

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

History and Membership. A treaty to establish the EBRD was signed in May 1990; it was inaugurated on 15 April 1991. The EBRD has 60 members (58 countries, the European Community and the European Investment Bank), including 26 countries of operations in central and eastern Europe and the CIS.

Capital. Its subscribed capital is ecu 20bn., of which 30% is paid in. The Bank borrows in various currencies on world capital markets.

Objectives. The EBRD was set up to foster the transition towards market-oriented economies in central and eastern Europe, to lend funds at market rates to companies and countries 'committed to, and applying, the fundamental principles of multiparty democracy, pluralism and market economics'. Facilities were extended to the countries of the former USSR in 1992.

A policy statement of May 1991 placed initial emphasis on programmes: to support the creation and strengthening of infrastructures; privatization and reform of the financial sector, including development of capital markets and privatization of commercial banks; development of productive competitive private sectors of small and medium-sized enterprises in industry, agriculture and services; restructuring industrial sectors to put them on a competitive basis; encouraging foreign investment; and the promotion of sustainable and environmentally sound development.

Activities. Under a phased programme, countries which fulfil certain development criteria graduate out of the Bank's sphere of operations. By 30 Sept. 1998, the Bank had approved 603 projects, involving ecu 13.9bn. of EBRD's own funds, which were expected to mobilize an additional ecu 32.2bn. Of the approved projects, 525 had been signed, committing ecu 11.2bn. of EBRD funds. 84% of total committed funding was for private-sector projects.

Project-related technical co-operation is a major part of EBRD's activities. By 1997, 53 co-operation fund agreements with bilateral donors, totalling ecu 512m. had been made with the Bank for this purpose; 1,808 projects, with a total estimated cost of ecu 500m. had been committed.

Organization. There is a Board of Governors with full management powers, and a 23-member Board of Directors elected for a 3-year term, which is involved in day-to-day operations. The President is elected by the Board of Governors for a 4-year term. The EBRD's headquarters are in London with 29 Resident Offices or other offices in 22 of its countries of operations.

Headquarters: 1 Exchange Square, London, EC2A 2JN, UK.

Website: <http://www.ebrd.com>

Secretary-General: Antonio Maria Costa.

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

History and Membership. The Stockholm Convention establishing the Association entered into force on 3 May 1960. Founder members were Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the UK. With the accession of Austria, Denmark, Finland, Portugal, Sweden and the UK to the EU, EFTA was reduced to 4 member countries: Iceland, Liechtenstein, Norway and Switzerland.