Basic information

2005/0139(CNS) CNS - Consultation procedure Decision	Procedure completed
European Bank of Reconstruction and Development (EBRD): finance operations in Mongolia; amendment to the Agreement establishing the EBRD **Subject** 6.30 Development cooperation 6.30.02 Financial and technical cooperation and assistance 6.40.08 Relations with Asian countries **Geographical area** Mongolia	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	BERÈS Pervenche (PSE)	05/09/2005

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2702	2005-12-20

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	

Key events

Date	Event	Reference	Summary
28/07/2005	Legislative proposal published	COM(2005)0342	Summary

27/09/2005	Committee referral announced in Parliament		
11/10/2005	Vote in committee		Summary
12/10/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0298/2005	
15/11/2005	Decision by Parliament	T6-0422/2005	Summary
15/11/2005	Results of vote in Parliament		
20/12/2005	Act adopted by Council after consultation of Parliament		
20/12/2005	End of procedure in Parliament		
29/12/2005	Final act published in Official Journal		

Technical information

Procedure reference	2005/0139(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC Treaty (after Amsterdam) EC 181
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/29778

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A6-0298/2005	12/10/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0422/2005	15/11/2005	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2005)0342	28/07/2005	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2005/0954
OJ L 346 29.12.2005, p. 0031-0032 Summary

European Bank of Reconstruction and Development (EBRD): finance operations in Mongolia; amendment to the Agreement establishing the EBRD

2005/0139(CNS) - 28/07/2005 - Legislative proposal

OBJECTIVE: to extend EBRD funding to Mongolia.

PROPOSED ACT: Council Decision.

CONTENU: The European Bank for Reconstruction and Development (EBRD, hereinafter also referred to as “the Bank”), is a multilateral financial institution which was established on 29 May 1990. The Bank’s shareholders comprise 62 countries and institutions, including all EU Member States, the European Community (EC) and the European Investment Bank. The EC share of the EBRD’s capital amounts to 3.05 %. Together with its Member States, the EU holds 61.70 % of the Bank’s capital. The EBRD invests in businesses and banks that form the core of strong market economies in 27 countries of operations from central Europe to central Asia.

Investments are designed to foster the transition towards open market-oriented economies and to promote private sector development.

At the time of establishment of the EBRD, Mongolia was neither part of the Soviet Union nor a founding member of the Bank. However, Mongolia’s location in the sphere of economic influence of the Russian Federation and its historical links to the former Soviet Union place it in a situation similar to that of the Russian Far East, Kyrgyzstan and Kazakhstan, notably with respect to the need for the country to foster its transition process towards a market economy and to develop its private sector. Since Mongolia’s needs for assistance are consistent with the needs generally faced by the EBRD’s countries of operations, notably in areas where the Bank has accumulated considerable expertise, it was deemed appropriate that Mongolia should become a member of the Bank. This took place in October 2000 following a Resolution of the EBRD’s Board of Governors, dated 3 May 2000.

Consistently, the Bank’s Board of Directors then decided that the Bank could have a role to play with its special expertise in fostering transition and in promoting private and entrepreneurial initiative in Mongolia. Since early 2001, the EBRD has therefore been providing technical assistance to Mongolia, using donor funds made available through the Mongolia Cooperation Fund.

However, the Mongolian authorities considered that the involvement of the Bank should not be limited to technical assistance, but should also include financing of specific projects. In July 2003, the Prime Minister of Mongolia formally expressed an interest that Mongolia be granted “country of operation” status. However, being non-European and located outside the territory that the Bank’s founders had originally intended for its activities, Mongolia could only become eligible for EBRD financing after an amendment of the Agreement Establishing the Bank.

In the case of the EC, the formal acceptance by the EC Governor of the EBRD of the Amendment to the Agreement necessary to enable the Bank to finance operations in Mongolia, was communicated to the Bank on 13 January 2004. However, the formal acceptance of this Amendment by the EC also requires the adoption of a Council Decision. The Commission considers that the legal basis for this Decision should be Article 181a of the Treaty, following a Commission proposal and a consultation of the Parliament.

It should be noted that this proposal will have no impact on the Union’s financial resources.

European Bank of Reconstruction and Development (EBRD): finance operations in Mongolia; amendment to the Agreement establishing the EBRD

2005/0139(CNS) - 15/11/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Pervenche **BERÈS** (PES, FR) and approved amendment of the agreement.

European Bank of Reconstruction and Development (EBRD): finance operations in Mongolia; amendment to the Agreement establishing the EBRD

2005/0139(CNS) - 21/12/2005 - Final act

PURPOSE: to allow the EBRD to finance operations in Mongolia.

LEGISLATIVE ACT: Council Decision (2005/954/EC) on an amendment to the Agreement Establishing the European Bank of Reconstruction and Development (EBRD), enabling the Bank to finance operations in Mongolia.

CONTENT: Although a member of the EBRD since 2000, Mongolia has not been a country in which the EBRD is authorised to carry out operations on its own resources. In response to the request of the Prime Minister of Mongolia, the Board of Directors of the EBRD has expressed unanimous support to admit Mongolia as a country of operations of the Bank. In January 2004, the Board of Governors of the EBRD voted in favour of the necessary amendment to the Agreement establishing the Bank, enabling it to finance operations in Mongolia. All the Governors of the Bank voted in favour of this amendment, including the Governor representing the European Community.

It is also necessary, however, for the Community to formally accept Mongolia's new status within the Bank, thus allowing the Community to achieve its objectives in the field of economic, financial and technical co-operation with third countries. As such this Decision effectively notes that the Community approves of the EBRD's amendment to its Agreement. The text of the amendment is attached to the Decision. It will enter into force once it has been ratified by all members of the EBRD.