The South-West Asia region is increasingly dominated by growing insecurity and political instability. Anti-government attacks in Afghanistan have risen sharply, and 2008 saw the highest number of security incidents since the fall of the Taliban.

The situation has also deteriorated in Pakistan. Growing insecurity in the country’s border regions, especially the North West Frontier Province, is influencing population movements.

Due to security and other concerns, the Government of the Islamic Republic of Iran has declared certain areas off-limits to foreigners, including Sistan and Baluchistan, where a large number of Afghan refugees reside.

The overall security situation is seriously affecting UNHCR’s access to people of concern, particularly in North-West Frontier Province in Pakistan and in Afghanistan, where the UN has humanitarian access to only half of the country.

The impact of the food and fuel crises that hit the region in 2008, combined with drought in Afghanistan, led to additional population movements. Many returnees face greater challenges as they compete for increasingly scarce resources.

In June 2008, the international community reaffirmed its support for Afghanistan at the Paris Conference, pledging some USD 20 billion to propel the Afghanistan National Development Strategy. However, progress
towards the goals set by the Afghanistan Compact in 2006 for State-building, security and social and economic progress has been slow.

Within this challenging context, it is clear that solutions to Afghan displacement in the region can only be found if there is sustained progress in reconstruction, security and the building of State institutions in Afghanistan.

More than 5 million Afghans have returned to their homeland since 2002, some 4 million of them with the support of UNHCR. But some 1.8 million registered Afghan refugees remain in Pakistan and another 900,000 in the Islamic Republic of Iran.

Since 2006, the rate of return has declined. More than 80 per cent of the registered Afghans remaining in host countries have been displaced for over two decades, and half were born in exile with limited links to their homeland. These factors are contributing to the reluctance to return. Many Afghan refugees also perceive that securing livelihoods in Afghanistan in the current context will be very difficult.

Nonetheless, in 2008 some 250,000 Afghans had returned to their country by mid-September. This was largely due to developments in their host countries, such as insecurity, rising prices and the closure of Jalozai refugee village in Pakistan.

A growing concern is the secondary displacement of Afghans who return home. In 2008, more than 30,000 registered returnees were living in temporary settlements, unable to return to their places of origin for various reasons, including insecurity, lack of shelter, landlessness and the absence of livelihood opportunities. It has become clear that Afghanistan’s current capacity to absorb and integrate returnees is very limited.

Strategy

UNHCR will continue to facilitate voluntary repatriation, while promoting respect for the principles of voluntariness and gradualism. It will also take steps to prevent any undermining of these principles.

However, a comprehensive solution to the problem of Afghan displacement in the region depends on progress in reconstruction and State-building in Afghanistan and overall improvements in regional security. UNHCR is working closely with the Government of Afghanistan to support returnee reintegration within national development programmes, especially in areas of high return.

In November 2008, the Government of Afghanistan and UNHCR will organize an international conference in Kabul on return and reintegration. The conference will highlight the challenges to sustainable reintegration and mobilize the political, technical and financial support of Afghan and international stakeholders to address them.
Meanwhile, interim solutions for many Afghans will lie in Pakistan and the Islamic Republic of Iran. UNHCR will work closely with the host governments to maintain the current protected status of all registered Afghans, which provides them with greater predictability of stay.

UNHCR interventions in Pakistan will focus on a more comprehensive approach to the management of the Afghan situation, with the identification of groups at risk, as well as the willingness and ability of the refugee population to avail themselves of proposed solutions. UNHCR will work with the UN country team to support communities in refugee-hosting areas and seek to secure more partnerships and investment from key stakeholders.

In Iran, UNHCR will work with the Government and suitable agencies to train refugees in skills that would help them earn a living. The identification of persons with specific needs will continue, but with an increasing focus on community-based support.

The Office is exploring the enhanced use of resettlement as a strategic protection tool for refugees in the region.

Constraints

The deteriorating security situation in Afghanistan and Pakistan and regional instability will have a bearing on the level of protection accorded to Afghan refugees and the search for durable solutions for them. The growing economic crisis is also likely to affect population movements and create further instability.

Operations

UNHCR’s operations in Afghanistan, the Islamic Republic of Iran and Pakistan are described in separate country chapters.

Financial information

The Afghanistan operation was mainstreamed into the annual programme in 2004, with the budget decreasing to reflect declining returns. Natural disasters in Pakistan such as the earthquake of 2005 and floods in 2007...
and 2008, as well as increased clashes in its border regions in 2008, created the need for additional programmes and resources in response to new IDP situations.

From 2007, when UNHCR increased the return and reintegration cash grant for returnees in Afghanistan, needs have systematically outstripped available resources, and additional contributions were required for the continuation of the voluntary repatriation operation. In 2008, the deteriorating security situation required additional funding for both Pakistan and Afghanistan.

Furthermore, in order to help the Governments of Pakistan and the Islamic Republic of Iran to provide a more predictable stay to Afghans, both countries have been supported with funding for registration and profiling activities.

### Budget (USD)

<table>
<thead>
<tr>
<th>Countries</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual budget</td>
<td>Supplementary budget</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>49,871,900</td>
<td>0</td>
</tr>
<tr>
<td>Islamic Republic of Iran</td>
<td>12,376,669</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Pakistan</td>
<td>18,374,173</td>
<td>15,526,561</td>
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<tr>
<td>Regional activities¹</td>
<td>120,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80,742,742</strong></td>
<td><strong>16,826,561</strong></td>
</tr>
</tbody>
</table>

¹ Includes repatriation of Afghans from non-neighbouring countries.

Note: Supplementary programme budgets exclude 7 per cent support costs that are recovered from contributions to meet indirect costs for UNHCR.