

Major developments

Throughout 2004, UNHCR continued to work with east European governments, NGOs and local communities to promote stability, find solutions to protracted displacement, and strengthen asylum. In 2004 the diversity and complexities of this region were very much in evidence, as some countries struggled to contain internal conflicts, while others turned their attention to greater practical and political cooperation in response to the European Union's expansion.

In the Russian Federation, violence linked to the conflict in Chechnya appeared to have spread to the neighbouring republics in 2004, with a failed assassination attempt on Ingushetia's president in April, attacks on local Ingush authorities in June and the devastating hostage crisis at a school in North Ossetia in September. Yet amidst this widespread insecurity, some 19,000 Chechen IDPs returned home in 2004, while those remaining in Ingushetia moved closer to full integration. The last tented camp hosting Chechen IDPs closed in early June.

Georgia also faced a series of challenges in 2004. Tensions escalated in South Ossetia over the summer, compelling UNHCR to update contingency plans as the country braced for renewed population movements. Following a brief period of calm, nerves were once again rattled when elections in Abkhazia

Armenia
Azerbaijan
Belarus
Georgia
Republic of Moldova
Russian Federation
Ukraine



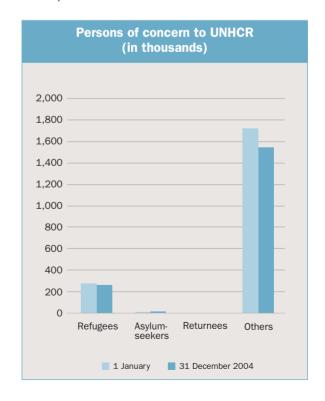
resulted in an emotional re-vote. Despite these upsets, however, the status quo was broadly maintained, with the international community actively promoting the peace process between Georgia and its two breakaway provinces. For its part, UNHCR undertook an intense review of its own strategy, recommending a shift to grass-roots confidence-building measures. A verification of the IDP registration in Georgia meanwhile got underway towards the end of the year, and will provide the necessary inputs should a voluntary return programme become viable.

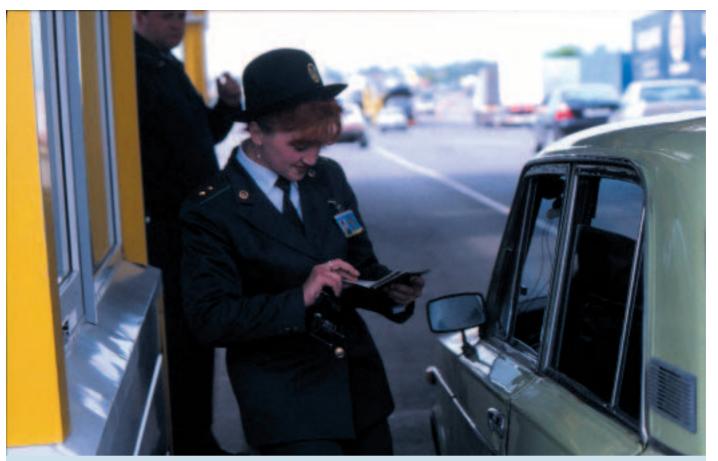
The Government of **Azerbaijan**, which continues to host large numbers of IDPs, approached UNHCR in 2004 for assistance in mobilizing international political and financial support for this population. UNHCR responded by increasing contacts with key operational partners, and organizing a vulnerability study for early 2005. During a visit to Baku in November, the High Commissioner reaffirmed UNHCR's continued commitment to finding solutions for Azerbaijan's displaced population. A major humanitarian challenge is the presence in Azerbaijan of (mostly Chechen) refugees for whom no solutions are as yet discernible.

Constructive discussions were convened in Minsk in May 2004 with members of the Commonwealth of Independent States (CIS) Conference. It was agreed that the CIS High Level Review would be concluded at the end of 2005. A detailed gaps analysis is currently

being concluded to define exactly which areas will need to see further action.

On 1 May 2004, the European Union's border shifted eastward with the accession of 10 new Member States. In anticipation of this expansion, and to enhance coordination among countries bordering the enlarged Union, UNHCR upgraded its office in Kyiv to a Regional Representation covering Belarus, the Republic of Moldova and Ukraine.





Ukrainian-Hungarian border checkpoint: As a result of Hungary joining the EU in May 2004, security at its non EU borders has been increased and new border procedures put into place. *UNCHR/L. Taylor*

Challenges and concerns

Despite the ongoing internationally-led peace process in Georgia, fighting broke out in South Ossetia over the summer. Elections in Abkhazia further fuelled tensions, although the final outcome proved peaceful. Against this backdrop, UNHCR encountered some difficulties in persuading the Government to focus on asylum system development. The country lacks the necessary financial and human resources, and remains preoccupied with its internal conflicts.

In 2004, UNHCR noted an increase in the number of refugees and IDPs living below the poverty line in Azerbaijan as a result of the country's rising cost of living. Although the Government of Azerbaijan has attempted to integrate IDPs and some refugees into national development programmes, there is nevertheless a continuing need for additional support. Chechen refugees are entirely dependent on UNHCR's programmes for their accommodation, health and life-sustaining needs and do not have access to the Government's asylum procedures. In 2004, unfortunately, UNHCR did not have sufficient funds to give the financial assistance required by Azerbaijan's IDPs. However, a commitment was made to enhance international interest and engagement.

In Belarus and Ukraine, asylum system development was further constrained in 2004 by the ongoing

restructuring of refugee and asylum services in both countries. UNHCR also noted a continuing reluctance on the part of these Governments to strengthen refugee legislation. The risk of *refoulement* from the Ukraine remained high as asylum-seekers were systematically denied access to territory and asylum procedures. It was also observed that recognized refugees in Belarus, the Republic of Moldova and Ukraine still encounter difficulties in accessing rights routinely enjoyed by citizens of these countries.

Progress towards solutions

Across Eastern Europe, UNHCR has begun to rely more substantially on partnerships with other UN agencies, development actors and governments in the search for solutions to displacement. The diversity and complexity of this region demands flexible and responsive approaches.

The previous year's efforts to integrate refugees into **Armenia**'s national development programme began to show signs of progress in 2004. The Government of Armenia has committed significant state resources in an effort to promote long-term solutions for the country's most vulnerable refugees.

In the northern Caucasus of the Russian Federation, UNHCR launched its two-pronged approach, focusing on the integration needs of populations displaced by the conflict in the Chechen Republic while, at the same time, facilitating the reintegration of those who have expressed interest in returning home voluntarily. Within the UN framework, UNHCR aimed to develop better integrated and more holistic approaches to the complex problems faced by the people of this region.

UNHCR also took a more comprehensive look in 2004 at its role within the UN Framework in the southern Caucasus, where the conflicts remain deadlocked and significant numbers of people face a situation of protracted displacement. In Georgia, an assessment mission planned for early 2005 will examine the potential for more confidence-building measures designed to buttress and accelerate the ongoing peace process in Abkhazia. Meanwhile, a second registration exercise of the Chechen refugee group in the Pankisi Valley has helped UNHCR to ensure more effective and targeted assistance to this population. Although the resettlement of Chechens from Georgia to third countries increased in 2004, there are worrying signs that emerging geopolitical forces will lead to a reversal of this positive trend.

Since assuming full responsibility for the asylum procedures in 2004, and with financial assistance from UNHCR, the Government of **Azerbaijan** recognized 18 refugees in 2004. Additionally, border guards, police, prosecutors and municipal officials underwent UNHCR-led training on asylum and refugee protection issues. Following a request from the Government of Azerbaijan at the end of 2004, UNHCR has agreed to assess vulnerability amongst the country's IDPs in early 2005 to identify future interventions for this population.

Shelter assistance programmes in **Armenia** continued to target the most vulnerable refugees living in sub-standard temporary accommodation.

In the **Republic of Moldova**, the government assumed full responsibility for the refugee status determination procedure in 2003 and UNHCR continued training to enhance the capacity of the refugee authority.

UNHCR continued to advocate the enhanced integration of recognized refugees in Belarus, the Republic of Moldova and Ukraine, where there has been some limited progress over the last year. In Belarus, for example, almost 400 refugees received residence permits and a further 178 were registered and had access to local support services and education. UNHCR also supported the pursuit of other durable

solutions for refugees in this region. In Ukraine, 255 refugees acquired citizenship, 27 refugees repatriated voluntarily and 69 departed for resettlement in 2004. During the same period, 26 refugees returned from Belarus and 44 refugees returned from the Republic of Moldova (mostly Chechens).

Within the Söderköping process, the Cross Border Cooperation Process Secretariat (CBCP) – supported by the European Commission and managed by UNHCR in partnership with IOM and the Swedish Migration Board – expanded its range of activities in 2004. Throughout the year, CBCP proved a useful tool for Belarus, the Republic of Moldova and Ukraine to strengthen asylum, migration, protection and border management, bringing them closer to international standards, as well as for enhanced cross-border cooperation between these countries and the EU newly acceded and candidate countries.

Operations

UNHCR's operations in the **Russian Federation** are described in a separate chapter.

UNHCR has developed a renewed focus on the southern Caucasus, where an internal operational review conducted in 2004 concluded that governments and the international community still have a great deal to achieve in finding solutions to the region's protracted population displacement problems.

In **Georgia**, re-registration of IDPs got underway in 2004, and will provide valuable input into any potential voluntary return programmes. Despite tensions in and around South Ossetia, a joint OSCE, UNHCR and UNDP return programme was launched and will continue during the course of 2005 with support from the European Commission. In 2004, re-registration of Chechen refugees in the Pankisi Valley revealed a 30 per cent decline in that population since the previous profiling.

In **Azerbaijan**, UNHCR continued to provide financial subsistence allowances and medical care to the most vulnerable refugees and asylum-seekers. It was noted, however, that increasing numbers of refugees and asylum-seekers are falling into the vulnerability category, a worrying trend that prompted UNHCR to conduct an assessment in early 2005. On a more positive note, 2004 saw a 30 per cent increase in enrolment in state schools by refugee and asylum-seeker children.

The Government of **Armenia** responded positively to the results of a UNHCR gaps analysis study aimed at bringing the national asylum legislation further into conformity with international standards. By March 2004, amendments to Armenia's asylum law had entered into force. Armenia's naturalization procedure for refugees from Azerbaijan is also being amended with input from UNHCR.

In 2004, UNHCR continued to call for the sustainable social, economic, legal and political integration of refugees in Armenia. UNHCR provided health care, vocational training, and social support to the most vulnerable refugees residing in the country's 230 communal centres and through its interventions empowered relatively disempowered communities. As in previous years, UNHCR also focused on the provision of improved shelter to the most vulnerable refugees living in sub-standard temporary accommodation. Concentrating its efforts mainly in one province, UNHCR reached an agreement for co-financing with the local governorate and it is hoped that a durable solution for all refugees in this province will be found by the end of 2005, paving the way for a comprehensive national shelter policy. Overall, UNHCR provided 129 families with permanent shelter in 2004.

In collaboration with the European Commission's Technical Assistance to the CIS countries programme and State funding, the construction of a Temporary Accommodation Centre (TAC) was completed in Odessa, Ukraine in 2004. Ukraine thereby expanded its reception facilities to include an additional 250 places. The **Republic of Moldova** now has a TAC for 70 persons and **Belarus** can accommodate 45.

In 2004, over 1,300 persons claimed asylum in **Ukraine**, including an increasing number of separated children. Only 80 persons were recognized as refugees during 2004. Due to naturalization, resettlement or return, the number of refugees registered

as still residing in **Ukraine** decreased to some 2,400. In **Belarus**, 663 out of some 742 recognized refugees remain in the country. None of those denied asylum were deported from **Belarus**. At the end of 2004, the **Republic of Moldova** was hosting a total of 57 refugees and 112 asylum-seekers, while decisions regarding 184 persons were pending.

Asylum-seekers and refugees in Belarus, the Republic of Moldova and Ukraine were able to access legal and social counselling, information and assistance through a network of NGOs supported by UNHCR. Some refugees received targeted assistance and others obtained Convention Travel Documents. Efforts to integrate refugees into the UN Common Country Assessment continued. Several public events, newsletters and websites aimed at promoting refugee rights and their integration were organized in 2004 as part of an overall effort to combat xenophobia in Belarus, the Republic of Moldova and Ukraine.

Funding

Like its other operations in Europe, UNHCR's work in Eastern Europe suffered from a depreciating US dollar as most of the currencies in the subregion are euro-related. This led to some reprioritization of the planned activities in 2004. The overall donor interest in the sub-region remained at the 2003 level with some 62 per cent of the subregional budget covered by earmarked contributions. However, it was encouraging for UNHCR to observe that the earmarked funding received for its operations in Eastern Europe was increasingly earmarked at the subregional level (more than 41 per cent as compared to some 36 per cent in 2003) rather than at the country level or – even less flexibly – at sector and activity level. The programme for the North Caucasus which was included in the 2004 Consolidated Appeal was fully funded.

Restricted voluntary contributions (USD)			
Earmarking ¹	Donor	Annual programme budget	
Armenia			
	Switzerland	572,264	
Sub-total		572,264	
Azerbaijan			
	Germany	426,309	
	Ireland	228,745	
	Statoil, Norway	50,000	
	Switzerland	396,825	
	United States of America	128,510	
Sub-total		1,230,390	

Earmarking ¹	Donor	Annual programme budget
Belarus		
	Latvia	8,000
	Lithuania	3,745
Sub-total		11,745
Eastern Europe		
	European Commission	61,275
	Japan	700,000
	Sweden	1,236,264
	United States of America	4,803,155
Sub-total		6,800,693
Georgia		
	Miscellaneous donors / Private donors in Switzerland	1,000
	Organisation for Security and Cooperation in Europe	600,000
	Switzerland	634,921
Sub-total		1,235,921
Republic of Moldova		
	European Commission	132,669
Sub-total		132,669
Russian Federation		
	Canada	261,194
	European Commission	1,192,448
	Germany	579,268
	Japan	300,000
	Microsoft EMEA, France	70,500
	Netherlands	530,000
	Switzerland	793,651
	United Kingdom	107,527
	United States of America	2,066,486
Sub-total		5,901,074
Ukraine		
	European Commission	354,077
	Italy	63,613
	Sweden	92,846
	United States of America	20,000
Sub-total		530,536
Total		16,415,293

 $^{^{\}mbox{\scriptsize 1}}$ $\,$ For more information on earmarking, please refer to the donor profiles.

Budget and expenditure (USD)				
Country	Revised budget	Expenditure		
	Annual programme budget			
Armenia	1,772,273	1,772,220		
Azerbaijan	3,056,318	3,055,068		
Belarus	899,182	899,182		
Georgia	4,760,825	4,760,825		
Republic of Moldova	982,398	963,694		
Russian Federation	13,970,550	13,947,457		
Ukraine	3,187,501	3,143,884		
Regional projects ¹	249,800	237,355		
Total	28,878,847	28,779,685		

 $^{^{1}\,}$ $\,$ $\,$ Includes scholarships for refugee students and follow-up on the CIS conference.