

FEDERAL REPUBLIC OF YUGOSLAVIA: 11 September 1998 **ASSISTANCE TO REFUGEES AND SOCIALY VULNERABLE**

appeal no. 01.37/98

Situation report no.: 2

period covered: June - July 1998

The conflict in Kosovo continued to dominate the international agenda, particularly after intensified fighting in late July led to further tens of thousands of people fleeing their homes in central parts of the province. Meanwhile, the effect of sanctions imposed on FR Yugoslavia as a result of the conflict exacerbated the growing economic crisis in the country, which is forcing greater numbers into poverty and plunging the 550,000 refugees into even greater vulnerability. The International Federation's extensive relief and development programmes continued smoothly, but funding for further relief goods is still badly needed for the 250,000 refugees it is supporting throughout Serbia and Montenegro.

The context

With the cessation in 1995 of hostilities in the Former Yugoslavia, the Federal Republic of Yugoslavia (FRY) found itself with more than half a million refugees and a further 79,000 internally displaced persons. Repatriation of the refugees to their homelands in Croatia and Bosnia Herzegovina is an ever decreasing likelihood, and their daily well-being — let alone integration into their new host country — is made even more difficult by the severe socio-economic condition which is showing no early signs of improvement in FR Yugoslavia. The problem is further compounded by the continuing decline in donor interest, leaving the International Federation and the Yugoslav Red Cross Society among the few remaining providers of humanitarian assistance.

Latest events

Kosovo continued to dominate the domestic and international political agenda as the fighting between Serbian forces and the separatist Kosovo Liberation Army (UCK) worsened. By 4 September UNHCR estimated that the conflict had displaced 200,000 people within Kosovo; up to 20,000 in other parts of Serbia; 40,000 in Montenegro; 14,000 in Albania; 5,200 in Bosnia and Herzegovina; and 3,000 in FYROM and Turkey: a total of 282,000 in all.

Throughout June and July, the international community (through the Contact Group, EU foreign ministers, Russian foreign minister, OSCE and United States diplomatic mission) continued to press for international mediation in reaching a political solution. They remained opposed to independence for Kosovo, arguing for an autonomous status within FR Yugoslavia. All attempts at securing dialogue failed, hampered by the continued fighting and the inability of international diplomats to identify an accepted spokesperson for the shadowy Kosovo Liberation Army.

The Democratic Alliance of Kosovo constituted a parallel parliament and swore in moderate leader Ibrahim Rugova as president. The parliament was immediately declared illegal by the FRY government. The parallel parliament was intended to represent all political forces representing ethnic Albanian Kosovars but by the end of the month it had not included the UCK, underlining the deepening political divisions within this community.

The economic situation in FRY continues to decline. Even though the GDP is notionally growing at around 6 per cent, this is outstripped by rising inflation which is forecast to hit 50 per cent by December. An analysis carried out for the US State Department predicts an economic crisis in 1998. The EU and US have imposed new sanctions banning foreign investment in FRY and freezing assets held abroad. Some US\$600 million has been frozen in the US alone.

The new sanctions, imposed in response to the Kosovo crisis, mean that the state will be unable to privatise either the electricity utility or the state oil monopoly to bail out the economy. Gas and oil bills from last winter have not been paid and the power utilities owe US\$186 million to suppliers. With the funds generated by privatisation of the telecom industry in 1997 now exhausted, foreign currency reserves are low. Foreign debt is over US\$8.4 billion and the foreign trade deficit is running at US\$1.2 billion — 16 per cent of GDP. The bill for the extensive police and military action in Kosovo has yet to make an impact on the economy. The black market rate of exchange for the D-Mark slipped to 1:6.3 dinars compared to the official rate of 1:6.0. Marked increases in food prices were noted in the shops and there is a shortage of vegetable oil and milk. Meanwhile, the payments of pension and other state benefits were again delayed.

The Federation Secretariat appealed for donor support to enable the Delegation to continue its programmes in Bosnia and Herzegovina and FR Yugoslavia after it became clear that substantial underfunding during the first half of 1998 threatened their existence.

Red Cross/Red Crescent action

Kosovo •

The Federation distributed food items on behalf of WFP and ECHO to 14,287 beneficiaries, all of them refugees from the 1991-1995 conflict in Former Yugoslavia. The majority are accommodated in collective centres. Distributions took place at 33 sites in 29 towns via the local Red Cross branches, including to six refugees in Orahovac who had refused a UNHCR offer of evacuation away from the conflict. The Federation had access to all sites except Klina and Decani.

The Federation began an assessment on behalf of WFP and ECHO to confirm the numbers of beneficiaries and track their movements from the conflict areas in the south and west of Kosovo to the non-conflict areas in the north and east.

Operationally, the Federation faced a setback with the postponement of its projected water and sanitation project in Stimlje when the water reservoir built by the Federation for the town was occupied by Serb forces intent on using it as a strategic observation post. The latter have undertaken to protect it and make it available to the Federation as soon as possible.

The Federation began planning a new programme to support social cases outside the current conflict area, working through the local Red Cross branches. The aim of the programme is to support the most vulnerable people in the non-conflictual areas and to begin to build bridges between the Albanian and Serb communities. The Federation has now identified six sites outside the conflict area (Urosevac, Pristina, Poljevo, Novo Brdo, Stari Trg and Kacanik). These are towns and villages in extremely poor municipalities where there is high unemployment and severe social deprivation. Negotiations were started to define a list of

6,500 beneficiaries to reflect the demographic profile of the population and to establish a warehousing and distribution system. The programme will complement work by the ICRC to support social cases inside the conflict areas.

ICRC continued its relief programme, tracing, medical and protection work in Kosovo. A Federation delegate was used on a number of occasions to make up an additional ICRC team, travelling as an ICRC delegate. ICRC has also funded commodities for distribution to IDPs from Kosovo in Zajecar and Nis (in east Serbia, bordering Kosovo) and the YRC Humanitarian Bureau has agreed to send the following commodities to the regions: 5,000 food parcels; 5,000 hygienic kits; 1,000 plastic jerry cans; 1,000 blankets; 100 cooking sets; 5,000 kg wheatflour.

The Red Cross of Montenegro registered and assisted 24,565 IDPs from Kosovo with the support of the ICRC and Federation (but by the end of August this number had risen to 38,434). Relief commodities were supplied by ICRC, UNHCR and the Government of Montenegro (the largest donor) while the Federation provided logistics support. ICRC maintains lead agency status in this area with regard to IDPs.

Relief Distributions •

ECHO Direct Food Programme

The Federation and YRC continued with the ECHO distributions to 125,000 refugees, delivering a monthly ration of 1 kg of pasta, 1 litre of vegetable oil, 1 kg of sugar and one third of a kilogramme of milk powder per beneficiary per month. All incoming oil (678,983 litres) and sugar (624,830 kg) had arrived as well as 97% of the pasta (606,598 kg). Incoming milk powder failed to pass sanitary inspections and was replaced at the expense of the contractor, arriving in August.

A distribution plan was drawn up to cover the period June to July; the delay in milk powder delivery means that the distributions continued into August. In June a total of 127 mt was distributed and in July, 265 mt. By July, Geneva had received 80% of the total contract budget from ECHO and a payment of ECU 128,300 had been made by the Federation to YRC to cover distribution costs and warehouse management costs for the first three months of the contract. All reporting and monitoring requirements were fulfilled.

Other relief distributions

The Yugoslav Red Cross distributed the following metric tonnes of relief goods throughout FR Y in June and July:

	June	July
Total Distributed	1,822 MT	811 MT
Red Cross Donations	257 MT	200 MT

These totals included food and non-food items from WFP, UNHCR, the Federation, the Yugoslav government and Participating National Societies.

In June, July and August, the YRC/Federation distributed 57,500 essential hygiene sets donated by the German Red Cross and 28,800 essential hygiene sets donated by the Icelandic Red Cross, in line with the criteria for beneficiaries set out in the Emergency Appeal 1998, as follows:

Regional centre	% of donation*	Number of sets from German RC Donation	Number of sets from Icelandic RC Donation
Belgrade	40.03%	23,017	11,529
Nis	4.00%	2,300	1,152

Vojvodina	37.76%	21,712	10,875
Kosovo	3.72%	2,139	1,071
Montenegro	5.10%	2,933	1,469
TOTAL	100.00%	57,500	28,800

* The percentages reflect the proportion of 250,000 beneficiaries located in each region.

A proposal to ECHO for approximately 57,000 essential hygiene sets for distribution to refugees was approved, as was a second procurement of 57,500 essential hygiene sets funded by the German Red Cross. Approval was also obtained for the purchase of 183,000 essential hygiene sets funded by the Swedish and US governments.

The Federation also received confirmation of an American Red Cross/Food for Peace donation to provide winter food assistance for 55,000 refugees, which will be a valuable addition to the existing ECHO-funded food programme.

Medical and Youth Programmes •

The Federation continued to support both the YRC blood and health education programmes and preparations for a programme of four seminars (two per subject, each for 120 educators) planned to take place in September. The printing of training material in both areas continued and the Federation assisted in the printing and distribution of 2,000 copies of a health education magazine, *Shendeti*, in the region of Kosovo. This extremely popular magazine is a rarity as it is printed in Albanian.

Four youth camps were held during the summer, each supported with CHF 12,000 by the Federation and an additional CHF 7,000 for training material. These camps were offered to young Red Cross volunteers who undertook training in traditional Red Cross activities such as first aid, home care, life saving and education on Red Cross principles. Both the ICRC and Federation participated in dissemination seminars. In addition, the Federation supported a youth leaders camp.

Income Generating Projects •

An Icelandic Red Cross donation of DM 40,740 was transferred to the YRC to fund 11 Red Cross branch level Income Generating Projects. These small scale projects allow branches to set up businesses, thereby increasing Red Cross independence. In many cases they also offer a community service in small towns and employment opportunities to refugees. Applications from branches for projects are invited by the YRC and Federation and a committee selects projects on the basis of likely success, appropriateness of the proposal to the community it serves and equitable distribution of funds to the regions. In addition to this new donation, funding has previously been received for this project from the Austrian Red Cross and US government, bringing the total number of projects funded to 61

The following projects will receive funding from the Icelandic Red Cross donation:

Region	Branch	Project type	Value (DM)
<i>Montenegro</i>	Tivat	Restaurant	3,400
<i>Nis</i>	Vlasotince	Photocopier	4,000
	Bela Palanka	Pig/chicken farm	6,000
<i>Nis</i>	Vranje	Photocopier	3,500
<i>Kraljevo</i>	Gornji Milanovac	Bakery	5,000

<i>Uzice</i>	Uzice	Photocopier	4,840
	Bajina Basta	Bakery	5,000
<i>Vojvodina</i>	Novi Becej	Packing equipment	4,000
	Becej	Photocopier	5,000
	Kovin	Photocopier	3,500

A Netherlands Red Cross donation of DM 155,000 for individual refugee IGPs was transferred to the Stara Pazova Red Cross account. These small scale projects allow refugees to establish businesses and become self-reliant. This donation will fund 111 projects in individual families, affecting between 600 and 700 people. Projects include such ventures as bee-keeping and furniture making.

Social Welfare Programme (SWP) •

The main activity during this school holiday month was a two week holiday for refugee and local children whose parents were killed during the war in Former Yugoslavia. These children, aged 7 to 12, spent two weeks' holiday on the Montenegro coast in two camps, each of 1,000 children. Two SWP co-workers were present at each camp offering workshops and other recreational and occupational activities, paying special attention to rehabilitation, self-esteem, trust and social integration.

Mobile libraries funded by the Federation, Fund for Open Society and YRC became fully operational in Uzice, Zajecar, Kragujevac and Belgrade. Books were purchased for a fifth, covering Vojvodina. Plans are now underway to start a mobile toy library using a private donation from Holland.

YRC Institutional Development •

The YRC has now completed a wide-ranging institutional development self assessment, funded by the British Red Cross. The project involved the senior managers and elected officials undertaking a SWOT (strengths, weaknesses, opportunities and threats) analysis and used the Characteristics of a Well-Functioning National Society as its benchmark. The exercise was carried out with the support of an external consultant. This analysis has now been used as the basis for an Action Plan which is expected to go before the YRC governance in September. This Action Plan commits the National Society to a wide-ranging modernisation programme with the aim of increasing its independence, improving management, governance and information flow, public relations and fund raising. The YRC will be seeking long-term partnerships with PNSs in specific functional areas.

The Federal Government has followed up its 1996 adoption of *The Law on the Use and Protection of the Red Cross Emblem and the Name of the Red Cross* with new regulations on the protection of the Red Cross Emblem. These were published in the Federal Government's Gazette at the end of July and give the YRC a solid foundation for a future campaign on protection of the emblem.

Outstanding needs

Two thirds of the way through 1998 the Delegation has been able to purchase only 54 per cent of the essential hygiene sets requested in this year's Emergency Appeal. While the donations that have made these purchases possible are extremely welcome, funds are badly needed to procure the remaining 46 per cent of the sets. The needs are likely to increase as inflation and the worsening economy bite further into the already stretched resources of refugees. The Federation is the only organisation appealing for this type of assistance for refugees in FRY.

The growing number of IDPs in Montenegro resulting from the conflict in Kosovo is causing extreme concern. While the overwhelming majority have been accommodated in private households, the resources of host families are not endless and both IDPs and hosts will require support if the situation is prolonged. In some municipalities, IDPs already constitute 30% of the population and there is expected to be a further influx as the conflict continues. There is a real danger of a demographic shift and consequent social unrest unless needs are tackled quickly.

External relations - Government/UN/NGOs/Media

International Federation and YRC programmes continued to receive excellent media coverage. The launch by the YRC and Federation of the World Disasters Report received wide publicity in the press, with particular attention to the section on road traffic accidents. However, the closure of the YRC soup programme from September (due to lack of funds) generated some adverse publicity. The Federation contributed to the launch of a new magazine, *Return*. The first of its kind in FR Yugoslavia, it aims to give refugees timely, accurate and unbiased information about repatriation/integration procedures. The Federation also continued to support the refugee publication *Odgovor* and its supplements *Handicapped People* and *Living Together*.

Contributions

See Annex 1 for details.

Conclusion

Although FR Yugoslavia has been the focus of international attention in recent months, the needs of the 250,000 refugees supported by the Federation and Yugoslav Red Cross are less visible than ever. With renewed sanctions and the bill for military and police action in Kosovo mounting by the day, the socio-economic outlook for FR Yugoslavia now appears worse than at any time since the hyper-inflation of 1993-4. Meanwhile, growing numbers join the ranks of the dispossessed as the conflict leaves tens of thousands homeless.

The International Federation reiterates its determination to speak out for the vulnerable and assist the needy regardless of ethnicity and urges the international community and its member National Societies to support its operations throughout all parts of FR Yugoslavia.

Renny Nancholas
Director, Europe Department

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Director, Operations Funding &
Reporting Department

APPEAL No. 01.37/98		PLEDGES RECEIVED			11/09/98	
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
CASH						
REQUESTED IN APPEAL----->						11,845,000
BRITISH - RC		60,000	GBP	145,920	19/08/98	INCOME GENERATION
CANADA - RC		263	CAD	271	19/01/98	EARMARKED FOR MEDICAL PROGRAM
GERMANY - RC/GOVT		23,100	DEM	18,769	09/04/98	FRY - DISTRIB. COST HYGIENE PARCELS
GERMAN - RC/GOVT		22,942	DEM	19,035	14/07/98	FRY - DISTRIB. COST HYGIENE PARCELS
ECHO - 1049		350,000	XEU	560,000	15/07/98	HYGIENE PROGRAMME
FINNISH - RC/GOVT		3,000,000	FIM	830,700	12/06/98	KOSOVO
FINNISH - RC		40,675			22/06/98	YU - DELIVERY COSTS
ICELANDIC - RC		8,000,000	ISK	161,240	01/04/98	HYGIENE PROGRAMME
ICELANDIC - RC		2,000,000	ISK	40,310	01/04/98	INCOME GENERATING PROJECT
NETHERLANDS - RC/GOVT		198,686	NLG	148,372	24/07/98	STARA PAZOVA
NETHERLANDS - RC		4,100	NLG	2,956	09/04/98	
SWEDISH -RC/GOVT		7,000,000	SEK	1,344,700	08/03/00	FRY
SWITZERLAND - RC		106,775			18/03/98	FOR FOOD
US GOVERNMENT/PRM		908,876	USD	1,338,775	31/05/98	
SUB/TOTAL RECEIVED IN CASH				4,758,498	CHF	

KIND AND SERVICES (INCL. PERSONNEL)

DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
SWITZERLAND - RC	FOOD	68,900	KGS	156,900	18/03/98	SOUP KITCHEN
GERMANY - RC/GOVT	HYGIENE PARCELS	57,500	PARCELS	402,220	09/04/98	FRY
GERMAN - RC/GOVT	HYGIENE PARCELS	57,500	PARCELS	384,100	14/07/98	FRY
Australia	Delegates	32,094			30/06/98	Estimated contribution
United Kingdom	Delegates	30,561			30/06/98	Estimated contribution
United Kingdom	Delegates	34,068			30/06/98	Estimated contribution
United Kingdom	Delegates	55,945			30/06/98	Estimated contribution
Iceland	Delegates	30,227			30/06/98	Estimated contribution
Netherlands	Delegates	60,955			30/06/98	Estimated contribution
Netherlands	Delegates	8,517			30/06/98	Estimated contribution
Norway	Delegates	4,676			30/06/98	Estimated contribution
Sweden	Delegates	53,440			30/06/98	Estimated contribution
Sweden	Delegates	30,728			30/06/98	Estimated contribution
Switzerland	Delegates	6,847			30/06/98	Estimated contribution
SUB/TOTAL RECEIVED IN KIND/SERVICES					1,291,278	CHF

NOT REQUESTED IN APPEAL

DONOR	CATEGORY	QUANTITY	UNIT	VALUE	CHF	DATE	COMMENT
ECHO - FEDERATION		99,334		XEU	158,567	15/01/98	
ECHO - FEDERATION		1,995,000		XEU	3,205,766	19/02/98	
ECHO - FEDERATION		2,150,000		XEU	3,576,310	07/08/98	
UNHCR		612,252		USD	890,827	23/03/98	
ICELAND - RC	CLOTHES/WOOL	24,196				30/01/98	PYU560
SWEDISH - RC	CLOTHES	862,405		SEK	908,783	01/07/98	
SUB/TOTAL RECEIVED					8,764,449	CHF	