

## 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 62 members (60 countries, the European Community and the European Investment Bank), including 27 countries of operations in central and eastern Europe and the CIS.

*Capital.* Authorized capital is ecu 20bn., of which ecu 5.25bn. is paid-in capital. 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 June 1999 the Bank had mobilized total project value of commitments of EUR 43.2bn., which was composed of primary resource mobilization of EUR 30.6bn. and EBRD own financing EUR 12.6bn.

Project-related technical co-operation is a major feature of EBRD's activities. By the end of 1998, 56 co-operation fund agreements with bilateral donors, totalling ecu 598m., had been made with the Bank for this purpose; 2,106 projects, with a total estimated cost of ecu 561.3m., 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 throughout all 26 of its countries of operations.

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

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

*President:* Jean Lemierre (France).

*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.