EBRD: Community subscription to extra shares following the doubling of the capital

1996/0204(CNS) - 24/07/1996 - Legislative proposal

OBJECTIVE: proposal for a Council decision providing that the European Community should subscribe for extra shares as a result of the decision to double the capital of the European Bank for Reconstruction and Development (EBRD) SUBSTANCE: the EBRD has been endowed with an initial capital of ECU 10 billion, of which the European Community subscribed 3%. To enable the credit requirements of the Phare and Tacis countries to be met (at least ECU 2,5 billion p.a. if there is to be a reasonable distribution of operations among the various groups of countries), the governors decided at their annual meeting in Sofia on 15 April 1996 to double the Bank's capital. The Commission believes there is a continuing and growing need for funds in the Bank's countries of operation and that the Bank is fulfilling its mandate in helping to supply them. This belief is shared by other shareholders who voted unanimously to double the Bank's capital. The Commission therefore proposes that the Community subscribe an additional 30 000 EBRD shares, each of ECU 10 000.