

# **European Bank for Reconstruction and Development (EBRD): subscription by the European Union to additional shares in the capital; extension of the geographic scope of EBRD operations to sub-Saharan Africa and Iraq in a limited and incremental manner, and removing the statutory capital limitation on ordinary operations**

2024/0019(COD) - 08/05/2024 - Final act

**PURPOSE:** to approve an increase of the EU's shares in European Bank for Reconstruction and Development.

**LEGISLATIVE ACT:** Decision (EU) 2024/1246 of the European Parliament and of the Council on the subscription by the European Union to additional shares in the capital of the European Bank for Reconstruction and Development (EBRD) and amending the Agreement establishing the EBRD as regards the extension of the geographic scope of EBRD operations to sub-Saharan Africa and Iraq, and the removal of the statutory capital limitation on ordinary operations.

**CONTENT:** pursuant to Resolution No 265, the authorised capital stock of the EBRD is increased by 400 000 paid-in shares, and EBRD members can subscribe, on or before 30 June 2025, or on or before such subsequent date not later than 31 December 2025 as the Board of Directors of the EBRD may determine on or before 30 June 2025, to a number of whole shares, pro rata to their existing shareholding.

The Union will subscribe to **12 102 additional shares of EUR 10 000 each** in the EBRD pursuant to Resolution No 265 on or before 30 June 2025, or such subsequent date not later than 31 December 2025 as the Board of Directors of the EBRD may determine on or before 30 June 2025.

The subscription will be paid in five equal instalments, the first of which will be paid by the later of: (a) 30 April 2025; or (b) 60 days after the instrument of subscription by the Union has become effective.

The remaining four instalments shall be paid by 30 April 2026, by 30 April 2027, by 30 April 2028 and by 30 April 2029, respectively.

The decision will extend the geographic scope of EBRD operations to **sub-Saharan Africa and Iraq** in a limited and incremental manner. First investments in sub-Saharan Africa are envisaged to take place from 2025 onwards in Benin, Côte d'Ivoire, Ghana, Kenya, Nigeria and Senegal, subject to their application and approval as EBRD recipient countries.

In addition, the decision will remove the statutory capital limitation on ordinary operations in order to entrust the EBRD Board of Directors to establish and maintain any appropriate limits with respect to capital adequacy metrics.

ENTRY INTO FORCE: 11.5.2024.