

COMMISSION DECISION
of
on the financing of humanitarian operations from the general budget of the European Communities 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 aid¹, and in particular Articles 2 and 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, around 200,000 persons remain displaced, many of whom are still hosted in derelict collective centres. Only 45,000 persons have returned spontaneously to one district in Abkhazia from the other side of the dividing line into heavily destroyed houses.
- (4) 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.
- (5) Little international humanitarian assistance reaches Abkhazia.
- (6) 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 Communities is necessary to provide humanitarian assistance to over 10,000 persons, taking into account the available budget, other donors' contributions and other factors;
- (9) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002², Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002³, and Article 15 of the internal rules on the implementation of the general budget of the European Communities⁴.

1- OJ L 163, 2.7.1996, p. 1-6

2- OJ L 248, 16.9.2002, p.1. Regulation as last amended by Regulation (EC, Euratom)

No 1995/2006, OJ L 390, 30.12.2006, p.1

3-OJ L 357, 31.12.2002, , p.1 Regulation as last amended by Commission Regulation (EC Euratom) No. 478/2007, OJ L 111 of 28.4.2007, P. 13

4-Commission Decision of 21.2.2007, C/2007/513

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 Humanitarian aid for the most vulnerable people of Georgia victims of the frozen Abkhazia conflict by using line 23 02 01 of the 2007 general budget of the European Communities.
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 Abkhazia, 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 December 2007.
2. Expenditure under this Decision shall be eligible from 1 December 2007.
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

1. The Commission shall implement the budget by direct centralised management or by joint management with international organisations.
2. The actions supported by this decision will be implemented by humanitarian aid organisations that are signatories to the Framework Partnership Agreements (FPA) or the EC/UN Financial Administrative Framework Agreement (FAFA).
3. Taking account the specificities of humanitarian aid, the nature of the activities to be undertaken, the specific location constraints and the level of urgency, the activities covered by this decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation.

Article 4

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

Done at Brussels, date to be inserted by SG

For the Commission

Name to be inserted by SG
Member of the Commission



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/2007/01000

Explanatory Memorandum

1 - Rationale, needs and target population.

1.1. - Rationale :

Despite the fact that Georgia's economic situation has improved during the last years and that the country receives significant funding from the European Union (EU), the United States (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.

Over the past few years relations between the Georgian government and Abkhaz and South-Ossetian authorities have deteriorated significantly and several incidents have taken place. Relations between Russia and Georgia have also seriously worsened since the election in 2004, after the "Rose Revolution", of Mikhail Saakashvili, a nationalistic President who has embarked on a resolutely pro-Western, pro-North Atlantic Treaty Organisation (NATO) and pro-US path and who makes bold statements about the negative role of Russia and its desire to destabilise Georgia in order to keep it under its sphere of influence.

Background on the Abkhazia 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 tourist 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 mainly populated by non-Abkhaz people, close to the dividing line with Georgia. Tensions remained very high, with a renewed 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 have virtually stopped their assistance programmes in areas of return until 2005. However, it is now estimated that about 45,000 persons have returned from Samegrelo, in Western Georgia, to Gali. Several humanitarian organisations have now started to work in the most remote and previously inaccessible parts of Gali, but with caution due to security constraints.

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.

The conflict 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 independentist leadership. Apart from interventions in local elections and the direct presence of Russians within the de facto government, Russia supports the Republic militarily and economically. It has distributed Russian passports en masse to citizens there and is now even paying Russian pensions to Abkhaz citizens holding Russian passports. Abkhazia survives only thanks to Russian support which lately has come to resemble economic annexation. In addition, despite its lack of neutrality in the conflict, Russia provides a large part of the peace-keeping forces present in Abkhazia.

Georgia accuses these forces of not fulfilling their peace mandate and Russia of not being an honest broker. The Georgians have repeatedly asked for the removal of these troops and 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 his agenda, has presented his own plans for a settlement of the conflict and stated that a military intervention was not an option. However, tension remains very high among parties.

1.2. - Identified needs :

As a result of the conflict, of the trade embargo and of the stalemate concerning the non-recognition of the self-appointed de facto authorities, the socio-economic situation in Abkhazia has plunged over the last decade. Abkhazia was known during the Soviet period for its elite holiday resorts that drew visitors from across the Soviet Union and for its major cash crops of tea, tobacco and citrus fruits. The standard of living was among the highest in the former Soviet Union. This has unfortunately vanished after the civil war in 1992 which led to a complete economic collapse, severely impoverishing much of the population in Abkhazia and leaving large segments of the population highly vulnerable.

Houses, apartment buildings, roads, schools, health facilities and the whole infrastructure of the Republic have been destroyed. The population has shrunk from an estimated 500,000 people before the war to some 150,000 people, many of them very vulnerable and a high percentage of them elderly and isolated people, as a large part of the younger population have left to make a living somewhere else. There have been recent rehabilitation efforts in the touristic parts of the Republic (the North), but the bigger part of this rehabilitation work remains to be done and the largest part of the population is left out the benefits of these tourism investments. In addition, the return of IDPs from Georgia proper to the Gali District remains one of the biggest challenges faced by the international community. The district is the poorest in the region and remains destroyed, unstable and volatile, with the difficult economic situation encouraging criminality. This is why many returnees continue to go back and forth between Georgia proper and Abkhazia, often during the harvest seasons to harvest and sell their crops, but do not dare yet return for good, also because of the lack of adequate shelter.

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 most vulnerable people cannot yet ensure their own food security. There has been recently a small improvement in the local authorities' capacity to mobilise a few resources, but the situation remains very precarious for thousands of people. The situation is particularly difficult for those with no access to land, no agricultural skills and who are often elderly or disabled. The situation is also very fragile in villages, where subsistence agriculture is the main activity but households are still not food secure due to several issues : loss of salaries and access to equipment after the dismantlement of collective farms, high prices of animals due to their scarcity in the region, low animal production due to low quantity and poor quality of fodder, lack of cash which forces people to contract debts, sell their assets or sell their harvest at a lower price without waiting for the right time.

The International Committee of the Red Cross and a few Non Governmental Organisations have implemented food aid programmes for several years in Abkhazia and progressively moved towards food security operations two years ago. These programmes have allowed many food aid-dependent families to restart their livelihoods and ensure a minimum food security. However, many households have not been assisted yet and continue to survive in dire conditions.

Shelter: In addition to food security, for those who have returned to Gali in the last few years and who have decided to re-settle there permanently, shelter has emerged as the most urgent need. Gali is the only area where non-Abkhaz people are currently able or willing to return. It is estimated that 79,000 persons had been displaced from

the district (mostly populated by Mingrelians⁵) and that 45,000 persons have now returned spontaneously and durably 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, which is still the case for many families.

With a noticeable improvement in the security situation in 2006 humanitarian agencies started in 2006 to have access to areas of Gali which until then had not benefited from any humanitarian assistance. With DG ECHO⁶ 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 several DG ECHO HQ missions, which visited households living in appalling conditions either next to their destroyed house, in a makeshift shelter, or in the remains of their house.

Around 6,000 vulnerable individuals benefited from DG ECHO-funded food security and income-generation programmes under the 2006 budget, which ended in Autumn 2007, and 1,500 were targeted for shelter rehabilitation.

1.3. - Target population and regions concerned :

The target population for food security and shelter assistance will be the most vulnerable population, whether the Abkhaz population in the most destroyed districts of the Republic or the Georgian-returnee families in the Gali area. Around 2,000 persons will benefit from shelter assistance and 3,500 will benefit from food security/income-generation projects.

1.4. - Risk assessment and possible constraints :

The situation in Georgia, including in Abkhazia, has improved in recent years. However the diplomatic and economic crisis with Russia is not over, and this, coupled with the frozen conflicts of Abkhazia and South Ossetia, leaves grounds for concern. Tensions regularly flare up between the two countries and given Russia's support to the regimes in place in both Republics, the deterioration in the relations between Georgia and Russia could always lead to a military confrontation with grave humanitarian consequences.

In addition, the security situation in the Gali district of Abkhazia has improved but remains unstable, mainly because of criminality. Organisations now have access to areas they could not reach before and more NGOs are now developing projects in this area, but this could be jeopardised if the situation was to deteriorate once again.

⁵ An ethnic group close to the Georgians which is found in Western Georgia

⁶ Directorate General for Humanitarian Aid – ECHO

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:

2.1. - Objectives :

Principal objective:

To improve the humanitarian situation of the victims of the frozen Abkhazia conflict

Specific objective:

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

2.2. - Components :

This decision intends to fund two main types of activities aimed at improving living conditions for the most vulnerable segments of the population in Abkhazia and help them regain a minimum of self-sufficiency: food security/income generation projects and the improvement of shelter conditions, especially for returnees.

Food security/income-generation activities

Projects will aim at ensuring food security for the most vulnerable populations in Abkhazia. Due to 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 closed all its food security operations in 2007 and transferred a part of their caseload to the local authorities. There remain however hundreds of vulnerable families who still need to be supported in order to be food-secure in a sustainable way. Projects will be developed for them, on the model already tested successfully for the last two years in Abkhazia, and with more emphasis on the very impoverished and destroyed Gali area, where returnees can barely survive.

Shelter

After the good results of the small-scale pilot project for emergency shelter repairs in Gali district, which targeted 40 of the most vulnerable returnee households in two villages, and of the more substantial programme implemented in 2007 with the 2006 funding, which targeted 140 extremely vulnerable households in 5 villages of lower Gali, the rehabilitation of shelter will expand. The area of Gali will continue to be prioritized, as this is the area where returnees need to be supported and have received no assistance so far, but shelter rehabilitation will also target those vulnerable households living in other areas of Abkhazia whose houses were destroyed by the conflict.

DG ECHO's interventions will be closely coordinated with income-generation programmes funded by other European Community instruments in the area through the NGO co-financing line, which is already active, as well as with the new ENPI Annual Action Programme which entails a EUR 4,000,000 project for "Economic

rehabilitation and confidence building for Abkhazia/Western Georgia". This project will hopefully start next year and will notably finance activities similar to those implemented by ECHO so far in terms of income generation and shelter assistance, in the same region. The coming into place of a rehabilitation programme in Abkhazia should allow DG ECHO to phase out its humanitarian intervention at the end of 2008, as it already phased out its assistance in Georgia proper when development instruments took over.

3 - Duration expected for actions in the proposed Decision:

The duration for the implementation of this Decision shall be 15 months. It is necessary to have this duration as projects will last 12 months and will not start at the same time.

Humanitarian operations funded by this decision must be implemented within this period.

Expenditure under this Decision shall be eligible from 1 December 2007.

Start Date : 1 December 2007

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.

4 - Previous interventions/Decisions of the Commission within the context of the current crisis

List of previous DG ECHO operations in Georgia				
Decision Number	Decision Type	2005 EUR	2006 EUR	2007 EUR
ECHO/GEO/BUD/2005/01000	Non Emergency	2,000,000		
ECHO/GEO/BUD/2006/01000	Non Emergency		2,000,000	
	Subtotal	2,000,000	2,000,000	0
	Grand Total	4,000,000		

Dated : 16 October 2007
Source : HOPE

5 - Overview of donors' contributions

Donors in Georgia the last 12 months

1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	2,000,000		
Belgium		Other services	1,770,000		
Bulgaria					
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland					
France	50,000				
Germany					
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain					
Sweden					
United kingdom					
Subtotal	50,000	Subtotal	3,770,000	Subtotal	0
		Grand total	3,820,000		

Dated : 16 October 2007

(*) 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

Principal objective: <i>To improve the humanitarian situation of the victims of the frozen Abkhazia conflict</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners⁷
Specific objective 1: To improve the living conditions of the most vulnerable segments of the population in Western Georgia	2,000,000	Abkhazia, including Gali area	Food security/income generation activities. Basic rehabilitation of shelter (private houses).	- P.U. - DRC
TOTAL:	2,000,000			

⁷ 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://ec.europa.eu/echo/evaluation/index_en.htm.

8 - Budget Impact article 23 02 01

-	CE (EUR)
Initial Available Appropriations for 2007	485,000,000
Supplementary Budgets	
Transfers	
Total Available Credits	485,000,000
Total executed to date (by 24/10/2007)	466.675.694,95
Available remaining	18.324.305,05
Total amount of the Decision	2,000,000

9. MANAGEMENT ISSUES

Humanitarian aid actions funded by the Commission are implemented by NGOs, Specialised Agencies of the Member States, and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) and by United Nations agencies based on the EC/UN Financial and Administrative Framework Agreement (FAFA) in conformity with Article 163 of the Implementing Rules of the Financial Regulation. These Framework agreements define the criteria for attributing grant agreements and financing agreements in accordance with Article 90 of the Implementing Rules and may be found at http://ec.europa.eu/echo/partners/index_en.htm.

Individual grants are awarded on the basis of the criteria enumerated in Article 7.2 of the Humanitarian Aid Regulation, such as the technical and financial capacity, readiness and experience, and results of previous interventions.