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

2011/0014(COD) - 16/11/2011 - Final act

PURPOSE: to allow the European Union to subscribe to additional callable shares in the European Bank for Reconstruction and Development, following the decision of the Governors of the EBRDon 14 and 15 May 2010 to increase the authorised capital stock.

LEGISLATIVE ACT: Decision No 1219/2011/EU of the European Parliament and of the Council of 16 November 2011 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.

CONTENT: following an agreement in first reading with the European Parliament, the Council adopted a decision authorising the EU to subscribe to additional callable shares in the EBRD following the decision of the latter to increase its capital.

At the Annual Meeting of the Governors of the EBRD on 14/15 May 2010, the Board of Governors decided, in view of the financial crisis, on an **increase in the authorised capital stock of the Bank of 50% from EUR 20 billion to EUR 30 billion**, in order to maintain enough capital to sustain, over the medium term, a reasonable level of activity in the EBRD countries of operation.

The capital increase comprises **EUR 1 billion paid-in capital and EUR 9 billion of new callable capital**.

This Council Decision provides that the EU subscribe to 27 013 additional callable shares of EUR 10 000 each in the EBRD.

The Governor of the EBRD for the Union shall report annually to the European Parliament on the use of capital, on measures to ensure transparency of operations of the EBRD through financial intermediaries, on how the EBRD has contributed to the Union’s objectives, on risk-taking and effectiveness in leveraging additional financing from the private sector, and on cooperation between the European Investment Bank and the EBRD outside the Union.

ENTRY INTO FORCE : 29/11/2011.