



Council of Europe Social Development Fund

151

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PRESS RELEASE

THE KOSOVO CRISIS: THE FUND ADOPTS TWO EXCEPTIONAL MEASURES

The dramatic situation of the refugees from Kosovo constitutes a twofold challenge for the Council of Europe Social Development Fund:

- One of the Fund's priority vocations since its creation in 1956 is to come to the aid of refugees and migrants. Indeed, the Fund is the only development bank whose Articles of Agreement specifically mention this eminently social objective.
- Most of the countries bordering on the conflict area are, or are likely to become, members of the Institution.

Faced with the tragic nature of the events in Kosovo, the Fund has decided in all urgency to take a number of initiatives in order to come to the aid of the refugees and to give its support to the countries that are taking them in. Two of these measures are of a quite exceptional nature.

A DONATION OF TWO MILLION EURO FOR THE REFUGEES

The Fund has decided to make a donation of 2 million euro to the United Nations humanitarian agencies that are providing on-the-spot emergency aid for the refugees from Kosovo in The Former Yugoslav Republic of Macedonia and in Albania. The plan adopted is as follows:

- 900 000 euro will be paid to the UNHCR to finance mobile structures for water purification, so as to provide a supply of drinking water for the refugees in Albania.
- The balance, 1 100 000 euro, handled through the United Nations Development Programme (UNDP), will go to a community investment programme in order to improve the water supply network around the refugee camps in The Former Yugoslav Republic of Macedonia.

This donation will be financed, exceptionally, by drawing the amount from the Selective Trust Account – a special account fed essentially by the Fund's annual profits.

AN UNDERTAKING TO FINANCE THE ACCESSION OF ALBANIA

Given the urgent nature of the situation, another exceptional measure has been taken in order to facilitate the rapid accession of Albania, which has already requested membership: this consists in arranging for the cost of this accession, namely 1.8 million euro, to be financed by the Selective Trust Account. Part of this amount could be compensated for by voluntary contributions from one of more member states wishing to put their solidarity with this Country to material effect. This exceptional measure will enable Albania, as a Fund member state, to present requests for financing to the bank.

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It is important to emphasise that, for a development bank, these measures are without precedent in respect of their principle and the amounts involved (almost 4 million euro)

Indeed, it should be remembered that the Fund is a bank that provides loans and guarantees but not donations. Over and above the financial effort that has just been made, it is only once the conflict has ended and the return of the refugees to their country of origin can be organised that it will be possible to undertake actions that are truly in compliance with the Fund's Articles of Agreement. The real objective that will be pursued by the Fund in the future will be precisely to facilitate the return of the refugees, in accordance with the objectives set by the international community.

In these conditions, the Fund is therefore in the process of drawing up an action plan for all the countries hit by this crisis. The purpose of this plan will be to define its means of action within the framework of the international reconstruction effort, taking into account the bank's specificity.