


# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2002/2095(INI)</a>	Procedure completed
The activities of the European Bank for Reconstruction and Development EBRD		
Subject 6.30.02 Financial and technical cooperation and assistance		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs		15/04/2002
		GUE/NGL <a href="#">MARKOV Helmut</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>CONT</b> Budgetary Control	The committee decided not to give an opinion.	

Key events			
13/06/2002	Committee referral announced in Parliament		
28/11/2002	Vote in committee		Summary
28/11/2002	Committee report tabled for plenary	<a href="#">A5-0421/2002</a>	
16/01/2003	Debate in Parliament		
16/01/2003	Decision by Parliament	<a href="#">T5-0021/2003</a>	Summary
16/01/2003	End of procedure in Parliament		
12/02/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2095(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/16298

Documentation gateway					
Committee report tabled for plenary, single reading		<a href="#">A5-0421/2002</a>	28/11/2002	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0021/2003</a> OJ C 038 12.02.2004, p. 0283-0313 E	16/01/2003	EP	Summary

## The activities of the European Bank for Reconstruction and Development EBRD

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The committee adopted the own-initiative report by Helmuth MARKOV (EUL/NGL, D) on the activities of the European Bank for Reconstruction and Development (EBRD). It praised the Bank's work over the past 10 years and in particular its contribution towards promoting private enterprise and medium- and small-sized projects (as explicitly provided for in its mandate) in Central and Eastern Europe, rather than large-scale, politically-motivated prestige projects. The report emphasised the special role of SMEs in job creation and wanted to see the EBRD step up its involvement with such firms. The committee also appreciated the EBRD's willingness to take risks and to back projects normally considered too risky by private banks. It pointed out that the technical expertise and competence of EBRD staff were widely acknowledged and valued and that the Bank had always received the highest rating (AAA) from rating agencies. For the future, however, the committee would like the Bank to shift focus gradually towards more equity investment and pursue an integrated approach designed to help entire value-added chains - from the processing of raw materials to the sale of the product at local level - get established. It also wanted to see increased funding for local authorities with a view to improving basic services and for the development of technical innovation relevant to industry. The Bank was also urged to help upgrade nuclear plants to EU standards and support alternative energy projects as a way of helping the countries in transition to diversify from nuclear energy. Among its recommendations, the committee stressed that the EBRD should respect political decisions taken by democratically-elected governments and therefore should not influence the division between the public and private sectors in each country. It also said that, in connection with projects leading to rationalisation measures, the EBRD should check whether local social security systems were sufficiently well-developed to provide for large numbers of temporary unemployed. Moreover, the Bank should include effects on employment as an additional criterion in project assessment. Other points raised in the report included the need to reform tax systems to create a solid tax base in the countries in transition and a call for the freezing of current investment plans in countries where the human rights situation is worrying. It nevertheless wanted micro-financing projects to be implemented in those countries to help independent SMEs.?

## The activities of the European Bank for Reconstruction and Development EBRD

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The European Parliament adopted a resolution based on its own-initiative report drafted by Helmuth MARKOV (GUE/NGL, Germany) on the activities of the European Bank for Reconstruction and Development (EBRD.) Parliament pointed out that the EBRD operates in a highly unstable and changeable environment, which manifests itself in problems such as political instability, economic mismanagement, widespread corruption and nepotism, management of businesses based on State privileges, impoverishment and ineffective public administrations. It welcomed the Bank's solid support to the candidate countries, which, partly with the EBRD's help, have now nearly achieved a market economy with free competition. There are substantial differences between the levels of EBRD financing in the more highly developed countries and in the weaker countries. Parliament welcomed the new EBRD strategy of focusing more on the least-developed countries in the Caucasus and in Central Asia. Investment is badly needed in Russia and Ukraine, provided that the national and local authorities continue on the path of reform. The process of transition in Central and Eastern Europe is far from complete even in the most highly advanced countries. Active policies must be continued after their accession to the European Union. Parliament regretted the fact that the EBRD has not managed to present any analysis of the effects of its operations in the countries and regions in transition in relation to economic data such as productivity, company turnover, employment, wages and salaries, etc. The Bank was congratulated on having launched a Public Information Policy review and asked to improve further its public disclosure policy. Parliament felt that the EBRD should ensure that sponsors' Environmental Impact Report should be published on its websites. Finally, Parliament considered that the EBRD, by concentrating projects in one region, could create cluster synergy effects which increase the value of each individual investment made. Kaliningrad is now expected to need extra support when the Baltic States become members of the EU because of its extreme poverty and serious concerns about rising crime.?