



Recommendation 1273 (1995)¹

Social Development Fund of the Council of Europe (1994-95)

Parliamentary Assembly

1. The Assembly recalls its [Recommendation 1230 \(1994\)](#) on the Social Development Fund of the Council of Europe: activities and outlook, and considers that the need to complete the Fund's reorganisation successfully as well as the increasing social problems arising from population movements in Europe - notably in the countries of central and eastern Europe - call for stronger support by the Council of Europe member states for the activities of the Fund.
2. From the information which the Assembly has been given, it appears that, during 1994 and the first half of 1995, the Fund has adopted a range of measures required to overcome the problems of the past and to re-establish a sound basis for its future operations. However, the Assembly notes that this period of transition is not yet over.
3. The Assembly is concerned by the length of time it is taking two member countries - the Netherlands and Spain - to complete the ratification procedure required for the entry into force of the revised Articles of Agreement, since these provide the fundamental legal basis for the Fund's activity and objectives.
4. The Assembly welcomes the fact that two countries - Slovenia and Bulgaria - joined the Fund in 1994, but believes that renewed efforts should be made to extend its membership to other countries of central and eastern Europe, in view of its potential to help them solve their social problems.
5. The Assembly notes that three countries - Belgium, Denmark and Liechtenstein - still have not subscribed to the increase in the Fund's capital decided in 1990.
6. The Assembly is concerned that the Fund's "social account", from which loans can be made at 1% interest, was frozen two years ago and that the "emergency account", allowing for zero-interest loans to be made even in non-member countries, has had little impact. In this connection, the Assembly recalls its Recommendations 1150 (1991), 1176 (1992), 1179 (1992), 1188 (1992), 1198 (1992), 1205 (1993), 1207 (1993), 1253 (1994) and 1263 (1995) and its [Resolution 1049 \(1994\)](#).
7. The Assembly recommends that the Committee of Ministers:
 - 7.1. invite member states of the Council of Europe who are not yet members to join the Fund;
 - 7.2. invite member states of the Fund to consider paying up a larger proportion of subscribed capital in order to strengthen the Fund's basis of operations;
 - 7.3. urge those member states of the Fund that have not yet done so:
 - a. to ratify the revised Articles of Agreement of the Fund;
 - b. to subscribe to the latest increase in the Fund's capital;
 - c. to contribute generously to the "trust account" as soon as it is established;

1. Assembly debate on 26 June 1995 (17th Sitting) (see [Doc. 7321](#), report of the Committee on Migration, Refugees and Demography, rapporteur: Mr Brito; and [Doc. 7323](#), opinion of the Committee on Economic Affairs and Development, rapporteur: Mr Davis). Text adopted by the Assembly on 26 June 1995 (17th Sitting).



7.4. invite the Governing Body of the Fund:

- a. to renew its efforts to extend the membership of the Fund to the countries of central and eastern Europe through the organisation of an information seminar on the Fund's activities, intended for all the countries in central and eastern Europe;
- b. to review the Assembly's past recommendations and resolution listed in paragraph 6 with a view to developing, in co-operation with the competent authorities, appropriate projects and to securing the guarantees required for their funding;
- c. to reconsider, in the context of the "trust account", the possibility of raising the Fund's present level of commitment for projects, especially social housing projects, limited at present to 40%, and to apply the lowest possible interest rates with due regard to the statutory provisions;
- d. to ensure that the Fund staff effectively enjoy the same guarantees as those provided in the Council of Europe Staff Regulations, and that any special provisions decided by the Administrative Council respect the spirit of these regulations;

7.5. promote the setting up of machinery for co-ordinating the activities of the European Union (including the European Investment Bank), the European Bank for Reconstruction and Development, the World Bank and the Social Development Fund of the Council of Europe, in order to bring about greater effectiveness and improved recognition of the specific nature of the Fund, which is the only European financial institution operating in the social field.

8. The Assembly asks the Committee of Ministers, in its reply to this recommendation, to bring the information provided in its reply to [Recommendation 1230 \(1994\)](#) up to date.