European Bank for Reconstruction and Development (EBRD): subscription by the EU to additional shares in the capital

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The Committee on Economic and Monetary Affairs adopted the report drafted by Sharon BOWLES (ALDE, UK) on the proposal for a decision of the European Parliament and of the Council concerning the subscription by the European Union to additional shares in the capital of the European Bank for Reconstruction and Development (EBRD) as a result of the decision to increase this capital.

It recommends that the European Parliament's position adopted at first reading, under the ordinary legislative procedure, should amend the Commission proposal as follows:

- In the context of the Memorandum of Understanding signed between the Commission, the EIB together with the EIF and the EBRD in respect of their cooperation outside of the Union, Members consider that a **thorough oversight of the EBRD's business model** is needed, in particular with respect to high-risk taking and effectiveness in leveraging additional financing from the private sector.

The Governor of the EBRD for the Union shall:

- request the EBRD Board of Governors: (i) to provide on its website information about the beneficiaries and impacts of its financial intermediary operations; (ii) that the use of Union funds in EBRD interventions complies with the key objectives of the Europe 2020 strategy, in order to enhance overall policy coherence of the Union's external action;
- report annually to the competent committee of the European Parliament and to the European Systemic Risk Board (ESRB) on: (i) the use of callable capital; (ii) on measures to ensure transparency of its operations through financial intermediaries; (iii) on how the EBRD has contributed to the Union's objectives; (iv) on EIB-EBRD cooperation outside Union, in particular with respect to the typology of jointly funded projects and the amount of funds made available.

- Lastly in a new recital, the report stresses that the increase in callable capital provided for in this Decision contributes to the maintenance of the **AAA rating**. The use of callable capital to support the rating and the EBRD's investments should be monitored with a view to reviewing the option of callable capital at the end of the fourth Capital Resources Review in 2015.