

25 September 2002

## IMPACT OF BUDGETARY REDUCTIONS

### Preliminary Note

The following Note summarizes the efforts of UNHCR to address the expected shortfall in resources as anticipated at the end of June 2002, and the impact of the resulting budgetary cuts. Unfortunately, as the Office approaches the end of the third quarter, resource projections are not at all promising; further steps will be necessary to address a further shortfall in the final quarter of 2002. The nature of this shortfall is set out in the document *Update on Programme and Funding for 2002* (EC/52/SC/CRP.15). While every effort is being made to limit the *direct* impact of any further budgetary cuts on operations, this note must necessarily present only a partial picture of the impact of budgetary cuts, namely those resulting from the June 2002 reductions. A fuller picture of the impact of these further budgetary cuts will only be available at the end of the year.

## I. BUDGETARY REDUCTIONS (AS AT JUNE 2002)

1. It will be recalled that the Executive Committee in October 2001 approved a total annual budget for 2002 of US\$ 829 million. The High Commissioner proposed this budget only after balancing needs and the likelihood of funding. He was anxious to bring an element of realism into the budgetary approval mechanism.

2. Of the total amount approved, US \$ 20 million is provided by the UN regular Budget and US \$ 7 million by the JPO programme. The needs to be resourced through fund-raising were US \$ 802 million. Allowing for the fact that the Office started the year with US \$ 44 million in carry-over and an expected other income of US \$ 45 million, this meant that the Office needed US \$ 713 million fresh income this year. But since the Office had to pay pack the US \$ 12 million loan to the Working Capital and Guarantee Fund, the funds that had to be mobilized amount to US \$ 725 million.

3. As the year progressed, it was becoming evident that in spite of the Office's best efforts, this approved budget was going to be under-funded. Projected fresh contributions were estimated at only US \$ 639 million. The added problem was that some of these resources might be unavailable for use in 2002, due to late funding, or because they were either earmarked for projects which are already fully funded in 2002 or set aside by donors for projects in 2003. On the other hand, some staff and costs related to the Afghan refugees/returnees from the Annual Programme Budget were transferred to the corresponding Supplementary Programme. All together there was a need to manage a shortfall of US \$ 86 million.

## II. MANAGING THE SHORTFALL

4. UNHCR was thus confronted with the challenge of how to manage this shortfall in a way that addressed the following concerns:

- that operations in the field be protected as much as possible; hence savings were sought first at Headquarters, including in Global Operations managed from Headquarters
- that the cuts be focused and sensitive to differing needs in the various regions (therefore no arbitrary percentage across-the-board cuts);
- that they would limit the adverse impact on refugees;
- that they would not unduly affect the work of UNHCR managers in the Field and the valued cooperation of implementing partners.

5. The approach thus adopted to resolve this problem was as follows:

- By focusing on reductions at Headquarters, including Global Operations: US \$ 11 million;
- By reductions of 10% in Administrative Budgets (ABOD) all over the organization: US \$ 16 million;
- By freezing US \$ 30 million out of the Operational Reserve; the risk with this is that it leaves the Office with little money for new needs, emergencies and unexpected developments requiring intervention in the latter part of the year.

- By reviewing spending/obligation patterns in operations in recent years, on a country-by-country basis, to see where less spending than that envisioned in the Annual Programme Budget could be expected: US \$ 14 million. Although such "savings" because of under-spending may seem harmless, the risk of such reductions is that the Regional Bureaux have very little flexibility to respond to new developments; very little scope exists for them to transfer funds between operations.

6. After these efforts to cover the anticipated shortfall of US \$ 86 million further savings had to be found. While cuts enumerated in paragraph 5 were painful, the further cuts needed to address the remaining shortfall had more serious consequences. Annex 1 provides a breakdown of the reductions identified under operations, including those in paragraph 5, bullet point 4 above.

7. Since June when these savings were announced and work begun on their implementation, the situation has slightly improved. As part of the envisaged reductions, there were cuts planned of US \$ 2 million each for operations in Croatia and Kosovo. However after the Standing Committee Meeting in June 2002, additional contributions have made it possible to refrain from these reductions.

8. The exercise undertaken in June 2002 to address the resource gap in the 2002 budget, once again highlighted the problem of meeting basic standards of care that refugees, no matter where they are, should have a right to expect. The erosion of such standards because of resource considerations is unacceptable.

### III. IMPACT

9. The High Commissioner already foreshadowed in his address to the 24<sup>th</sup> Meeting of the Standing Committee (24-26 June) some of the likely impacts of the budgetary cuts on operations. Among others, he noted the following likely impacts:

- Reductions in operations in the various regions;
- Voluntary Repatriation movements placed on hold or return numbers reduced (such as Angolans and Somalis);
- Newly arriving refugees will remain in overcrowded camps with resulting implications on the security, health and protection situation (such as Liberians in surrounding countries and Somalis in Kenya);
- Governments of countries hosting large refugee populations may vent their frustration by tightening their asylum regimes;
- UNHCR's capacity to carry out its monitoring and co-ordination functions will be reduced.

Annex 2 sets out some of these impacts: these are mainly done through a selection of case studies.

10. In addition, there have been sizeable reductions in projects in the category of Global Programmes. It will be recalled that these project primarily relate to a range of initiatives related to International Protection (e.g. clearing the backlog of refugee status

determination (RSD) applicants) and to certain Programmatic Priorities (refugee women/gender; refugee children/adolescents, environmental impact etc), are also given. Annex 3 indicates some impacts under these projects resulting from the budgetary reductions.

11. It is very hard for the Office to effectively and credibly do its work if the budget that is adopted by the Executive Committee is not resourced. In addition to the suffering caused to refugees though budgetary cuts, UNHCR's working relationship with host governments and implementing partners is compromised. Finally, the time spent by UNHCR, both Field and Headquarters, in revising budgets could be better used in promoting the cause of refugees.

12. As the time approaches for the Executive Committee to consider the Budget for 2003, the High Commissioner would like to take this opportunity to urge a more serious commitment to the budget approval process and a more predictable and early funding of the approved budget. In making this request, the High Commissioner is relying on the sustained and further generosity of Member States.

## Annex 1

### III. REGIONAL PROGRAMMES

#### A. AFRICA

1. In the recent cost reduction exercise, UNHCR has made a conscious effort to reduce the impact of such cuts on Africa. Of the reductions made, some will have an immediate negative effect on refugees; others (e.g. in repatriation programmes), will not be so immediate. The principal cuts are as follows:

- A reduction in the funds available for the repatriation programme in Eritrea; as a result of the slow pace of the repatriation, the number of Quick Impact Projects in water, health, education and agricultural activities have been equally scaled down. The number of non-food items to be procured has been reduced to tally with the revised target for repatriation. Should the pace of returns increase, the Office will not be able to respond appropriately **(Overall Reduction: US \$ 3,500,000)** ;
- In Tanzania, the Office will have to reduce its support to the Government of Tanzania and local communities. This assistance package has contributed to providing support to the Government (under the security package) to enable the Government make available security police to ensure security in and around the camps, as well as maintain the civilian character of the refugee camps. In addition, the allocation for the Care and Maintenance programme for assistance to Congolese and Burundian refugees in the Kasulu area will be reduced. The impact of these reductions are developed further in the Case Study below **(Overall Reduction: \$1,000,000)** ;
- In the Democratic Republic of the Congo (DRC), a reduction in provision for the refugees from the Sudan; projects aimed at greater self-sufficiency will be reduced, as well as some activities involving key sectors of education and health will have to be curtailed. In addition, the registration of the refugees in DRC was foreseen for this year. The reduction of the allocation by 33% will result in some camps not benefiting from this exercise; UNHCR will continue to use outdated refugee statistics emanating from the affected camps. Another impact of the cuts will be that the assistance provided to the new arrivals in Zongo which is already far below standard, will further be negatively affected. Construction of campsite will have to be slowed down and provision of services drastically curtailed **(Overall Reduction US \$ 950,000)**
- In the Republic of the Congo, the repatriation project has been reduced; the project foresaw the repatriation and reintegration of 6,000 Congolese refugees now in Gabon and the repatriation of some 2,500 Angolans to Cabinda. The reduction will affect the number to be repatriated and perpetuate assistance in the countries of asylum **(Reduction US \$ 200,000)** .

- In Zambia, the allocation for the repatriation of Congolese refugees to the DRC has been reduced (**Reduction US \$ 346,000**).
- In relation to West Africa, the main issue has been how to address the Report in West Africa (Sexual Exploitation); this response has not been without budgetary implications. Although donors were asked in the Letter of the High Commissioner of 28 March 2002 for additional assistance to address this problem, additional resources were not forthcoming. In the end, an additional US \$ 2.2 million was made available from the Operational Reserve. This also meant that other costs, both direct and less direct (and therefore not so visible) at the Field level, but also at Headquarters, had to be met through re-allocating existing resources. The approach thus adopted, while it did not create additional resource gaps, nevertheless put additional pressure on other limited operational (e.g. Global Programmes for Children/Adolescents, Women/Gender Equality, Training) and administrative budgets (monitoring, investigations, travel etc.).

#### **CASE STUDY 1: UNITED REPUBLIC OF TANZANIA**

*In the last few years, refugees have come to be perceived, more and more, as being the main cause for deteriorating of security in the refugee affected areas. In view of this, it is crucial that UNHCR have a credible arrangement that ensures not only security in and around the camps, but maintains the civilian character of these camps. The reduction in the envisaged assistance package to the Government to support it in providing security, will negatively affect the overall situation.*

*Furthermore, this assistance package caters for mitigating the degradation of the environment due to the presence of refugees. Reducing this activity by 30% this year, will result in a likely higher level of wood cutting for fuel, which, in turn, will further aggravate the situation. Attitudes towards refugees may further harden and negatively affect asylum prospects.*

*The reduction in the allocation for the Care and Maintenance programme for assistance to Congolese and Burundian refugees in the Kasulu area will result in provision of less soap, with increased prevalence of skin diseases. In addition, rehabilitation of access roads will be cancelled resulting in difficulties in accessing the camps in terms of delivering food and other materials as well as the monitoring implementation of the programme.*

#### **B. CASWANAME**

2. CASWANAME oversees some of the largest asylum situations in the world. Moreover, CASWANAME countries are increasingly used as transit points for refugees seeking protection - including refugees from the Middle East, Southwest Asia and sub-Saharan Africa. When protection needs are not met, refugees are forced to flee to regions further afield, particularly Europe and other Western countries.

3. The July 2002 budget reduction of nearly \$ 7,300,000 will have a number of concrete negative impacts on refugees and asylum seekers in each budget sector:

- In North Africa, the budget cuts have halted a water distribution system for refugees in the Laayoune and Awserd refugee camps, aimed at improving access to safe drinking water.
- In Southwest Asia, a refugee registration project will be suspended in Iran.
- In Pakistan, the number of protection staff monitoring movements across international borders will be reduced; and activities for refugee children will be cancelled, jeopardising UNHCR's objective to ensure equal educational opportunities for boys and girls.
- In Central Asia, planned capacity-building activities for governments and civil society will be halted.
- In the Middle East, already-reduced assistance to mandate refugees will be further cut both in terms of numbers of beneficiaries and amount (see Case Study on Egypt).
- In Afghanistan, where the number of beneficiaries increased by sixty percent and the budget allocation remained the same, UNHCR will reduce the number of shelter beneficiaries by nearly fifty percent and the non-food package will consist merely of plastic sheeting.
- Despite the prevailing volatile political climate, CASWANAME's contingency planning measures will be curtailed.

4. The ongoing reductions in operational budget of the region (from US \$ 83.5 million in 1998 to US \$ 62.9 million in 2001), have negatively impacted the protection and living conditions of refugees, while first countries of asylum reduce their receptivity and their tradition of tolerance. CASWANAME countries hosting large numbers of refugees understandably fear becoming a front-line international protection provider without support from the international community. Consequently, countries increasingly display reception fatigue resulting in deportations, refusal or detainment of new arrivals and harsh treatment of new arrivals. This is one of the more serious impacts of further budget cuts.

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### **CASWANAME Case Study**

#### ***Reduced assistance to refugees in Egypt***

*UNHCR Cairo's operational budgets have been reduced by more than forty percent over the last four years, whilst the number of refugees increased by more than 40 % and asylum seekers by more than 500%. Simultaneously, the amount of the subsistence allowance provided to vulnerable refugees has decreased from US \$ 662 per person per year to US \$ 186. The cost of living continues to rise whilst assistance shrinks. The assistance provided only covers - at best - fifty percent of the basic needs of a refugee (shelter, food/water and clothing). The results of these successive cuts in UNHCR Cairo projects have subsequently placed most of the assisted refugees and those not assisted (approx. 40% of the caseload) below the poverty line. The human consequences include evictions from homes, children*

*denied access to primary education, deterioration of the general health situation with an increase of tuberculosis and sexual exploitation of refugee women.*

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### C. ASIA AND THE PACIFIC

5. The impacts of the cuts in the Region have been illustrated below in selected countries and in two case studies.

#### **East Asia and the Pacific**

6. In this sub-region, a sampling of budget cuts are as follows:

- An envisaged increase in the scope of monitoring/protection activities in China, along with some refugee law training/seminars with the public security authorities dealing with the increasing protection issues, and public information activities will be cancelled.
- Due to budget cutbacks in East Timor, UNHCR has had to transfer responsibility of its operation/fleet maintenance to IOM. IOM has recently informed UNHCR that it is also facing funding difficulties and it may not be able to fulfil this agreement. As a consequence the ability of UNHCR to facilitate the return of an estimated 25-30,000 East Timorese expected to return is further complicated.
- The budget reduction in Indonesia will necessitate the suspension of self-help activities and child-care for refugee women, emergency management and regional contingency training, vocational training, alternative schooling, and seminars for immigration officials. The budget reductions will lead to an immediate impact on the over 700 recognised refugees including the 143 female recognised refugees (and indirectly a further 171 female asylum seekers) who will not be able to participate in a number of the activities listed above. In addition, some 500 regional and central government officials will miss the opportunity to participate in emergency management and regional contingency planning - issues which are particularly important given the fact that there are already 1.3 million internally displaced persons in the country. Further, there will be a reduction in the ability of RSD consultants to visit some 300-asylum seekers throughout the archipelago. Many of these asylum seekers (and a number of recognised refugees) are currently located in very remote areas of Indonesia after they were intercepted en route to Australia.
- The budget reduction in the Philippines will impact negatively on the level of assistance which UNHCR Manila can provide to a Convention signatory (one of very few in the region) improve its domestic refugee determination structures (including legislation). Two national refugee law seminars will be cancelled.
- The reduction in care and maintenance of refugees in Thailand will impact on the general well-being of UNHCR beneficiaries and standards of assistance. In particular, due to the current funding situation the Especially



Vulnerable Individuals (EVIs) project with the NGO COERR, which runs up to July this year, may not be extended and/or not allow the same quality of project implementation. Some 10,000 EVIs will be adversely affected. In addition, it will impede UNHCR efforts toward harmonisation of level of subsistence allowances between Myanmar refugees residing in urban areas and those residing in government-assisted camps. A total of 110,000 camp refugees and 1,535 urban refugees will be worse off. Some recent arrivals from Shan State/Myanmar are unable to receive adequate assistance due to lack of resources. The budget cutbacks limit the ability of UNHCR to assess the refugees' needs, let alone actually provide any assistance.

### **South Asia and Myanmar**

7. In this sub-region, budgetary cuts have been made in the following operations:

- In Bangladesh, the distribution of fresh food for Myanmar refugees in transit centres on their way home, might need to be cut back, should there be an increase in the numbers or repatriation during the second quarter of 2002. Extension/repair of 4 local schools in Cox's Bazaar will be cancelled; UNHCR has been upgrading local schools within the vicinity of camps to facilitate the attendance of refugee children at the schools. Government policy to date has been to not allow access to local schools nor allow formal primary education in camps. This discontinuation of renovations would affect approx. 5,725 refugee children, ranging from 5 to 12 years, and their chances of having access to formal primary education in local schools.
- In Myanmar, budget cuts in the transport and logistics sector negatively impacted on UNHCR's ability to monitor and protect vulnerable returnees (estimated 80,000) located in remote villages in Northern Rakhine State, as there is lack of bridges and roads leading to these areas. Of the 20 bridges and 14 culverts planned for construction/upgrade, some bridges and several culverts will be cancelled, and the construction already started on at least one bridge would have to be stopped. This would in turn hinder and prevent access to some remote villages. In addition the number of returnees and local Muslim population planned to receive on-the-job-training in carpentry and masonry, under a food for training scheme would be decreased from the planned 600. In addition, impact of cuts in education sector were as follows: 325 returnee children, deprived of literacy lessons to enable them to integrate into local primary schools; 338 men and women deprived of 3 month literacy training activities, 520 returnees and marginalized local Muslim population (rural poor, vulnerables, female headed households) deprived of receiving small capital to engage in income generating activities.
- In India, promotion of refugee law activities has been cut by 30%. A wide range of planned promotional activities (research, publication and dissemination of refugee law information, training of teachers, lectures to students, roundtable meetings with stakeholders) targeting civil society, government officials, parliamentarians, academics, will be affected. Cuts will indirectly affect the

protection and durable solutions for 13,146 urban refugees, a large number of refugees from Sri Lanka, and 207 asylum seekers. Additionally, the second phase of the self-reliance project in India which took off in 2002, has been cut by 70%. The confidence building phase under the self-reliance scheme targeting 240 urban refugees has just been completed. The cut will greatly hamper the next empowering phase of providing vocational and life skills training to additional 300 urban refugees. With the cuts, only 90 urban refugees will be able to participate in the second phase of this self-reliance scheme. Credibility and momentum for this scheme will be lost, refugees will lose interest in becoming self-reliant, and will continue to rely on a subsistence allowance.

- Provision of essential domestic and household items to Bhutanese refugees in camps in Nepal, have been cut by 10%. Budgets for the replacement of 15,100 cooking utensils, 5,500 kerosene stoves, and 19,500 jerry cans have been cut. Budgets for certain items of clothing for 26,617 adult female refugees, 13,180 adolescent refugee girls, 21,779 adult male refugees have been cut as a result. This will negatively impact on the well being of approximately 100,780 refugees as the level of assistance will drop.

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#### **Asia and the Pacific Case Study:**

***Indonesia:** The budget cutbacks will have a direct impact on the ability of the office to provide basic assistance and services to the most vulnerable of the more than 800 recognised refugees in Indonesia. To respond to the needs of refugees who remain in Indonesia with little prospect of finding a durable solution, UNHCR has initiated a number of care and maintenance and community service activities. A number of these activities were in response to meeting UNHCR's Commitment resulting from the Dialogue with Refugee Women which was held in Geneva in June 2001. The budget reduction in Indonesia will necessitate the suspension of self-help activities for some 140 recognised refugee women, cancellation of child-care for refugee women (who are attending courses), workshops on reproductive health, family planning, domestic violence and HIV prevention, vocational training and seminars on refugee rights for immigration and law enforcement officials. The budget cuts will also necessitate a review of the health services (including psychiatric support) being provided for refugees.*

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#### **D. EUROPE**

8. The major impacts of the 2002 Budget cuts identified as of July 2002 can be summarized as follows:

- In addition to its statutory obligations in the major operations affected by budgetary cuts, UNHCR has responsibilities outlined under the following Security Council resolutions and multilateral agreements which will also be affected: UN SC Resolution 937 of 1994 and the related

Quadripartite Agreement mentioned therein for Georgia; Annex 7 to the 1995 General Framework Agreement for Peace in the Balkans (affecting Bosnia, Croatia, and the Federal Republic of Yugoslavia: Serbia and Montenegro); UN SC Resolution 1244 of 1999 for Kosovo; the 2001 EU Framework Agreement for the Former Yugoslav Republic of Macedonia.

- The envisaged cuts to operations in Kosovo and Croatia (which have been averted because of increased resources), as well as in Georgia may be interpreted as a signal that refugee/IDP return is no longer a priority of the international community. This would undermine the collective efforts of UNHCR and the international community over the past few years to promote return as one of the highest priorities of the peace-building process.
- As a result of such a negative message, the limited returns which have been taking place are likely to slow further, as governments and other concerned parties may be less willing to implement reforms needed to accelerate the return process, or the refugees/IDPs themselves may lose confidence in the process.
- Standards of assistance in respective operations affected by these cuts will be considerably depressed, risking not only continued hardship for targeted populations, but possibly reverse movements of the most vulnerable who depend on assistance in the initial phases of return.
- The combination of depressed assistance standards and weakened protection leverage will also seriously undermine the Office's pursuit of voluntary repatriation as the classic preferred durable solution, not only in the respective operations affected by the cuts, but also as perceived more broadly in and outside the Europe region. Similarly, these cuts will negatively impact on the true pursuit of UNHCR-wide priorities such as sustainable returns, gender mainstreaming, due attention to the most vulnerable among our targeted beneficiaries, and strengthening efforts to expand the donor base through innovative Public Sector Fund Raising.
- These cuts will inevitably damage UNHCR's credibility with its implementing partners with global repercussions.

9. The major impacts of the 2002 Budget cuts identified as of July 2002, can be best illustrated by the following case studies dealing with two operations.

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**Europe Case Studies:**

**Northern Caucasus/Russian Federation**

*Out of some 150,000 internally displaced persons from Chechnya residing in Ingushetia, UNHCR aims to assist approximately 30,000 of the most vulnerable living in host communities, settlements, and camps, as well as new arrivals. The substantive budgetary cut foreseen in 2002 will negatively impact some 1,500 families (approx some 7,500 persons).*

The sector impacted by this cut will be the Shelter Sector, through consequent reduction of beneficiaries for shelter materials by some 1,500 families. Concerns are increasingly registered over possible dismantling of existing camps, to further induce returns to Chechnya in coming months. The foreseen cut in the budget may negatively impact on UNHCR's ability to meet eventually resulting new shelter material needs, including increased numbers of returnees, and/or meet other relevant and immediate needs through alternative reallocation of funds from the approved budget.

## **Georgia**

The program in Georgia addresses the needs of some 4,000 registered Chechen refugees, as well as those of some 220,000 internally displaced persons from the Abkhazia region. Linked to this latter effort, and despite precarious security conditions, UNHCR attempts to support sustainability of return by some 40,000 persons estimated to have returned to southern Abkhazia as of 2002. The substantive budgetary cut in 2002 will negatively impact and deny assistance to this latter group, including some 2,000 children.

UNHCR is bound by UN SC Resolution 937 of 1994, and the related Quadripartite Agreement mentioned therein, to play a role in supporting the sustainable return of the displaced to Abkhazia. The sustainability of such returns will be negatively impacted by terminating an extensive combination of activities in the health, community services, and education sectors. The suspension of health and community services will affect the 40,000 estimated total number of current returnees to southern Abkhazia, while 2,000 children will not receive adequate school supplies to resume schooling in their returnee communities.

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## **E. THE AMERICAS**

10. The strategy of the Bureau for the Americas in 2002 focuses on four host country situations, namely:

- The Colombian IDP situation affecting between 720,000 and 2 million internally displaced in Colombia and an increasing number of refugees in neighbouring countries;
- The traditional North American immigration countries, attracting an average of 120,000 asylum seekers annually and offering generous resettlement quotas;
- Mexico, Central and South America characterised by varying levels of actual implementation of the 1951 Convention, with long-staying refugees and an increased number of extra-regional asylum seekers;
- The Caribbean states with fledgling or non-existent asylum systems and severe economic difficulties that make receptivity to asylum seekers cautious if not hostile.

11. The budget reductions of US \$ 260,000 were particularly painful for Offices in the Field and will have direct consequences on the Bureau's ability to carry out its programme. The overall budget for the Americas, representing only 2,93% of the total UNHCR budget, has

already reached the minimum indispensable to have a positive impact on refugee lives. It must be noted that the Bureau's implementation rate in 2001 was 95.4 %.

12. As a result of these reductions, the Bureau has identified the following impact:

- A reduction of **protection and assistance activities in the Caribbean**; this impact was mitigated by the receipt of further funding from a donor.
- Reduced number of **visits to detention centres in the US**, which currently enable UNHCR to determine conditions for asylum seekers and make recommendations to the Immigration and Naturalisation Service (INS).
- **Closing of UNHCR's office in Vancouver (British Columbia)**. BO Ottawa will no longer be able to regularly monitor developments, conduct training and public awareness work in the West Coast. This region is a main trafficking route from Asia into North America. For the first five months of 2002, some 883, or 7% of all asylum claims filed in Canada, were filed in British Columbia. UNHCR will not be able to regularly monitor the treatment of asylum-seekers there through visits to detention facilities and monitoring of RSD hearings. The monitoring of refugees' access to RSD procedures is especially important during the current transitional phase between the old refugee system and a new system, which came into effect at the end of June 2002, which requires front-end security checks at ports of entry.
- Reduced **RSD training in Mexico and Argentina** (see case study below) and reduced **training in Costa Rica**. Following the introduction of visa requirements for Colombian asylum seekers in Costa Rica (the second largest recipient of Colombians in the region), the number of Colombians that will attempt to enter the country illegally might increase, resulting in possible instances of rejection at the border and refoulement. The reduction of capacity building activities involving immigration and police officials will affect the office's strategy to reinforce immigration officials to prevent refoulement and ensure access to the territory and procedures.
- Reduced **ability to provide and distribute training material in the US**, such as legal publications during protection training held for civil society, NGOs and government counterparts.

## **Americas Case Study**

### **Refugee Status Determination Training**

*The National Eligibility Committee, formally established in November 2000, following Mexico's accession to the 1951 Convention and 1967 Protocol, became operational in March 2002. The Government of Mexico has also taken over the registration and documentation of refugees. The Bureau's objective is to assist the Government in this transition period through training and capacity building activities. The reduction of the already limited budget for RSD training, however, will have consequences on the capacity of the National Eligibility Committee to effectively take over these responsibilities and to put in place, from the beginning, a well-functioning RSD system.*

*The Bureau, in collaboration with DIP, agreed in 2001 on the need to implement an RSD Project to support, for a 6-month period, the National Eligibility Commission in Argentina to eliminate the backlog of asylum cases (currently 1,543), to reduce the waiting period for the final determination of refugee status (currently 2 years), and to examine structural ways to improve the functioning of the National Eligibility Commission. The National Eligibility Commission lacks adequate financial resources, sufficient qualified staff, equipment, a database and a registry of the number and profile of the refugee population and access to country of origin information. Following several postponements due to the general political instability and the economic and social crisis in the country, the Minister of Interior signed, in June 2002, an exchange of letters that would form the formal basis of the RSD Project. However, the reduction of the 2002 DIP budget will further postpone the beginning of the project from July to October 2002, provided that the project is approved under the cost-saving measures lately introduced.*

*The non-implementation of the RSD Project will result in the current weaknesses of the procedures being maintained if not worsened. The non-implementation of the RSD Project will delay the possibility of having an expedited RSD procedure, the possibility for recognised refugees to locally integrate faster and to receive proper documentation and to benefit from social services and employment opportunities more rapidly. The non-implementation of the RSD Project will further delay the hand-over of eligibility responsibility to the concerned state authorities, compromising UNHCR's credibility vis à vis local authorities.*

## **Annex 2**

### **GLOBAL PROGRAMMES**

1. Global Programmes are by their definition those with a broader scope than a particular country operation or an activity specifically related to a Headquarters-specific support function. These are set out in the *Global Appeal 2002* (pages 25-33); they find expression in a range of projects whose objectives are, inter alia, the promotion of policy priorities (refugee women, children/adolescents, environment), other key activities related to the Office's international protection mandate, training of UNHCR staff, etc. The reductions under Global Operations amount to some \$ 14 million.

#### **A. International Protection**

2. Financial reductions in projects administered by the Department of International Protection (DIP) amounted to \$ 730,000. These reductions impacted on a range of areas of activity. Below are some of the activities impacted:

##### **1. Refugee Status Determination (RSD)**

3. Through a RSD Field Support Project, consultants are primarily deployed to assist RSD field operations. The Project has been reduced by some US \$ 200,000. The RSD consultancies funded under the Project are effectively filling the gap for UNHCR posts, which were not approved for creation or properly filled and / or respond to UNHCR commitments either in Tripartite Agreements or MOUs with Governments. The reduced funding support will seriously hamper RSD work in: Djibouti; Sudan; Ghana; Argentina; Mexico; Lebanon; Indonesia.

4. Among the negative impacts, the more obvious ones are as follows:

- Asylum-seekers will have to wait for longer periods between registration, interview and decisions;
- Asylum-seekers and refugees risk being detained and refouled;
- Lack of consistency in RSD decisions and poor quality decisions not being addressed;
- Failure to grant refugee status to persons who are within UNHCR's mandate, in a timely manner;
- Lack of credibility of UNHCR's RSD capacity.

##### **2. Resettlement**

5. The deployment of resettlement experts for short periods under another special Project is aimed at reinforcing the capacity of field operations to increase resettlement opportunities for refugees and to compensate for the lack of posts in the field offices. A reduction of \$400,000 has been identified in the UNHCR-ICMC Resettlement Deployment Scheme. As a result of the cuts, most of the deployment in the African region will be affected with the anticipated results of hampering the resettlement opportunities for about 14,000

refugees. This will also impact on the Office's ability to use resettlement as a tool of protection and durable solution.

6. Specifically the following operations will be affected:

- In Ethiopia, two Child Specialists may not be deployed to assess the Best Interest Determination of about 600 Sudanese UAM, and Separated Children;
- In Ghana, a Regional Resettlement hub is being created through which all resettlement submissions from the West and Central Africa region need to be vetted. If adequate staffing is not provided, the resettlement programme for this part of the continent, including Ghana itself, will be seriously hampered.
- In Guinea, two deployments are urgently needed to assist in the implementation of the Guinea Resettlement Plan, which anticipates at submitting about 500 cases/1200 persons for the remainder of 2002;
- Tanzania needs a deployment to handle a resettlement caseload of about 400 persons from the camps in the Kigoma region. If no deployment is to take place, this important caseload from an already protracted refugee situation will not be attended to;
- The Democratic Republic of Congo (DRC) has no dedicated resettlement staff. A deployment should be able to submit 50 cases/250 cases out of a refugee caseload, which has long been neglected in terms of resettlement;
- The RTSS (Regional Technical Support Services) in Nairobi, Kenya, which is the only regional processing hub for the whole of Africa (with the exception for the Southern African region) and handles a minimum of 12,000 cases from the region, will be seriously hampered in its regional responsibilities;
- Benin and Burkina Faso as emerging resettlement countries need an Integration Specialist in order to assist both governments in reinforcing its capacity to integrate the resettled refugees and ensure their self-sufficiency. Without support it is highly possible that the resettlement programme to Benin and Burkina Faso will be terminated.

The full effect of these anticipated reduction will now be partly offset by a contribution from a donor to cover a range of resettlement activities.

### **3. Legal Aid and Legal Research Project**

7. This project was reduced by \$20,000 in an earlier reduction exercise leaving \$180,000 for legal research and legal assistance. A further reduction of \$30,000 has been identified in line with the cost saving instructions. Some proposed areas of research that will have to be curtailed are:

- ***Administration of justice in camps.***
- ***Research on the OAU Refugee Convention and its inter-linkage with the 1951 Convention.***
- ***Alternatives to detention.***



- *Country analysis of property issues in Sri Lanka.*
- *Contribution to the Roundtable on Religious Persecution.*

#### **B. Refugee Women**

8. A special project has resourced a range of initiatives related to the promotion of UNHCR's objectives in relation to refugee women/gender equality: the Dialogue with Refugee Women, the High Commissioner's Five Commitments, the Ten-year Review of UNHCR's Policy and Guidelines on Refugee Women and ensuring the input of refugee women into the Agenda for Protection. The Project has been reduced by \$ 61,838 against a total foreseen allocation of \$ 468,655.

9. The High Commissioner's Five Commitments were articulated by refugee women in a process of consultations. Follow through on some of these will be made difficult as a result of budgetary cuts and reductions to the administrative budget. The Refugee Women's Unit had anticipated conducting three field missions to provide input and support for the implementation of the Commitments, with a specific focus on registration and documentation, as well as food distribution, management and control. These missions would have been to Cairo - with a specific focus on urban-based refugees, to Guinea and to Djibouti.

10. All of the above-mentioned initiatives, including the promotion of the Five Commitments, have resulted in clear indications and recommendations of what is expected of UNHCR to bring practice in line with policy on advancing the rights of refugee women and promoting gender equality. However, implementing all of these recommendations globally presents a considerable challenge. It has been decided that the Project should be refocused in 2003 to showcase the positive impact of concentrated efforts to promote gender mainstreaming by implementing a whole range of recommendations and good practices simultaneously. Preparatory work for 2003 on consolidating such activities has been seriously affected.

11. In addition, cuts will result in reduction in POP/ Gender Awareness training in the Field at a time when more Offices are requesting support on issues relating to the rights of refugee women. The Unit had anticipated supporting two additional workshops in Africa in the second half of 2002; this will now be impossible.

#### **C. Refugee Children**

12. A reduction of US \$ 60,000 was made to the current appropriation for the project for Refugee Children. The reduction has impacted on two areas of planned activities:

- the "Good Practice Handbook": a second phase of research and the production of the final draft of the Handbook, (which is a repeated recommendation of both the 1997 IES and 2002 independent evaluations on refugee children), scheduled for the second half of this year, had to be postponed;
- Funds to support the inter-agency ARC (Action for the Rights of Children training and capacity building initiative) plan of action for West Africa have been reduced.

#### **D. Environment**

13. The immediate effect of the budget reductions has been a delayed, and in some cases suspended, delivery of anticipated support to field offices through all three environmental projects.

##### **(a) Environmental Co-ordination of Refugee Programmes**

14. A considerably reduced impact is anticipated from this overarching project following a reduction in the obligation level by US \$ 300,000. The project provides management guidance and support to field operations as well as outreach (incl. training) and communications. The following are some of the main reduced expectations:

- fewer Environmental Demonstration Projects supported - i.e. less opportunity to introduce sustainable and more appropriate practices to field operations;
- fewer Environmental Co-ordinators (short-term consultants) in strategic locations, meaning poorer implementation and monitoring must be expected;
- reduced opportunities for partnerships (CARE, WWF, IUCN, UNDP, LWF in particular);
- fewer support missions (by professional consultants) to review/evaluate country programmes and revise ongoing and planned projects;
- delayed production of new Guidelines and Handbooks for project managers and partners.

##### **(b) Environmental Education and Awareness Raising Activities**

15. As this project is carried out in collaboration with UNESCO, most of the funds are already committed to a fixed programme which cannot be easily altered. As a result, the limited flexibility built into the 2002 programme by EESS to enable new environmental education focal points to be hired, and an extension of the environmental education programme to other countries (in particular in Afghanistan, Pakistan and South-east Asia), has now been completely removed with a reduction of some US \$ 83,000. Environmental education Focal Points, in particular, were intended to serve as important modes of information dissemination/support to selected regions. Not being in a position to fund such persons is expected to delay the inclusion of environmental education activities in many country programmes and a weakening of regional co-ordination. The production (printing) of a series of environmental (learning) games has also been put on hold until funds are available

##### **(c) Framework for Assessing, Monitoring and Evaluating the Environment**

16. This project (reduced by US \$ 52,000) is carried out in close collaboration with a number of partners. Funding restrictions will affect this project by:

- not enabling national data managers to be recruited, thus precluding the collection of standardised data, introduction of monitoring systems, and training of partners;
- less direct support being made available to country operations in terms of assessment and monitoring;

- limiting the extent of the community-based approaches being carried out in 2002;
- limiting the amount of practical materials and guidance produced in 2002 (this will have to be carried over to 2003, but means that partners must wait for tools);
- preventing any moves being made to translate EIA guidelines, for example, into a practical training package;
- fewer workshop where information exchange was intended with other agencies.

#### **E. Linking Relief to Development**

17. The budget reduction (US \$ 55,000) in this Project will affect the development of self-reliance aspects in many refugee situations, new and protracted, and in linking emergency programmes to development activities making solutions more durable

18. In summary, this Project allowed UNHCR to support a number of innovative initiatives in the Field which otherwise would not have been undertaken, as they were not part of regular budgeted activities, yet were a core concern of UNHCR programmes. These initiatives include the Staff Exchange with JICA, Zambia Initiative, Sierra Leone and Eritrea Information Management Systems, Socio-economic impact assessment of refugees in Pakistan, Eritrea Reintegration/Recovery, Development and validation of joint ILO/UNHCR Micro-Finance Training Manual etc., to name a few. With the budget cuts, such initiatives will need to be modified and cut back.

19. Among the most immediate effects have been:

- cancellation of QIPs Guidelines validation workshop, which was scheduled to take place in July 2002;
- unable to send Micro-Finance Expert to Sierra Leone;
- unable to send Self Reliance Expert to assist the Office in Cote de Ivoire to develop Self-reliance strategy;
- unable to send consultants to support inter-agency information management systems;
- will not be able to undertake additional Staff Exchange programme, similar to JICA, with other bilateral donors or development agencies;
- will not be able to undertake pilot projects similar to Zambia Initiative - though there is potential in Uganda and Cote de Ivoire;
- will not be able to hire a consultant to undertake, long overdue review of the reintegration framework;
- will not be able to undertake analysis of field income generation implementation.

#### **F. Integrated Systems Project (ISP)**

20. The approved ISP 2003 budget of \$ 11.8 million has been reduced by \$ 6.5 million. The Enterprise Resource Planning (ERP) component of the ISP was put on hold on 8 June 2001. All related activities were suspended, including retaining the services of a systems integrator to assist with the implementation, which was planned for 2001 and 2002. Because these activities were not undertaken, the 2002 budget was significantly under spent. This reduction thus has no

immediate short-term impact. The Project under the new name of Management Systems Renewal Project (MSRP) will be re-started in 2003.

#### **G. TRAINING**

21. Some \$ 1 million will be identified for savings against the Training and Staff Development activities of UNHCR, some 20% of its total budget.

22. Proper administrative support structure for the Learning Programmes will be further deferred; this has meant that subject matter staff have also had to perform administrative and maintenance functions, thus affecting the quality and the impact of the Learning Programmes.

23. Several priority programmes will not be developed as planned. This includes the negotiation skills training, maximising team performance and training for Representatives.

24. In spite of efforts to protect the field-initiated activities, it is likely that they will be curtailed. This includes learning opportunities in the following areas, which are those most commonly arranged locally: Staff health welfare and safety; Programme and financial management; Language training etc.

25. The real impact of these reductions in training is difficult to measure as, while effective staff development has a direct impact on staff performance, this factor can not be easily isolated from other managerial, procedural and external factors. The impact of restricting learning opportunities is likely however to have a long-term implication on organisational effectiveness, the costs of which will exceed short-term financial gain.