



South-Eastern Europe

Major Developments

2001 was a year of mixed signals from the region. In the post-Dayton countries of Bosnia and Herzegovina (BiH), Croatia and the Federal Republic of Yugoslavia (FRY), significant progress was made on many refugee and returnee issues. Conflicts in southern Serbia and in the former Yugoslav Republic of Macedonia (FYR) were followed by renewed population displacement. Fortunately, after separate political agreements were reached, some 80 per cent of the refugees and IDPs had returned home by year's end. There were promising political developments in FRY, with the completion of a re-registration exercise and the creation of a high-level government task force to address long outstanding refugee and returnee issues. In Croatia, the Government made a commitment to resolve its refugee and returnee issues by the end of 2002. In BiH, 2001 was another record year for minority returns (some 92,000). These returns, which could be explained largely as a consequence of implementation of the property laws, created a momentum that began to impact on the hard-line areas of the country. Unfortunately, there was only limited material assistance

Albania
Bosnia and Herzegovina
Croatia
Federal Republic of Yugoslavia
The former Yugoslav Republic
of Macedonia



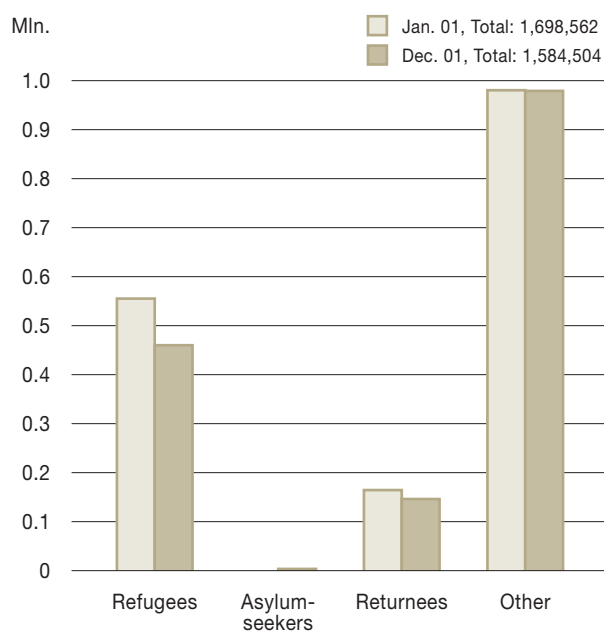
from development sources to ensure sustainable return, particularly in the shelter sector, as some 50,000 housing units are still urgently needed.

While Kosovo continued on its path to stability, particularly through the holding of elections, minorities remained in a precarious situation. Of the caseload of 250,000 ethnic minority IDPs resulting from the aftermath of the conflict, only some 2,500 have returned. Minority enclaves in Kosovo still require KFOR's special protection. More positively, many displaced ethnic-Albanians from southern Serbia have been able to return from Kosovo, even though the process of reconstruction and reconciliation in this sub-region also remains fragile. In the FYR Macedonia conflict, more than 140,000 people fled their homes in the first six months of the year. Through the open door policy of the FRY government, some 10,000 of these were able to find refuge in FRY or transit through FRY to Kosovo. At the year's end, only 9,000 of the 81,000 refugees from FYR Macedonia remained in Kosovo, mostly with host families.

Challenges and Concerns

2001 was the third successive year of significant minority returns in BiH, and to a lesser extent in Croatia. The next two years will require consolidation of the achievements envisaged by the Dayton Peace Accord. While returns in BiH are nearly self-perpetuating (save for the need for assistance with shelter and economic development), in Croatia, bureaucratic obstacles, local political interests and limited resources continue to have an inhibiting effect on minority returns. In FRY, the Government's plan to achieve durable solutions for most of the refugees, including local settlement, will require enormous bilateral investment. The uncertainty regarding the final status of Kosovo, the slow establishment of new political institutions and the large numbers still displaced within and outside Kosovo (more than 263,000) will necessitate the longer-term engagement of UNHCR and the international community. In FYR Macedonia, full implementation of the Orhid Agreement is yet to be achieved; this has impeded the return of the

Persons of Concern to UNHCR



remaining IDPs (some 23,000) and the refugees in Kosovo and southern Serbia. Despite continued high-level interest in Albania, political instability has continued. In Montenegro, strong aspirations for independence have also contributed to the sense of uncertainty in the sub-region.

Irregular migration and asylum movements through the region are complicating the already difficult task of the government processing asylum system. The shifting global political focus, the prioritisation of available humanitarian and development funds, the lack of full compliance with ICTY, and the slow arrival of pledged funds, all contribute to lingering doubts about whether the Balkan wars are finally over.

Progress Toward Solutions

UNHCR's overall objective in South-Eastern Europe is to achieve durable solutions for the remaining refugees and IDPs. UNHCR has worked persistently with governments in the region on repatriation for those who want to return to their places of origin, while simultaneously recognising that local integration will be the best option for some refugee families. The re-registration exercise in FRY showed a decrease of some 170,000 in the number of refugees (down 30 per cent on the 1996

figures). With some 60 per cent of the remaining 375,000 refugees in the country expressing a wish to stay, and with the FRY Government's new initiatives for finding durable solutions, there will be a unique opportunity over the next two years to finalise the status of most of these refugees. In BiH, nearly 190,000 members of minorities have returned in the last three years, in large part due to the rigorous implementation of the property laws. At the current rate, another 200,000 could return home in the next two years. In the years since 1998, the number of IDPs has steadily fallen from 836,000 to some 438,000 at the end of 2001. In Croatia, the 21,000 remaining refugees should find solutions this year and in 2002. Virtually 80 per cent of the 140,000 displaced by the conflict in FYR Macedonia have returned to their place of origin. Only some



280 Kosovar refugees remain in Albania. Most of the IDPs from Kosovo face an uncertain future in the rest of FRY.

In the context of the Stability Pact for South-eastern Europe, under Working Table I, the Regional Return Initiative (RRI) was launched, with its Agenda for Regional Action (AREA) having been endorsed in June by the Governments of FRY, Croatia and BiH. The issue of the sustainability of returns has been recognised as an important element in Working Table II (Economic Reconstruction and Development). Under Table III (Security and Home Affairs), all the Balkan countries are supporting UNHCR's longer-term objective of building asylum systems in line with international standards (the Migration and Asylum Initiative,

MAI). With an increasing number of migrants and trafficked persons from other parts of the world transiting the region, the aim is to ensure that genuine asylum-seekers receive the international protection that they need. UNHCR has assisted all the governments of the sub-region in the drafting of asylum legislation and the development of refugee status determination procedures.

As the region's needs shift – less emergency relief, more development assistance – UNHCR is continuing to gradually phase down its material assistance activities. The budgeted requirements for the sub-region have fallen from USD 207.6 million in 2000 to an estimated USD 102.7 million in 2002 and a projected budget of USD 75 million in 2003. With these reduced resources, material assistance will be



Federal Republic of Yugoslavia: Refugees en route to safer areas. UNHCR / R. Lemoyne

reserved for refugees and IDPs living in collective accommodation, the vulnerable and those with special needs such as women, children, the elderly and minority returnees. UNHCR has advocated that development actors and other relevant international institutions take on the responsibility for those activities that are essential for sustaining return and local integration. In FYR Macedonia, UNHCR implemented confidence-building measures to help defuse tensions, prevent further unrest and thereby create the conditions necessary for return. Given the fragile environment in the region, UNHCR also maintained an emergency response plan and a stockpile of non-food items.

Operations

Separate country chapters describe UNHCR's operations in **BiH, Croatia, FRY (including Kosovo)** and **fYR Macedonia**. In **Albania**, UNHCR has completed the construction of a residential facility for asylum-seekers, which will be handed over to the relevant government office in 2002. UNHCR developed a 'three-pronged approach' for asylum-seekers, migrants and trafficked persons, which has been accepted by the authorities and is starting to be implemented by border authorities. Several training courses for government officials and

NGOs have been conducted. Care and maintenance has been provided for some 280 extremely vulnerable Kosovar refugees, who are unable to return home.

Funding

After several prioritisation exercises, the sub-regional 2001 budget was reduced by 28 per cent. The region received some USD 82 million in earmarked funds (AB), again demonstrating sustained donor interest. Only 5.3 per cent of UNHCR's unrestricted income was utilised in the sub-region.

The events in FYR Macedonia required the establishment of a supplementary programme at the level of USD 17.5 million. Against this requirement, some USD 16.4 million was received in earmarked funds. As the worst-case scenario did not materialise, carry-over of USD 5.1 million was available at the year's end to continue this programme in 2002.

2001 was the second successive year plagued by unplanned budget reductions, and the impact on implementing partner relationships and the delivery of assistance was severe. It was impossible to meet the needs of returning minority refugees and IDPs, particularly in the shelter sector.

Voluntary Contributions - Restricted (USD)					
Donor	Earmarking ¹	Annual Programme Budget		Supplementary Programme Budget	
		Income	Contribution	Income	Contribution
Australia	Croatia (RSD Deployment to Nauru)	19,113	19,113	0	0
Austria	Federal Republic of Yugoslavia	330,332	330,332	0	0
Belgium	Croatia	219,180	219,180	0	0
	South-Eastern Europe	0	0	341,451	341,451
Canada	Federal Republic of Yugoslavia	2,026,027	2,026,027	0	0
	South-Eastern Europe	0	0	795,249	795,249
Council of Europe	Federal Republic of Yugoslavia	275,482	275,482	0	0
Denmark	Federal Republic of Yugoslavia	598,802	598,802	0	0
	fYROM	0	0	359,281	359,281
	South-Eastern Europe	1,199,041	1,199,041	0	0
<i>España con ACNUR (SPA)</i>	Bosnia and Herzegovina	138,533	0	0	0
	Federal Republic of Yugoslavia	3,251	0	0	0
Estonia	Federal Republic of Yugoslavia	35,461	35,461	0	0
European Commission	Bosnia and Herzegovina	1,931,919	2,033,599	0	0
	Federal Republic of Yugoslavia	11,697,961	11,685,119	1,073,809	1,090,909
	fYROM	836,547	836,547	445,235	445,236

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Finland	Bosnia and Herzegovina	301,142	301,142	0	0
	Federal Republic of Yugoslavia	451,713	451,713	0	0
	South-Eastern Europe	0	0	286,034	286,034
France	South-Eastern Europe	804,853	804,853	0	0
Germany	Bosnia and Herzegovina	909,641	909,641	0	0
	Croatia	228,869	228,869	0	0
	Federal Republic of Yugoslavia	3,628,782	3,628,782	0	0
	fYROM	0	0	940,875	940,875
Italy	Federal Republic of Yugoslavia	442,550	442,550	0	0
Japan	Bosnia and Herzegovina	3,000,000	3,000,000	0	0
	Croatia	1,000,000	1,000,000	0	0
	Federal Republic of Yugoslavia	4,500,000	4,500,000	0	0
	fYROM	1,500,000	1,500,000	680,000	680,000
Kuwait Red Crescent Society (KUW)	Federal Republic of Yugoslavia	0	0	450,000	900,418
Netherlands	Bosnia and Herzegovina	4,141,778	4,141,778	0	0
	Federal Republic of Yugoslavia	2,214,889	2,214,889	0	0
Netherlands	South-Eastern Europe	0	0	2,078,516	2,078,516
Norway	Albania	113,766	113,766	0	0
	South-Eastern Europe	2,201,073	2,201,073	500,000	500,000
Private Donors Germany	Federal Republic of Yugoslavia	523	523	0	0
Private Donors Italy	Federal Republic of Yugoslavia	78,798	78,798	0	0
Private Donors Korea	South-Eastern Europe	2,060	2,060	0	0
Qatar Charitable Society (QAT)	Bosnia and Herzegovina	44,862	44,862	0	0
Sweden	South-Eastern Europe	4,375,000	4,375,000	1,559,763	1,559,763
Switzerland	Bosnia and Herzegovina	121,212	121,212	0	0
Tabung Insaniah Kosovo (BRN)	Federal Republic of Yugoslavia	98,089	98,089	0	0
United Kingdom	Federal Republic of Yugoslavia	0	0	1,408,451	1,408,451
	fYROM	0	0	735,294	735,294
	South-Eastern Europe	0	0	735,294	735,294
United States of America	Bosnia and Herzegovina	900,000	900,000	0	0
	Federal Republic of Yugoslavia	600,000	600,000	0	0
	South-Eastern Europe	30,893,368	30,893,368	4,000,000	4,000,000
TOTAL²		81,864,617	81,811,671	16,389,252	16,856,771

¹ For more information on the various earmarkings, please refer to the Donor Profiles.

² Total funds available for obligation in the region also included unrestricted voluntary contributions, lightly restricted contributions, opening balances and adjustments.

Budget and Expenditure (USD)						
Country	Revised Budget			Expenditure		
	Annual Programme Budget and Trust Funds	Supplementary Programme Budget	Total	Annual Programme Budget and Trust Funds	Supplementary Programme Budget	Total
	Albania	3,512,598	423,625	3,936,223	2,813,186	307,370
Bosnia and Herzegovina	27,373,549	0	27,373,549	25,555,943	0	25,555,943
Croatia	11,365,320	0	11,365,320	11,100,566	0	11,100,566
Federal Republic of Yugoslavia	63,262,856	10,942,290	74,205,146	55,888,800	6,275,078	62,163,878
fYROM	6,733,063	5,662,628	12,395,691	5,445,738	4,255,415	9,701,153
Regional Projects ¹	80,000	490,000	570,000	27,636	427,216	454,852
TOTAL	112,327,386	17,518,543	129,845,929	100,831,869	11,265,079	112,096,948

¹ Includes voluntary repatriation to South-Eastern Europe (Annual Programme Budget) and international procurement for the situation in The former Yugoslav Republic of Macedonia (Supplementary Programme Budget).