European Bank for Reconstruction and Development (EBRD): extending the geographic scope of operations to the Southern and Eastern Mediterranean

2011/0442(COD) - 24/04/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Slavi BINEV (NI, BG) on the proposal for a decision of the European Parliament and of the Council on amendments to the Agreement Establishing the European Bank for Reconstruction and Development (EBRD) extending the geographic scope of EBRD operations to the Southern and Eastern Mediterranean.

The committee recommends that the position of the European Parliament in first reading following the ordinary legislative procedure should be to amend the Commission proposal. The main amendments are as follows:

The report stresses that the EBRD's expansion to the Southern and Eastern Mediterranean is an expression of the Union's and the international community's support for the hopes, encouraged by the Arab Spring, of a **transition in that region towards market economies and pluralistic democratic societies.**

Members ask that the Governor of the EBRD representing the Union **report annually to the European Parliament** on the expansion of EBRD operations to the countries of the Southern and Eastern Mediterranean, in particular as regards the EBRD's contribution to the transition towards energy-efficient, socially-inclusive market economies whilst taking into account the civic and human rights context, as well as any new agreements signed with donors for cooperation funds or special funds in favour of those countries.

Furthermore, **the representatives of the Union in the governing bodies of the EBRD shall encourage the EBRD to:**

- make a detailed technical **assessment** of the economic and political conditions existing in the country concerned;
- provide its assistance only in compliance with Article 1 of the Agreement and not undertake activities that conflict with Union policies on **civic and human rights**;
- focus on areas consistent with the key objectives of Union external policies and support projects that promote **sustainable development**;
- adopt a strategy by 2013 with a **concrete timeline** to increase the use of renewable energy and energy-efficient technologies;
- continue implementing the **best prudential banking practices** in order to further preserve its very strong capital position,
- strengthen the work of the Audit Committee of the EBRD and the Office of the Chief Compliance Officer and tighten control to prevent secrecy by the beneficiaries or the use of **tax havens**;

- adopt a **clear plan** on how to finance its activities relating to the Southern and Eastern Mediterranean, and provide a public statement of its priorities within that area,

- provide on the EBRD's **website** appropriate information about beneficiaries of its funds, the impact of its financial intermediary operations and evaluations of projects.

Lastly, with respect of the **approval of potential recipient or recipient country status** of the countries of the Southern and Eastern Mediterranean, the Commission shall carry out an inter-service consultation and shall consult civil society in an appropriate manner prior to the Board of Governors' vote on country compliance with EBRD conditions.