries of operation, where it is now a major actor in areas as diverse as project design, lending and micro-lending, equity investment and efforts to co-ordinate and pool international resources for long-term development programmes. An ongoing, results-based evaluation of the effectiveness of the Bank's operations on the transition process should be encouraged as the Bank continues to strengthen its capacity to select, implement, and monitor the financing of sound projects.
3. The Assembly in this context notes with satisfaction the Bank's fulfilment of its statutory target of having a minimum of 60% of its lending portfolio directed toward the private sector. At the same time, the Assembly expresses its support for investments in the public sector, notably energy, transport and the protection of the environment.
4. The Assembly also suggests that, in addition to all projects meeting the criteria of respect for the environment, there is a need in particular for investment as part of restructuring programmes in developing clean technologies, alternative renewable energy sources, and other elements of an environmentally sustainable economy.
5. The Assembly supports the Bank's growing commitment to the least developed countries in transition, which most urgently need its expertise and resources in order to reach greater macroeconomic stability and nurture an emerging private sector. At the same time it recognises the risks connected with such focusing, as illustrated by recent events.
6. The Assembly strongly supports the Bank in the fulfilment of its statutory mandate to foster democracy, human rights and the rule of law alongside economic and social progress in its countries of operation, and encourages it to develop further its already close co-operation with the Council of Europe in these fields. It recalls that adherence to these principles necessary for sustainable growth in any market economy.
7. The Assembly welcomes the Bank's increasing focus on equity financing and co-operation with local credit institutions so as to help small businesses, as well as the co-financing of projects with other international institutions and bilateral donors, particularly as regards infrastructure and environmental protection, including the safety of nuclear plants and waste disposal essential for balanced economic and social development.

1. Assembly debate on 25 June 1997 (21st Sitting) (see [Doc. 7834](#), report of the Committee on Economic Affairs and Development, rapporteur: Mrs Durrieu). Text adopted by the Assembly on 25 June 1997 (21st Sitting).



8. The Assembly asks the Bank to ensure, however, that its co-operation with local banks in the countries of operation does not give rise to a waste of resources on their part or to the forming of cartels between them, but that it contributes to balanced and sustainable economic growth.
9. The Assembly is concerned about the relatively insufficient, foreign direct investment in the countries in transition as a whole. To make them more attractive to foreign investors the legal environment must be strengthened. The Assembly therefore encourages the EBRD to intensify further its co-operation with the Council of Europe in assisting the countries of operation, in particular in the legislative field and in the fight against corruption and organised crime.
10. Considering the enlarged membership of the Council of Europe Social Development Fund in central and eastern Europe, the Assembly invites the EBRD and the Social Development Fund to explore the possibility of jointly preparing projects of common interest.
11. The EBRD should give special attention to financing projects in which women are involved.
12. The Assembly asks the Bank to become more active in promoting sustainable trade among the countries of operation as well as with the rest of the world.
13. The Assembly welcomes the commitment in 1996 by the Bank's members to double its capital from 10 to 20 thousand million ecus, thereby permitting it to maintain and expand operations. It calls on members who have not yet ratified this agreement to do so as soon as possible.
14. Finally, the Assembly encourages the Bank's countries of operation to assist it fully in the carrying out of its difficult function, notably by maintaining a society respectful of the principles on which it was founded.