



## Humanitarian Aid Decision

**23 02 01**

Title: Humanitarian aid for the most vulnerable people of Georgia victims of the frozen Abkhazia conflict

Location of operation: GEORGIA

Amount of Decision: EUR 2,000,000

Decision reference number: ECHO/GEO/BUD/2006/01000

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### Explanatory Memorandum

#### **1 - Rationale, needs and target population.**

##### 1.1. - Rationale :

Despite the fact that Georgia has a democratically elected government which has embarked on a clear reform path and receives significant funding from the EU, the US and other donors, it is still plagued with two unresolved conflicts in Abkhazia and South Ossetia and, linked to this, a very difficult relationship with Russia, its neighbour. The violent Abkhaz conflict of the early 1990s continues to have humanitarian consequences for the population in the Republic and for the 200,000 people who had to flee Abkhazia and sought shelter in precarious conditions in other parts of Georgia.

While these frozen conflicts had softened in recent times, over the past few months relations between the Georgian government and Abkhaz and South-Ossetian authorities have deteriorated significantly, as has the relationship with Russia. Tension with Russia reached its latest peak when Georgia arrested four Russian servicemen and accused them of espionage. Although Georgia handed them over to Organisation for Security and Cooperation in Europe (OSCE) and they were returned to Russia within a few days, Moscow retaliated by putting in place a drastic sanction regime : Russia suspended air, railroad, road and mail connections to Georgia, closed several Georgian businesses in Moscow, started checking registration of Georgians living in Russia (including children in schools) and deporting those without

registration and threatened to suspend remittances from Georgians<sup>1</sup>. These measures were taken in addition to previous bans on the sale of Georgian wines and mineral waters which have affected Georgia's already fragile economy harshly, as Russia is the country's first export market.

This latest standoff is only the culmination of a two-year confrontation. Relations between Russia and Georgia have seriously deteriorated since the election in 2004, after the "Rose Revolution", of Mikhail Saakashvili, a nationalistic President who has embarked on a resolutely pro-Western, pro-NATO and pro-US path and who makes statements about the negative role of Russia and Russia's desire to destabilise Georgia in order to keep it under its sphere of influence. The current confrontation also coincides with the decision of NATO to establish an "intensified dialogue" with Georgia, a prelude to its integration into the organisation and a prospect which Russia is not favourable to.

### **Background on the two conflicts**

The Georgian-Ossetian armed conflict ended in June 1992 with a cease-fire agreement and the set-up of a Joint Control Commission (JCC) in charge of monitoring the cease-fire and the demilitarisation process. The JCC comprised of a Russian, a Georgian and a North Ossetian battalion. However, in practice the North Ossetian battalion was manned by South Ossetians. In 1994, the JCC was transformed into a quadripartite mechanism with the official participation of South Ossetia. The OSCE also participates in the activities of the JCC. So far, the JCC has failed to deliver any concrete results on a settlement of the conflict.

The conflict which erupted in 1992 in the breakaway republic of Abkhazia led to the displacement of over 250,000 people and devastated what once was a thriving touristic and agricultural region. A UN-brokered agreement was signed by the Georgian and Abkhaz parties in 1994 putting an end to the fighting. Compliance with the Agreement is since then monitored by the Commonwealth of Independent States (CIS) Peace-Keeping Forces (essentially composed of Russian soldiers) and the United Nations Military Observer Mission in Georgia (UNOMIG).

Despite the signature of this agreement, there was never a real peace process and few Internally Displaced Persons (IDPs) returned to Abkhazia. Those who eventually did, returned only to the Gali district of Abkhazia, an area populated by non-Abkhaz people, close to the dividing line with Georgia. Tensions remained very high, with again a deterioration of the situation in the Gali district in 1998, which resulted in a new displacement of 30,000 people, many of whom had returned there with the assistance of the humanitarian community. Since then, the Gali district has remained an insecure area and humanitarian organisations virtually stopped their assistance programmes in areas of return until 2005. However, it is now estimated that about 40,000 persons have recently returned from Samegrelo, in Western Georgia, to Gali. Slowly, several humanitarian organisations are now returning to some parts of Gali, but with caution due to security constraints.

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<sup>1</sup> According to the Central Bank of Georgia, Georgians in Russia (800,000 to 1 million people) sent USD 220 millions during the first nine months of 2006, i.e. 5% of Georgia's GDP and 15% of its budget.

Since the unilateral declaration of independence by the de facto Abkhaz authorities, and in spite of the efforts of the international community, the conflict remains unsolved and prospects of a quick political settlement have now disappeared with the current standoff between Russia and Georgia.

Both conflicts cannot be solved without the cooperation of Russia. Russia is, and has always been since both conflicts erupted in the early 1990s, an active backer of Abkhaz and South Ossetian independentist leaderships. Apart from recent interventions in local elections and the direct presence of Russians within the two "governments", Russia supports both Republics militarily and economically. It has distributed Russian passports en masse to citizens there and has even started paying Russian pensions to Abkhaz citizens holding Russian passports last year. South Ossetia and Abkhazia survive only thanks to Russian support which lately, particularly in the case of Abkhazia, resembles economic annexation. In addition, despite its lack of neutrality in both conflicts, Russia provides a large part of the peace-keeping forces present in South Ossetia and in Abkhazia.

Georgia accuses these forces of not fulfilling their peace mandate and Russia of not being an honest broker. The Georgian Parliament asked for their removal last summer and Georgia would like to see them replaced by an international presence, which seems rather unlikely for the time being. At the same time, President Saakashvili, who has put the restoration of Georgia's territorial integrity high on its agenda, has presented its own plans for a settlement of the conflicts and stated that a military intervention was not the option. Despite these verbal assurances, tension remains very high in both regions.

#### 1.2. - Identified needs :

As a result of the conflict, of the trade embargo and of the non-recognition of the self-appointed "de-facto" government, Abkhazia, which enjoyed the highest standard of living in the former Soviet Union, is now a devastated region. Houses, apartment buildings, roads and the whole infrastructure of the Republic have been largely destroyed. The population has shrunk from an estimated 500,000 people before the war to some 100,000 to 150,000 people, many of them considered as destitute by the International Committee of the Red Cross (ICRC) and a high percentage of them elderly and isolated people.

**Food security** : In Abkhazia, with the disruption of the social infrastructure, the absence of real economic opportunities for the majority of people and the lack of a political settlement, the basic food and non-food needs of the most vulnerable people continue to be unmet. Despite a noticeable improvement in the local authorities' capacity to mobilise resources for the last year (possibly linked to the election of a new government), they still do not have the resources to provide a decent social safety net and current monthly pensions (EUR 3) and other social benefits do not cover the average food basket (around EUR 30). The situation is particularly difficult for those with no access to land, no agricultural skills and who are often elderly or disabled. These will continue to depend on assistance for their survival.

However, among current food aid beneficiaries, there are a number of households who could become self-sufficient if they were engaged in a food security/income generation programme. In 2005, the ICRC embarked on a very ambitious and quick

programme of disengagement which consists of giving micro-grants (agro, trade and craft) to beneficiaries to help them become self-sufficient. ICRC started by targeting the least vulnerable of its food beneficiaries, those who received food on a quarterly basis, and they will now target those who received it every month. Other organisations are also engaged in small food security programmes at household level.

While there are still food security needs in the rest of Western Georgia, on the other side of the dividing line, it is estimated that these needs, which are less acute, can be covered by other, more development-oriented instruments, in particular budget lines of the European Commission which have started to be engaged in the region last year and have taken over some previous DG ECHO<sup>2</sup> programmes.

**Shelter :** In addition to food security, shelter for those who have returned to Gali in the last few years and who have decided to re-settle there permanently has emerged as the most urgent need. Gali is the only area where non-Abkhaz are currently able or willing to return. It is estimated that 79,000 persons had been displaced from the district (mostly populated by Mingrelians<sup>3</sup>) and that 45,000 persons have now returned spontaneously from the other side of the dividing line, most of them to heavily destroyed pre-war homes and without the means to ensure adequate living conditions. It has taken some time for the population to return to the area on a long-term basis because of the high insecurity in the region and of their experience in 1998, when having returned to the area they had to flee again following a resumption of hostilities. For several years, people returned to their lands only during the hazelnut or mandarine harvest season but kept on living in displacement on the other side of the dividing line.

With a noticeable improvement in the security situation, humanitarian agencies started last year to have access to areas of Gali which until then had not benefited from any humanitarian assistance. With DG ECHO funding, the Danish Refugee Council (DRC) conducted a housing assessment in Autumn 2005 on housing rehabilitation needs in the district. The survey identified 4,431 damaged houses, which represents some 25% of all pre-war houses (18,000). The survey also highlighted that around 45% of the damaged houses were inhabited although they were found to be severely damaged and did not provide acceptable basic shelter for the returnees. This was confirmed by the DG ECHO HQ mission of September, which visited households living in appalling conditions either next to their destroyed house, in a makeshift shelter, or in the remains of their house.

On the other side of the dividing line, some 200,000 Georgians who have left Abkhazia are displaced within Georgia, half of them still living in collective centres. Around 50% of these IDPs are estimated to be concentrated in Western Georgia (excluding Abkhazia). As an example, they represent half of the resident population in Zugdidi district, bordering Abkhazia, which places a significant burden on the infrastructure of this region.

Roofing, heating, insulation, water supply or sanitation conditions are appalling in a number of collective centres for IDPs, many of which have been seriously damaged by years of poor maintenance. Although much of the infrastructure throughout Georgia is in need of repair, the extent of dilapidation in collective centres is much

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<sup>2</sup> Directorate-General for Humanitarian Aid - ECHO

<sup>3</sup> An ethnic group close to the Georgians which is found in Western Georgia

higher and the needs more urgent, as these are structures (schools, derelict sanatoriums) which were not meant for permanent housing. There are 319 collective centres registered in Samegrelo region, 110 in Zugdidi city alone. Programmes of basic rehabilitation were launched by UNHCR in 1993-94 and after the 2002 earthquake and currently a few organisations (ICRC, Norwegian Refugee Council, Danish Refugee Council) are working in this sector. But in many places, living conditions remain far below basic standards and essential repairs are urgently needed to bring living conditions back to minimum acceptable standards and improve the health and the psychological status of IDP populations who have been living there for 13 years.

#### 1.3. - Target population and regions concerned :

- The target population for the ICRC food distribution will be some 5,000 destitute people in Abkhazia.
- The target population for the food security programme will be around 1,500 households in Abkhazia.
- The target population for the shelter rehabilitation will be 1,016 IDPs in 5 collective centres in Samegrelo region and returnees (140 households) in private houses in Gali area.

#### 1.4. - Risk assessment and possible constraints :

The situation in Georgia has improved in recent years, however the recent diplomatic and economic conflict with Russia coupled with the frozen conflicts of Abkhazia and South Ossetia are extremely worrying. Tensions have escalated significantly in recent weeks and given Russia's support to the regimes in place in both Republics, the deterioration in the relations between Georgia and Russia could lead to a military confrontation with grave humanitarian consequences.

In addition, the security situation in the Gali district of Abkhazia is still precarious (mainly because of criminality), although it has improved somewhat over the last year. Organisations have started to access areas they could not reach before and more organisations are now starting to develop projects in this area, but this could be jeopardised if the situation was to deteriorate once again.

So far, the projects financed by DG ECHO have been implemented smoothly and have not encountered major security constraints.

## 2 - Objectives and components of the humanitarian intervention proposed: <sup>4</sup>

### 2.1. - Objectives :

Principal objective: **To improve the humanitarian situation of the victims of the frozen Abkhazia conflict**

Specific objectives:

**To improve the living conditions of the most vulnerable segments of the population in Western Georgia**

### 2.2. - Components :

This decision intends to fund three main types of activities aimed at improving living conditions for the most vulnerable segments of the population in Abkhazia : food assistance, food security/income generation projects; improvement of shelter conditions for IDPs and returnees.

#### **Food assistance and food security**

Several projects will aim to ensure food security for the most vulnerable populations in Abkhazia. In view of the relative improvement in the situation of many of its beneficiaries, notably the pensioners, and of the better capacity of local authorities to support social cases, the ICRC will gradually close its food assistance programme, which consisted of several components and has already been significantly reduced over the last year. The quarterly distribution of dry-food has already been stopped. The canteen programme, designed for the vulnerable people who are mobile but cannot cook at home, will be partly closed in October and completely closed at the end of 2006 and the caseload handed over to the authorities. The ICRC has managed to engage the Abkhaz de-facto Government into allocating subsidies to them. As for the Home Assistance programme, the number of beneficiaries has been drastically reduced and it is being handed over to the Abkhaz Red Cross, the Swedish Red Cross and the authorities, but the ICRC will continue with financial support until the end of 2007.

In 2007, the ICRC will continue the last part of its food programme : the monthly dry-food ration distribution in Abkhazia. This will then be phased out at the end of the year, when ICRC intends to close all its food assistance operations in Georgia. The exit strategy, for this type of beneficiaries, will be more difficult than for the rest of the ICRC caseload, as these are the poorest households and those who do not have any able-bodied member. However, the ICRC still hopes to be able to offer micro-economic projects ("agro, trade and craft") to 500 households, on the model developed until now with thousands of less vulnerable beneficiaries in 2005 and 2006. The rest of the people will be simply de-registered from ICRC lists.

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3 Grants for the implementation of humanitarian aid within the meaning of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid are awarded in accordance with the Financial Regulation, in particular Article 110 thereof, and its Implementing Rules in particular Article 168 thereof (Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, OJ L248 of 16 September 2002 and No 2342/2002 of 23 December 2002, OJ L 357 of 31 December 2002).

Rate of financing: In accordance with Article 169 of the Financial Regulation, grants for the implementation of this Decision may finance 100% of the costs of an action.

Humanitarian aid operations funded by the Commission are implemented by NGOs and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) (in conformity with Article 163 of the Implementing Rules of the Financial Regulation) and by United Nations agencies based on the Financial and Administrative Framework Agreement (FAFA). The standards and criteria established in DG ECHO's standard Framework Partnership Agreement to which NGO's and International organisations have to adhere and the procedures and criteria needed to become a partner may be found at [http://europa.eu/comm/echo/partners/index\\_en.htm](http://europa.eu/comm/echo/partners/index_en.htm)  
**ECHO/GEO/BUD/2006/01000**

In addition to the ICRC, several organisations will also develop food-security projects targeted on the most vulnerable households with able-bodied people who will be given the means to start food generating and/or income generating activities. Such projects were already developed with success in the last two years in Abkhazia and in the rest of Western Georgia. Emphasis will be put this year on Gali district, where little aid has been given so far due to a lack of access.

DG ECHO's interventions will be closely coordinated with programmes funded by other EC instruments in the area : the Rehabilitation budget line and the NGO co-financing line. Unfortunately, the first one has suffered delays and funding which was foreseen to be used in 2006 for small economic development programmes aimed at taking over from DG ECHO will be used for other purposes. However, it is hoped that next year's funding with the new instrument will allow DG ECHO to start phasing out (unless the situation deteriorates).

### **Shelter**

After the good results of a small-scale pilot project for emergency shelter repairs in Gali district, which targeted 40 of the most vulnerable returnee households in two villages, basic shelter assistance (distribution of shelter materials) will be provided for 140 extremely vulnerable households in 5 villages of lower Gali, the most destroyed and destitute region.

In parallel, living conditions of IDPs in five of the most derelict collective centres in Western Georgia will be improved through the repair of roofs. These are centres with urgent needs, which have not been assisted in the last years and whose inhabitants cannot return to Abkhazia (they are not from the Gali area).

### **3 - Duration expected for actions in the proposed Decision:**

The duration for the implementation of this Decision shall be **15 months**  
Humanitarian operations funded by this decision must be implemented within this period.

Expenditure under this Decision shall be eligible from **1 November 2006, in order to allow for a smooth continuation of current projects.**

Start Date : **1 November 2006**

If the implementation of the actions envisaged in this Decision is suspended due to *force majeure* or any comparable circumstance, the period of suspension will not be taken into account for the calculation of the duration of the humanitarian aid operations.

Depending on the evolution of the situation in the field, the Commission reserves the right to terminate the agreements signed with the implementing humanitarian organisations where the suspension of activities is for a period of more than one third of the total planned duration of the action. In this respect, the procedure established in the general conditions of the specific agreement will be applied.



## 5 - Overview of donors' contributions

Donors in <b>GEORGIA</b> the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	2,000,000		
Belgium		FSP (budget support)	10,000,000		
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland					
France					
Germany	651,279				
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands					
Poland					
Portugal					
Slovakia					
Slovenie					
Spain					
Sweden	105,003				
United kingdom					
Subtotal	756,282	Subtotal	2,000,000	Subtotal	0
		Grand total	2,756,282		

Dated : 04/10/2006

(\*) Source : DG ECHO 14 Points reporting for Members States. <https://hac.ec.europa.eu>  
Empty cells means either no information is available or no contribution.

## 6 - Amount of decision and distribution by specific objectives:

6.1. - Total amount of the decision: EUR 2,000,000

## 6.2. - Budget breakdown by specific objectives

<b>Principal objective:</b> <i>To improve the humanitarian situation of the victims of the frozen Abkhazia conflict</i>				
<b>Specific objectives</b>	<b>Allocated amount by specific objective (EUR)</b>	<b>Geographical area of operation</b>	<b>Activities</b>	<b>Potential partners<sup>5</sup></b>
Specific objective 1: To improve the living conditions of the most vulnerable segments of the population in Western Georgia	2,000,000	Abkhazia, Samegrelo	Food assistance and food security Rehabilitation of shelter (private houses and collective centres)	- ACH - CROIX-ROUGE - CICR- ICRC - CH - DRC - P U
<b>TOTAL:</b>	<b>2,000,000</b>			

<sup>5</sup> ACCION CONTRA EL HAMBRE, (ESP), COMITE INTERNATIONAL DE LA CROIX-ROUGE (CICR), DANSK FLYGTNINGEHAELP, PREMIERE URGENCE, (FR)

## 7 - Evaluation

Under article 18 of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid the Commission is required to "regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations." These evaluations are structured and organised in overarching and cross cutting issues forming part of DG ECHO's Annual Strategy such as child-related issues, the security of relief workers, respect for human rights, gender. Each year, an indicative Evaluation Programme is established after a consultative process. This programme is flexible and can be adapted to include evaluations not foreseen in the initial programme, in response to particular events or changing circumstances. More information can be obtained at:

[http://europa.eu/comm/echo/evaluation/index\\_en.htm](http://europa.eu/comm/echo/evaluation/index_en.htm).

## 8 - Budget Impact article 23 02 01

	CE (EUR)
Initial Available Appropriations for 2006	470,429,000
Reinforcement from emergency aid reserve	140,000,000
Transfers Commission	
<b>Total Available Appropriations</b>	<b>610,429,000</b>
Total executed to date (by 10 October 2006)	575,317,000
Available remaining	35,112,000
<b>Total amount of the Decision</b>	<b>2,000,000</b>

### Payment schedule

	2006	2007	2008
EUR	1,000,000	600,000	400,000

## COMMISSION DECISION

### on the financing of humanitarian operations from the general budget of the European Union in **GEORGIA**

#### THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,  
Having regard to Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid <sup>6</sup>, and in particular Article 14 thereof:

Whereas:

- (1) Georgia has been experiencing a violent internal conflict over the issue of Abkhazia, which led to the displacement of over 250,000 people.
- (2) Despite a UN-brokered end of hostilities in 1994 and the presence of a UN Military Observer Mission, there is no peace agreement yet and the situation can be characterised as a frozen conflict, with tensions remaining high in Abkhazia – a self-declared independent region heavily supported by Russia - and around the dividing line with the rest of Georgia.
- (3) As a result of these constant tensions, there are still some 200,000 persons displaced, many of whom are still hosted in derelict collective centres.
- (4) Those 45,000 persons who have returned spontaneously to one district in Abkhazia from the other side of the dividing line, have returned to heavily destroyed houses.
- (5) The massive displacement has emptied Abkhazia of more than two thirds of its former population, and the destruction of the economic infrastructure as well as the economic isolation have left a large part of the population very vulnerable.
- (6) Little international humanitarian assistance reaches Western Georgia and in particular Abkhazia, which can be considered as a forgotten crisis.
- (7) An assessment of the humanitarian situation leads to the conclusion that humanitarian aid operations should be financed by the Community for a period of 15 months.
- (8) It is estimated that an amount of **EUR 2,000,000** from budget line **23 02 01** of the general budget of the European Union is necessary to provide humanitarian assistance to over **12,000 people**, taking into account the available budget, other donors-contributions and other factors;

HAS DECIDED AS FOLLOWS:

*Article 1*

1. In accordance with the objectives and general principles of humanitarian aid, the Commission hereby approves a total amount of EUR 2,000,000 for humanitarian aid operations for the most vulnerable people of Georgia, victims of the frozen Abkhazia conflict by using line 23 02 01 of the 2006 general budget of the European Union.

2. In accordance with Article 2 of Council Regulation No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objective:

To improve the living conditions of the most vulnerable segments of the population in Western Georgia.

The total amount of this decision is allocated to this objective.

*Article 2*

1. The duration for the implementation of this decision shall be for a maximum period of 15 months, starting on 1 October 2006.
2. Expenditure under this Decision shall be eligible from 1 October 2006.
3. If the operations envisaged in this Decision are suspended owing to *force majeure* or comparable circumstances, the period of suspension shall not be taken into account for the calculation of the duration of the implementation of this Decision.

*Article 3*

This Decision shall take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission