



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels
C(2009) XXX final

COMMISSION DECISION

of

**on the financing of humanitarian Actions from the general budget of the European
Communities in the Caucasus**

(ECHO/-EE/BUD/2009/01000)

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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 Article 2, 15 (1), and Article 15(2) thereof:

Whereas:

- (1) The Chechnya conflict has led to an outflow of internally displaced persons (IDPs) into the neighbouring Republics of the Russian Federation. Today, most have come back to Chechnya but Ingushetia and Dagestan still host IDPs. And there are still displaced people in the region at large, notably in Azerbaijan.
- (2) The violence has provoked the displacement of people within Chechnya, many of whom remain unable to return to their land because their home has been destroyed, by fear or by lack of sufficient economic resources.
- (3) Years of displacement and the persistently volatile security situation in the region have exhausted the economic resources and severely traumatized the affected population.
- (4) The conflict has widely disrupted the socio-economical infrastructure, medical services and agricultural production in large parts of Chechnya. Reconstruction and rehabilitation have started and improvements are visible. However, despite the number of years elapsed since the end of the second conflict, most vulnerable groups of the population are still in need of multi-sectoral assistance.
- (5) The situation can be qualified as a forgotten crisis, to which few institutional donors are responding;
- (6) To reach populations in need, aid should be channelled through Non-Governmental Organisations (NGOs), International Organisations including United Nations (UN) agencies. Therefore the European Commission should implement the budget by direct centralized management or by joint management;

¹ OJ L 163, 2.7.1996, p. 1-6

- (7) For the purposes of this Decision, the "Caucasus" regions/countries involved are Chechnya, Ingushetia, Dagestan and Azerbaijan.
- (8) An assessment of the humanitarian situation leads to the conclusion that humanitarian actions should be financed by the Community for a period of 15 months.
- (9) It is estimated that an amount of EUR 6,000,000 from budget article 23 02 01 of the general budget of the European Communities is necessary to provide humanitarian assistance to improve the humanitarian situation of the victims of the conflict in Chechnya, taking into account the available budget, other donors' contributions and other factors. The activities covered by this Decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation;
- (10) 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.
- (11) In accordance with Articles 17 (2) and 17 (3) of Regulation (EC) No.1257/96, the Humanitarian Aid Committee gave favourable opinions on 23 April 2009.

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 6,000,000 for humanitarian aid Actions for the victims of the Chechnya conflict in the Caucasus by using article 23 02 01 of the **2009** general budget of the European Communities.
2. In accordance with Articles 2 of Council Regulation No.1257/96, the humanitarian Actions under this Decision shall be implemented in the pursuance of the following specific objectives:
 - To improve the living conditions of people affected by the conflict by providing multi-sectoral assistance.
An amount of EUR **3,500,000** is allocated to this specific objective.
 - To provide protection to Internally Displaced Persons and other vulnerable populations affected by the conflict.
An amount of EUR **2,300,000** is allocated to this specific objective.
 - To enhance the security of humanitarian personnel working in the Northern Caucasus.
An amount of EUR **200,000** is allocated to this specific objective.

² OJ L 248, 16.9.2002, p.1.

³ OJ L 357, 31.12.2002, , p.1.

⁴ Commission Decision of 5.3.2008, C/2008/773

Article 2

The Commission may, where this is justified by the humanitarian situation, re-allocate the funding levels established for one of the specific objectives set out in Article 1(2) to another objective mentioned therein, provided that the re-allocated amount represents less than 20% of the global amount covered by this Decision and does not exceed EUR 2,000,000.

Article 3

1. The duration for the implementation of this Decision shall be for a maximum period of 15 months, starting on 1 June 2009.
2. Expenditure under this Decision shall be eligible from 1 June 2009.
3. If the Actions 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 4

1. The Commission shall implement the budget by direct centralised management or by joint management with international organisations.
2. Actions supported by this Decision will be implemented either by:
 - Non-profit-making organisations which fulfil the eligibility and suitability criteria established in Article 7 of Council Regulation (EC) No. 1257/96 or International organisations
3. Taking account of 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 5

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

Done at Brussels

For the Commission
Member of the Commission



Humanitarian Aid Decision
23 02 01

Title: Humanitarian aid for the victims of the Chechnya conflict in the Caucasus

Location of Action: Caucasus

Amount of Decision: EUR 6,000,000

Decision reference number: ECHO/-EE/BUD/2009/01000

Supporting Document

1 – Rationale, needs and target population.

1.1. - Rationale:

Following the 1994-1996 conflict which utterly destroyed Chechnya, in particular Grozny, a second conflict broke out in autumn 1999, which resulted in massive human casualties, population displacement and physical destruction.

The situation started to stabilise in 2005, as the conflict receded and evolved towards a low-intensity confrontation characterised by guerrilla-type attacks against military and law-enforcement personnel on one side and limited military operations on the other side. At the same time, Moscow put in place a pro-Moscow President, Government and Parliament who, despite the way in which they were elected which fell short of international standards, managed to progressively restore a functioning administration.

Today, this "normalisation" process has turned into a massive reconstruction and rehabilitation effort and, despite the persistent lack of shelter due to destruction, most people displaced in Ingushetia have come back to Chechnya, although sometimes for a second displacement within Chechnya. Even if it is difficult to have exact figures, it is estimated that there are still some 30,000 Internally Displaced Persons (IDPs) in Chechnya proper⁵, 12,000 IDPs left in Ingushetia, 3,800 IDPs in Dagestan, and 1,700 refugees in Azerbaijan. The

⁵ DRC Figures

number of war-affected vulnerable household within Chechnya, including families created after the war, is estimated at 60,000.

The political and security situation in the Caucasus remains unstable and volatile. There are clear signs of destabilization and no indications that the situation could improve soon. Many observers fear a renewal of open conflict. In Ingushetia, the attacks against law enforcers happened almost everyday. According to the human rights organisation "Memorial", human rights violations are not abating, 42 people were kidnapped in 2008 out of which 13 continued to be unaccounted for. This represents a worrying trend up from the 35 kidnapped in 2007.

1.2. - Identified needs :

Socio-economic improvements resulting from the reconstruction process are obvious, notably in the capital and in the main cities of the Republic. As a result, humanitarian needs in many sectors have receded and authorities have partly taken over or are about to take over what DG ECHO⁶ had been funding since the beginning of the conflict (water and sanitation, school feeding, food parcels for IDPs). DG ECHO has thus been able to phase out its support in the fields of water and sanitation, primary education, basic food aid and assistance to war surgery in hospitals, which corresponded to a 50% reduction in funding from 2007 to 2008. In 2009, DG ECHO will continue its phase out by concentrating only on the remaining needs, by reducing the number of its partners and by reducing the funding given in 2008 by 45%. The strategy to phase out from the Chechen context foresees that DG ECHO would leave Chechnya by the end of 2010, i.e at the end of the projects funded by the 2009 decision. An assessment will be done though to secure that the most important needs have been covered at the end of the decision.

Humanitarian needs indeed remain for the most vulnerable households mainly in the southern and mountainous districts who are often the last to benefit from the State-sponsored efforts either by lack of information or means to grasp the new opportunities offered. Some specific sectors continue to need support such as protection, livelihood recovery and in a lesser degree shelter.

Livelihood support

For the majority of the population, income and jobs are the main concerns, with unemployment as high as 67% in Chechnya according to the Russian Statistics Management. This agency reports that 321,400 people are unemployed but only 229,000 receive unemployment benefits. While food insecurity in the humanitarian sense is no longer an issue, the high level of income insecurity continues to be a serious problem, with the North Caucasus region having the highest poverty rate in the country. A recent study suggested that about 20% of the population in Chechnya/Ingushetia is "truly food insecure and destitute". Institutional systems such as pensions and banks, and the economy are functioning now, but not fully, and corruption and bad governance continue to be serious obstacles to recovery. In this precarious environment, relief assistance still provides a safety net for the most vulnerable households. There is no problem of supply of basic food and non-food items. These items are available at markets and shops. The underlying problem for this group of population is the lack of income and absence of regular income opportunities. When asked what their greatest needs are, the majority of potential beneficiaries consistently say they

⁶ Directorate-General for humanitarian aid - ECHO

need jobs and an income; help with farming and income generating activities being the most frequently specified.

Shelter/infrastructure

There are still approximately 20,000 houses remaining fully or partially war-damaged from the initial post-conflict estimate of 118,000. To date 46,000 households have received compensation (sometimes only partially) for the loss of property and damaged housing under the government compensation scheme and another 39,000 are still waiting. People who have no ownership registration in their passports for property are excluded from the list of those eligible for compensation. This is a breach of rights.

Living conditions of the TACs (temporary accommodations centres), now called hostels, have been slightly improved with cosmetic rehabilitation works but are still crowded places with no safe water and lack of sanitation.

Infrastructure (water network, electricity, gas connections, road systems) in the region is generally in poor condition with cash-strapped local government unable to repair or maintain it, and is particularly a problem in the mountainous villages of Chechnya where government assistance is limited.

Protection

The region is characterised by political instability, unresolved ethnic and territorial issues, and corruption. Breach of basic human rights is frequent. Legal counselling is more than ever needed to help people fight for their rights.

Azerbaijan

In Azerbaijan, although the caseload of Chechen refugees is currently much reduced, their situation continues to be deadlocked. There is no progress towards solutions for this caseload such as return, resettlement or integration. All basic needs of the refugees still have to be covered (food, health services, legal counselling, etc).

1.3. - Target population and regions concerned :

This Decision targets the vulnerable populations in Chechnya and the IDPs/refugees in the neighbouring regions/countries which still suffer from the consequences of the two conflicts. There are still some 30,000 IDPs in Chechnya proper⁷, 12,000 IDPs left in Ingushetia, as well as 3,800 in Dagestan, and 1700 refugees remain in Azerbaijan. The number of war-affected vulnerable household within Chechnya, including new families is estimated at 60,000.

1.4. - Risk assessment and possible constraints :

Although progress has definitely been seen in the region in terms of sustained returns and gradual recovery from the various conflicts, especially the reconstruction of physical structures, there has been no real and sustainable economic growth which could serve yet as the basis for longer term recovery. The security environment remains very fragile. Instability has spread to the Northern Caucasus in general. All Republics of the region, in particular those covered by DG ECHO's programmes (Ingushetia and Dagestan), are now confronted with militant activity and a risk of destabilisation which might have consequences both in terms of humanitarian needs for local populations and problems of access due to insecurity for international staff. Solutions are not being found to the politically deadlocked displacement situations stemming from territorial disputes, so leaving displaced groups in a

⁷ DRC Figures

limbo lasting in some cases for over ten years. This situation also holds the seeds of renewed conflict.

In addition to security, the successful implementation of humanitarian programmes will depend upon access to Chechnya. While it had been significantly better in recent years, NGOs continue, randomly, to face difficulties to obtain visa and access permits to Chechnya.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives :

Principal objective: To improve the humanitarian situation of the victims of the conflict in Chechnya

Specific objectives:

- To improve the living conditions of people affected by the conflict by providing multi-sectoral assistance
- To provide protection to Internally Displaced Persons and other vulnerable populations affected by the conflict.
- To enhance the security of humanitarian personnel working in the Northern Caucasus

2.2. - Components :

The components envisaged so far are the following, organised per sector of activity. In the context of DG ECHO phasing out strategy which consists in focusing on the most urgent remaining needs, other components and activities may be considered, in line with the specific and principal objectives of the decision.

Livelihood support activities

In response to the high unemployment and lack of income opportunities, livelihood support activities will provide support to the vulnerable populations to improve their livelihoods, to stimulate their self reliance and to help them becoming independent of humanitarian relief assistance. This support will mainly target the most vulnerable households and IDPs which have been removed from the food aid lists, which do not receive compensation from the State or which are returning to their homes. Several types of support could be given depending on the vulnerability of the beneficiary and his skills (for instance agriculture project, livestock, trade, crafts).

Shelter/infrastructure

Considering the existing needs and the rehabilitation efforts done by the Chechen government, DG ECHO action in this sector should focus on villages where return is still limited. Funding should be targeted at more cost-effective projects such as infrastructure projects implemented through partnership with local government and communities (for instance water network, gas, road, communal services).

Shelter projects could be done on an ad-hoc basis and according to well justified identification of needs.

Protection

Protection programmes will aim at providing legal counselling and assistance for the local population and in particular IDPs in Chechnya, Ingushetia and Dagestan (as an example, UNHCR⁸ provides around 10,000 consultations a year), notably for issues linked to shelter compensation, voluntary return or arbitrary de-registration, disappearances, missing people, access to health services and education. In Azerbaijan, protection will be provided through support for basic materials needs for the most vulnerable refugees and asylum-seekers. One component of this support will consist in securing shelter for the refugees through provision of cash assistance. This activity should be implemented by UNHCR in accordance with DG ECHO guidelines on cash and vouchers in humanitarian crisis.

Security

Support to UNDSS⁹ security framework (through UNDP¹⁰) will allow for UN humanitarian workers and donors to continue to have access to beneficiaries in Chechnya, albeit with many constraints due to armed escorts.

3 - Duration expected for Actions in the proposed Decision:

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

Expenditure under this Decision shall be eligible from 1 June 2009

This duration is requested because some of the activities to be funded under this decision represent continuation of activities funded under the 2008 decision, thus while some projects will start on 1 June 2009, others will start later.

Furthermore, the insecurity and uncertainty inherent to operations in Chechnya have often required extensions of the original project durations.

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 Actions.

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.

⁸ United Nations High Commissioner for Refugees

⁹ United Nations Department for Security and Safety

¹⁰ United Nations Development Programme

5 - Overview of donors' contributions

Donors in RUSSIA the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	9,830,000		
Belgium		Other services			
Bulgaria					
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland					
France					
Germany	24,982				
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands	1,544,380				
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain					
Sweden	1,157,773				
United kingdom					
Subtotal	2,727,135	Subtotal	9,830,000	Subtotal	0
		Grand total	12,557,135		

Dated : 21 January 2009

(*) Source : DG ECHO 14 Points reporting for Members States. <https://webgate.ec.europa.eu/hac>
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 6,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To improve the humanitarian situation of the victims of the conflict in Chechnya</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners¹¹
Specific objective 1: To improve the living conditions of people affected by the conflict by providing multi-sectoral assistance	3,500,000	Chechnya, Ingushetia, Daghestan, Azerbaijan	Such as Food security and livelihood support: distribution of livestock, seeds, greenhouses, livelihood support activities, shelter, infrastructure.	- DRC - FAO - HELP - ICRC-CICR - IMC UK - IRC – UK - ACF - Caritas Czech Republic
Specific objective 2: To provide protection to Internally Displaced Persons and other vulnerable populations affected by the conflict.	2,300,000	Chechnya, Ingushetia, Daghestan, Azerbaijan	- Protection activities (field monitoring, legal aid, and counselling, tracing)	- UNHCR - ICRC – CICR - UNICEF
Specific objective 3: To enhance the security of humanitarian personnel working in the Northern Caucasus	200,000	Chechnya, Ingushetia, Daghestan, Azerbaijan	- Security advice for humanitarian staff. Escorted convoys for UN and donors staff going to Chechnya.	- UNDP-PNUD
TOTAL:	6,000,000			

¹¹ COMITE INTERNATIONAL DE LA CROIX-ROUGE (CICR), DANSK FLYGTNINGEHJÆLP, HELP- HILFE ZUR SELBSTHILFE E.V. (DEU), International Medical Corps UK, International Rescue Committee UK, UNICEF, UNITED NATIONS - FOOD AND AGRICULTURE ORGANIZATION, UNITED NATIONS DEVELOPMENT PROGRAMME, UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES - BELGIUM

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 Actions financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent Actions." 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/policies/evaluation/introduction_en.htm.

8. 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/about/actors/partners_en.htm.

For International Organisations identified as potential partners for implementing the Decision, actions will be managed under joint management.

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.