


Basic information	
<p>2024/0019(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Decision</p>	Procedure completed
<p>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</p> <p>Subject</p> <p>6.20.05 Multilateral and plurilateral economic and trade agreements and relations 6.40.13 Relations with/in the context of international organisations: UN, OSCE, OECD, Council of Europe, EBRD 8.40.07 European Investment Bank (EIB) 8.70.40 Basic budgetary texts</p> <p>Geographical area</p> <p>Benin Côte d'Ivoire Ghana Iraq Kenya Nigeria Senegal</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ECON Economic and Monetary Affairs			
	Committee for opinion		Rapporteur for opinion	Appointed
	AFET Foreign Affairs		The committee decided not to give an opinion.	
	DEVE Development			
	BUDG Budgets		The committee decided not to give an opinion.	
Council of the European Union				
European Commission	Commission DG		Commissioner	
	Economic and Financial Affairs		DOMBROVSKIS Valdis	

Key events

Date	Event	Reference	Summary
22/01/2024	Legislative proposal published	COM(2024)0042 	Summary
08/02/2024	Committee referral announced in Parliament, 1st reading		
14/03/2024	Decision by Parliament, 1st reading	T9-0162/2024	
12/04/2024	Act adopted by Council after Parliament's 1st reading		
24/04/2024	Final act signed		
08/05/2024	Final act published in Official Journal		

Technical information

Procedure reference	2024/0019(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	Rules of Procedure EP 170 Treaty on the Functioning of the European Union TFEU 212
Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/14028

Documentation gateway


European Parliament

Document type	Committee	Reference	Date	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0162/2024	14/03/2024	

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00050/2024/LEX	24/04/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2024)0042 	22/01/2024	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2024/1246 OJ OJ L 08.05.2024	Summary

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.

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

PURPOSE: to subscribe to additional shares in the capital of the European Bank for Reconstruction and Development (EBRD) and to extend the geographic scope of EBRD operations to sub-Saharan Africa and Iraq.

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in accordance with the agreement establishing the European Bank for Reconstruction and Development (EBRD), the Board of Governors of the EBRD adopted, on 15 December 2023, their Resolution No. 265, which authorises the EBRD to increase its number of shares by 400 000 new shares priced at EUR 10 000 each, totalling EUR 4 billion, with an effective date of 31 December 2024. The capital increase is necessary to enable the EBRD's continued activities and investments in Ukraine during war and in particular post-war period to support Ukraine's reconstruction.

In May 2023, the Board of Governors decided, in Resolution No. 259, to proceed with a limited and incremental expansion to sub-Saharan Africa and Iraq, by amending the geographical scope of EBRD operations. This decision reflects the growing economic links between the EBRD's current countries of operations and sub-Saharan Africa and Iraq and its potential for developing the private sector in those economies in line with Bank's transition mandate. This is all the more important due to the destabilizing role played by Russia in the region.

Lastly, the Board of Governors in May 2023 decided in Resolution No. 260, to remove from Article 12.1 of the Agreement establishing the EBRD the statutory capital limitation on ordinary operations and to delegate to the Board of Directors all aspects of the EBRD's capital adequacy framework.

CONTENT: the proposed Decision is intended to:

- allow the Union to **subscribe for additional paid-in shares in the EBRD in the capital increase** decided by its Board of Governors on 15 December 2023 to ensure the Bank's **support for resilience and reconstruction in Ukraine beyond 2023**, and the continued support in all of its countries of operations in addressing the most pressing transition challenges, aligned with the EBRD's mandate and strategic direction;
- approve amendments to the Agreement establishing the EBRD, which (i) enable the limited and incremental expansion of the geographic scope of the EBRD's operations to **sub-Saharan Africa and Iraq** and (ii) **remove the statutory capital limitation on ordinary operations** and entrust the EBRD Board of Directors to establish and maintain any appropriate limits with respect to capital adequacy metrics.

In addition, the proposed Decision authorises the Governor representing the Union in the EBRD to deposit the requisite instrument of subscription of new shares as well as communicate to the EBRD the declaration of acceptance of the above-described amendments to the Agreement establishing the EBRD.

Monitoring and reporting

EBRD operations will be managed in accordance with the EBRD's own monitoring and reporting procedures. The Governor of the EBRD representing the Union reports annually to the European Parliament on:

- the promotion of the Union's objectives;
- the use of EBRD capital;
- measures to ensure transparency of EBRD operations via financial intermediaries;
- the EBRD's contributions to risk-taking and effectiveness in leveraging additional financing from the private sector;
- cooperation between the EIB and the EBRD outside the Union.

Budgetary implications

The Union share in the EBRD subscribed capital equals to around 3.03%, hence the Union would increase its subscribed capital by **EUR 121 020 000**, in the form of paid-in shares priced at EUR 10 000 per share.

EBRD members can subscribe, on or before 30 June 2025, or such subsequent date not later than 31 December 2025 as the Board of Directors may determine on or before 30 June 2025.

The first instalment should be paid by each member of the EBRD by the later of:

- 30 April 2025;
- 60 days after its instrument of subscription has become effective.

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

This initiative requires the use of the unallocated margin under Heading 6, or the use of the special instruments as defined in the MFF Regulation. This will be determined at the time of establishment of the Commission's proposal for Draft Budget 2025 and subject to negotiations between Council and European Parliament.

The amendments to the Agreement Establishing the EBRD have no implications on the Union budget.

