

EBRD Decision-making structure

BOARD OF GOVERNORS

The main decision-making body of the EBRD is the Board of Governors. Each member country has appointed one Governor and one Alternate Governor to serve on behalf of their country (Alternate Governors may only vote when the principal Governor is absent). The Board of Governors holds an annual meeting to decide the general direction of the EBRD. The voting power for each member is proportional to the number of subscribed shares their country has in the Bank's capital stock.

BOARD OF DIRECTORS

To manage the daily operations of the EBRD, the Board of Governors elects a Board of Executive Directors and a President. The Board of Executive Directors (there are 23 directors) is responsible for the direction of the general operations of the Bank, approving policies, making decisions concerning loans, guarantees, investment in equity capital, and borrowing by the Bank, providing technical assistance, as well as other operations of the Bank.

All policies, strategies, and loan agreements, together with the President's recommendation, are presented to the Board of Executive Directors. Approval of an operation by the Board represents EBRD endorsement of that operation. The number of votes each director has is related to the number of member countries they are representing. If a director represents more than one member country, they may cast separate votes for each of the member countries they represent. Decisions on general policy issues are taken by a majority of not less than two-thirds of the total voting power of the member countries participating in the vote. All other operations need only a majority of the voting power of the member countries participating in the vote. Table 1 outlines member countries' shares and votes.

Constituencies

Every member country or institution is represented on the Board by an Executive Director (ED). Countries that have a large percentage of shares are often represented by their own Director, for example the United States or Germany. Mostly however, one ED represents a few countries. The list of constituencies is given in Table 2. Directors and Alternate Directors often change, so we therefore suggest that you go to www.ebrd.com/english/contacts for an up to date list of names and contact details. This information can also be obtained from EBRD Resident Offices in countries of operation.

GENERAL MANAGEMENT

The President is the chief of staff and is responsible for the current business of the Bank under the direction of the Board of Executive Directors. The President usually chairs the meetings of the Board of Directors. Despite the fact that the President does not vote in Board decisions, he or she has the right to cast a deciding vote in a situation where there is an equal division of executive director votes.

The Bank staff are responsible for the preparation of Bank operation documents according to the sectoral policies and country strategies. In 1999 the Banking Department was restructured and now has groups related to three territories (Russia and Central Asia, Central Europe, Southern & Eastern Europe, and the Caucasus) and three sectors (Infrastructure, Financial Institutions, and Industry and Commerce). The different Banking groups are responsible for preparing and financing projects in appropriate fields and for developing financial instruments.

The Executive Committee

The Executive Committee (ExCom) deals with all key aspects of the strategy, performance and financial soundness of the Bank. It launches initiatives and decides which important documents

and papers are to be presented to the Board of Directors. ExCom is chaired by the President and comprises the senior management team, including support functions such as Secretary General and Finance. ExCom also makes decisions when the members of the Operations Committee cannot

form a consensus about a project.

The Operations Committee

The Operations Committee (OpsCom) decides on project financing and technical cooperation,

Table 1. EBRD Board of Directors

Country	Capital mil ECU	Share in %	Country	Capital mil ECU	Share in %
USA	2 000,00	10,32%	<i>Slovak Republic</i>	85,34	0,44%
<u>FRANCE</u>	1 703,50	8,76%	<u>Portugal</u>	84,00	0,43%
<u>GERMANY</u>	1 703,50	8,76%	<i>Croatia</i>	72,92	0,38%
<u>ITALY</u>	1 703,50	8,76%	<u>Ireland</u>	60,00	0,31%
JAPAN	1 703,50	8,76%	<i>Kazakhstan</i>	44,51	0,23%
<u>UNITED KINGDOM</u>	1 703,50	8,76%	<i>Slovenia</i>	41,96	0,22%
<i>Russian Federation</i>	800,00	4,13%	<i>Uzbekistan</i>	41,05	0,21%
CANADA	680,00	3,51%	<i>Belarus</i>	40,00	0,21%
<u>European Community</u>	600,00	3,10%	<u>Luxembourg</u>	40,00	0,21%
<u>European Investment Bank</u>	600,00	3,10%	Mexico	30,00	0,15%
<u>Spain</u>	595,00	3,06%	<i>Bosnia and Herzegovina</i>	24,51	0,13%
<u>Netherlands</u>	496,00	2,56%	Cyprus	20,00	0,10%
<u>Belgium</u>	456,00	2,35%	<i>Estonia</i>	20,00	0,10%
<u>Sweden</u>	456,00	2,35%	Iceland	20,00	0,10%
<u>Austria</u>	456,00	2,35%	<i>Latvia</i>	20,00	0,10%
Switzerland	456,00	2,35%	<i>Lithuania</i>	20,00	0,10%
Poland	256,00	1,32%	Egypt	17,50	0,09%
<u>Finland</u>	250,00	1,29%	<i>Albania</i>	17,17	0,09%
Norway	250,00	1,29%	<i>Moldova</i>	16,83	0,09%
<u>Denmark</u>	240,00	1,24%	<i>Kyrgyzstan</i>	14,17	0,07%
Turkey	230,00	1,19%	<i>FYRMacedonia</i>	13,64	0,07%
Republic of Korea	200,00	1,03%	<i>Azerbaijan</i>	11,20	0,06%
<i>Czech Republic</i>	170,66	0,88%	<i>Georgia</i>	11,20	0,06%
<i>Bulgaria</i>	158,00	0,82%	<i>Tajikistan</i>	10,11	0,05%
<i>Hungary</i>	158,00	0,82%	<i>Armenia</i>	10,00	0,05%
<i>Ukraine</i>	153,60	0,79%	Morocco	10,00	0,05%
<u>Greece</u>	130,00	0,67%	New Zealand	10,00	0,05%
Israel	130,00	0,67%	Liechtenstein	4,00	0,02%
Australia	100,00	0,52%	Malta	2,00	0,01%
<i>Romania</i>	96,00	0,50%	<i>Turkmenistan</i>	2,00	0,01%
Total				19 448,77	100,00%
TOTAL G7				11 197,50	57,78%
Total EU				11 277,00	57,98%
Total CEE				2 308,8	11,93%

Legend: G-7 countries are in CAPITALS, EU Countries are underlined, CEE countries are *italics*

Note: the shares and votes are given for the state of 31 December 1999. Currently Mongolia and Yugoslavia are as EBRD members too, but their shares are not yet determined.

Table 2. ED constituencies

Austria/ Israel/ Cyprus/ Malta/ Kazakhstan/ Bosnia and Herzegovina
Belgium/ Luxembourg/ Slovenia
Bulgaria/ Poland/ Albania
Canada/ Morocco
European Community
European Investment Bank
France
Germany
Greece/ Portugal
Hungary/ Czech Republic/ Slovak Republic/ Croatia
Ireland/ Denmark/ Lithuania/ FYR Macedonia
Italy
Japan
Korea/ Australia/ New Zealand/ Egypt
Netherlands/ Mongolia
Norway/ Finland/ Latvia
Russian Federation/ Belarus/ Tajikistan
Spain/ Mexico
Sweden/ Iceland/ Estonia
Switzerland/ Turkey/ Liechtenstein/ Uzbekistan/ Kyrgyzstan/ Azerbaijan/ Turkmenistan/ Yugoslavia
Ukraine/ Romania/ Moldova/ Georgia/Armenia
United Kingdom
United States of America

including which projects to recommend for Board approval, and ensures the integration of all key aspects of the Bank's operations, including the involvement of relevant support groups. OpsCom is chaired by the First Vice President and comprises those members of the senior management team with primary operational responsibilities.

PROGRAM & PROJECTS PREPARATION FROM THE ENVIRONMENTAL PERSPECTIVE

EBRD proposed projects and programmes should be examined to ensure that they are environmentally sound. Environmental procedures need to be followed throughout the life of every Bank project. After submission of project documentation to the EBRD, the Environmental Appraisal Unit, together with relevant departments, prepares the Initial Review for the Operation Committee. This includes preparation

of several documents such as environmental screening documents used to highlight environmental concerns associated with particular operations. Following the Initial Review, the Environmental Appraisal Unit together with other Bank departments prepare the Final Environmental Review for the OpsCom. At the final review, the OpsCom discusses any environmental issues and, through the Environmental Review Memorandum, is informed of the status of public consultations. According to the Bank's policy, an operation may be rejected if there are major environmental problems or if an operation fails to address environmental problems.

In cases where members of the OpsCom do not reach consensus, the Executive Committee chaired by the President makes a decision. The Executive Committee, which reviews projects for their environmental implications, is the final review mechanism before projects are submitted to the Boards of Directors.

SOME PRACTICAL TIPS:

Establish contact with EDs in the early stages of the development of a project. If you have any concerns do not hesitate to share them with Directors - you can always find at least few who will agree with you or become interested in what you have to say.

Keep in mind that decisions are made by a majority of shareholders - which means that the EU and the G7 can effectively control all decisions.

Some countries are more sensitive to social and environmental issues, or issues related to public participation and access to information. You can expect that their EDs will follow their policies and standard practices.

The EBRD regularly sends delegations of EDs to recipient countries. You can find out about the next mission from your local Resident Office or from the Director that represents your country. Try to organise a meeting of NGOs with the mission - EDs want to have meetings with NGOs on these missions. Even if you have no problematic projects in your country you can discuss NGO views on Bank activities in your own country, etc.

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The CEE Bankwatch Network is an international non-governmental organization (NGO) with member organizations from countries of Central and Eastern Europe and the Commonwealth of Independent States. The basic aims of the network are to monitor activities of the International Financial Institutions in the region, and to promote constructive alternatives to their policies and projects. The CEE Bankwatch Network was formally set up in 1995, and has become one of the strongest networks of environmental NGOs in Central and Eastern Europe.

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