

South-Eastern Europe

Major developments

The political environment in the Balkans deteriorated in 2003, and progress slowed down for refugees in Serbia and Montenegro and IDPs in Bosnia and Herzegovina (BiH). The assassination of the reformist Serbian Prime Minister, Zoran Djindjic, was followed by a state of emergency that lasted for more than two months. The country also went through constitutional changes, with the dissolution of the Federal Republic of Yugoslavia and the emergence of the State Union of Serbia and Montenegro (in the local language *Serbia i Crna Gora* (SCG), the official acronym) which is a three-year transitional solution not without its ambiguities. The geopolitical uncertainties which continue to affect the equilibrium of the subregion as a whole, combined with the re-emergence of certain nationalist tendencies, call for careful attention by the international community. Moreover, unresolved issues concerning the status of Kosovo and the State Union of Serbia and Montenegro had a profound effect on the return of refugees and displaced people. Finally, economic growth across the region was decidedly patchy, with areas of actual decline, which offered a bleak prospect not only for the immediate welfare of the most vulnerable refugees and displaced people, but for hopes of sustainable return.

Albania

Bosnia and Herzegovina

Croatia

The former Yugoslav Republic
of Macedonia

Serbia and Montenegro



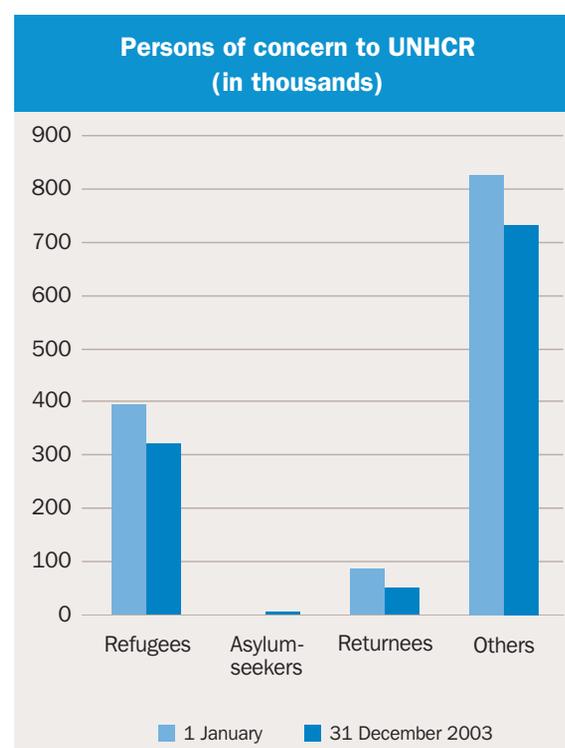
Nevertheless, the year also witnessed some positive developments. First, the Property (Restitution) Law Implementation Plan (PLIP) in Bosnia and Herzegovina led to the resolution of 92.5 per cent of all claims. Second, with the exception of SCG, all countries adopted new asylum legislation in line with international standards. Third, there was a 31 per cent increase in minority returns to Kosovo (see below) and the situation in The former Yugoslav Republic of Macedonia (FYR Macedonia) remained stable, despite some skirmishes in mid-year, without threatening the Ohrid Framework Agreement that ended the outbreak of violence in 2001.

Challenges and concerns

Besides the political instability and the re-emergence of nationalist tendencies, one of the main constraints was the economic backdrop to the predictable, but regrettable, decline in both humanitarian and reconstruction assistance. This was at its worst in SCG, including Kosovo, with 30 per cent unemployment, and one third of the population below the absolute poverty line. In BiH, 20 per cent of the population was below the absolute poverty line.

Progress on the repossession of property and tenancy rights in Croatia was very slow. This impacted negatively on the repatriation of Croatian refugees

residing in SCG and BiH. The Humanitarian Issues Working Group of the Peace Implementation Council had expected that most of these refugees and IDPs would be repatriated by the end of 2003 (meaning that UNHCR would have fulfilled its obligations under Annex 7 of the Dayton Peace Agreement). However, the need for UNHCR's protection and assistance will continue in 2004.



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Solutions for the remaining estimated 220,000 Kosovo IDPs remained elusive (despite more returns in 2003 than in the previous year) amid continued uncertainties regarding Kosovo's final status, persistent outbreaks of violence against minorities, and the SCG Government's reluctance to pursue an integration policy for IDPs from Kosovo. Despite these factors, and UNHCR's advocacy of continued international protection of ethnic minorities from Kosovo, there were increasing numbers of forced returns from Western Europe in 2003.

Progress towards solutions

Some progress was made towards durable solutions for refugees originating mainly from Croatia and, to a lesser extent, BiH, as well as IDPs in BiH (though less progress than in the previous year). A total of 9,280 refugees repatriated to Croatia (mainly from SCG), of whom 1,812 received direct assistance from UNHCR. This figure was 16 per cent down on the total of 11,048 returns registered the previous year, mainly on account of slow progress on restitution of property and tenancy rights. However, the Croatian Government adopted a plan for reconstruction assistance and for the provision of alternative accommodation for former tenancy rights holders. In SCG, 44,000 refugees were granted SCG citizenship and de-registered; meanwhile, within the framework of organized voluntary repatriation, 1,361 refugees from SCG were transported to Croatia and 1,067 to BiH. Through the local settlement programme, a total of 1,197 families living in collective centres in SCG were helped to move out; of these, 260 received shelter assistance while the remaining 937 received a combination of cash and assistance in kind. A total of 142 collective centres in SCG were closed, affecting 5,550 refugees and 2,200 IDPs. In BiH, a total of 54,300 returns were recorded (both internal and from abroad), of whom 44,800 were minority returns. Moreover, the Property Law Implementation Plan (PLIP) enabled 201,902 claims out of 218,300 to be resolved at the municipal level.

In 2003, Kosovo received 3,629 returnees from SCG, a modest number, but 31 per cent up on the previous year. UNHCR played a key role in monitoring and analysing the conditions not only of returned IDPs and refugees, but also of minorities at large (some 85,000 individuals). The Office also coordinated go-and-see and come-and-inform visits and



Serbia and Montenegro: UNHCR-Swiss Development Co-operation funded the construction of houses for refugees in Berane, northern Montenegro. UNHCR/A. Mahecic

released position papers on "The Continued Protection Needs of Individuals from Kosovo" and the "Update on the Situation of Roma, Ashkaelia and Egyptians", and contributed to the "10th Minority Assessment", in partnership with OSCE. In addition, 194 SCG refugees repatriated to SCG (including 62 to Kosovo) and 2,014 refugees returned to FYR Macedonia from Kosovo.

In the Balkans, one of the main achievements of the year 2003 was the adoption of asylum laws, drafted with substantial input from UNHCR (with the exception of SCG, owing to constitutional and political uncertainties) as follows:

- Albania: The Law on Integration and Family Reunion of Persons Granted Asylum in the Republic of Albania, which was approved by Parliament on 3 July 2003, entered into force on 19 August 2003;
- Bosnia and Herzegovina: Law adopted by Parliament on 18 July 2003, entered into force on 14 October 2003;
- Croatia: Law adopted on 14 June 2003 will enter into force on 1 July 2004; and
- The former Yugoslav Republic of Macedonia: Law adopted on 16 July 2003, entered into force on 4 August 2003.

Furthermore, in FYR Macedonia, activities coordinated by UNHCR resulted in the adoption by Parliament of amendments to the Law on Citizenship which meet international standards and reduce the naturalization requirements.

Nevertheless, there remains a need, across the subregion, to implement laws and procedures and to set in place robust administrative machinery to put them into effect.

Operations

Separate country chapters describe UNHCR's operations in **BiH, Croatia, SCG** (including Kosovo) and **FYR Macedonia**. In **Albania**, the adoption of the national Law on Integration and Family Reunion of Persons Granted Asylum in the Republic of Albania was an important achievement. Of equal significance were Albania's accession in 2003 to the 1954 Convention relating to the Status of Stateless Persons and the 1961 Convention on the Reduction of Statelessness. With UNHCR's advice and technical assistance, the Directorate for Refugees commenced refugee status determination. This work benefited greatly from the partnership between Albania and the Netherlands under the Stability Pact's Migration, Asylum and Refugee Return Initiative.

UNHCR organised an expert round table seminar on Asylum as a Stabilisation and Association Process Priority. This led to the development of a draft Plan of Action on Asylum, which had to be abandoned due to changes in the Government. With the cooperation of IOM and OSCE, the Directorate for Refugees undertook pre-screening, whereby foreigners were assessed and referred to the appropriate systems dealing with asylum-seekers, victims of human trafficking or economic migrants respectively.

Within the framework of the 2003 CARDS National Programme between the Government of Albania and the European Commission, negotiations were under way for UNHCR to implement pre-screening at

the border points and elsewhere. This is expected to start in 2004, also in cooperation with IOM and OSCE. To strengthen the capacity of the Government and NGOs on asylum matters, UNHCR conducted a series of training activities. The Office supported the rehabilitation of a reception centre where the majority of the asylum-seekers have been accommodated, and continued to provide assistance to refugees and asylum-seekers.

Funding

As part of the overall strategy for downsizing its operation in the region, UNHCR's total budget in South-Eastern Europe decreased from the 2002 ExCom-approved budget of USD 88.1 million (subsequently reduced to a revised budget of USD 74.7 million) to an initial 2003 ExCom-approved budget of USD 71.8 million, with a revised budget of USD 66.6 million. There were further staff reductions in 2003. Staffing levels at the end of the year stood at 77 per cent of those at the beginning of the year (and only 39 per cent of the January 2000 level).

Despite the phased departure from the Balkans of some of UNHCR's traditional donors, such as ECHO, donor interest in UNHCR's operations in South-Eastern Europe remained high, with 61 per cent of the 2003 programme funded through earmarked contributions. It was greatly appreciated that most of these funds were flexible (i.e. only earmarked at the subregional level).

Voluntary contributions - restricted / earmarked (USD)			
Earmarking ¹	Donor	Annual programme budget	
		Income	Contribution
Bosnia and Herzegovina	Canada	335,570	335,570
	European Commission	1,091,595	2,128,440
	Germany	211,341	211,341
	Japan	750,000	750,000
	Norway	1,401,264	1,401,264
	Switzerland	151,515	151,515

Earmarking ¹	Donor	Annual programme budget	
		Income	Contribution
Serbia and Montenegro			
	Canada	872,483	872,483
	European Commission	3,280,136	3,229,279
	Germany	513,127	513,127
	Italy	570,125	570,125
	Japan	1,000,000	1,000,000
	Netherlands	521,828	521,828
	Norway	1,849,315	1,849,315
	Private donors Italy	42	42
	Switzerland	1,252,755	749,158
Croatia			
	Canada	134,228	134,228
South-Eastern Europe			
	Japan	2,750,000	2,750,000
	Norway	205,479	205,479
	Poland	10,000	10,000
	Sweden	4,332,953	4,332,953
	United States of America	18,000,000	18,000,000
Total		39,233,756	39,716,147

¹ For more information on the various earmarkings, please refer to the donor profiles.

Budget and expenditure (USD)

Country	Revised budget	Expenditure
	Annual programme budget	
Albania	1,598,227	1,512,011
Bosnia and Herzegovina	16,223,766	16,152,873
Croatia	8,567,176	8,397,773
The former Yugoslav Republic of Macedonia	4,951,183	4,948,623
Serbia and Montenegro	35,277,277	35,025,394
Total	66,617,629	66,036,674