



Humanitarian Aid Decision

23 02 01

Title: **Humanitarian aid for the most vulnerable people of Georgia**

Location of operation: **GEORGIA**

Amount of Decision: **EUR 2,000,000**

Decision reference number: **ECHO/GEO/BUD/2005/01000**

Explanatory Memorandum

1 - Rationale, needs and target population.

1.1. - Rationale :

The monitoring missions undertaken by ECHO in Georgia this year (February, April, September) in the context of its ongoing programmes, have confirmed that Georgia is a country still faced with humanitarian needs which are not met either by the government or by international donors, in particular for people living in Western Georgia, in and around Abkhazia.

Despite the fact that Georgia has now embarked on a path of development and is being supported by many development donors, Western Georgia, which still suffers from the unresolved conflict with Abkhazia, continues to be characterised by forgotten needs. After having shown interest and support for several years in the 1990's, in the wake of the civil conflict, the international humanitarian community has progressively withdrawn from the region. The hope that the situation would improve and the idea that it needed to be addressed through structural instruments, combined with a certain donor fatigue, account for this disengagement.

Despite renewed interest from external donors with the current government, no fresh funding has been allocated to cover humanitarian needs. Donors are concentrating on development projects, leaving the needs of the most vulnerable people unanswered.

The situation in Abkhazia, in particular, is precarious. Overall, the economy remains in shambles and the absence of a conflict settlement and of recognised authorities is still hindering any sustainable development. Some progress is noted in Sukhumi and in the North, towards the border with Russia, a region which is starting to benefit from the return of Russian tourists to the coast and from significant Russian investments in tourism. However, economic activity is still seasonal and geographically limited, and does not affect the derelict and poorest districts of Gali, Ochamchira or Tkvarcheli, where there is virtually no economic activity.

In Western Georgia, an agricultural region, the overall economic situation has not improved either yet and the region is still affected indirectly by the conflict with Abkhazia and the very high number of people still displaced there, many of whom live in run-down collective centres, with no economic opportunities. At least five percent of the population there, both residents and IDPs, are unable to cover their food, health and shelter needs. Welfare support from authorities is just enough to buy half a pound of bread a day. IDPs are frequently housed in precarious conditions, in old buildings with leaking roofs or no water and sanitation facilities.

Background

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 which put an end to the fighting. The compliance with the Agreement is since then monitored by the 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 IDPs returned to the Gali district of Abkhazia, at the "border" 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 were refugees who had returned there with the assistance of the humanitarian community. Since then, Gali district has remained an insecure area and humanitarian organisations have virtually stopped their assistance programmes in areas of return. However, it is estimated that about 40,000 persons have returned from Samegrelo, in Western Georgia, to Gali recently, of which a number are said to be moving back and forth between the two regions. Slowly, several humanitarian organisations are now returning to some parts of Gali, albeit 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 there is no political settlement in view in the short run. Abkhazia continues to be strongly supported by Russia, which is slowly proceeding to a near annexation of the region by generously distributing Russian passports, paying Russian pensions and investing large amounts in the tourism industry.

The new Georgian government has made verbal openings on the Abkhazia issue and seems to be willing to tackle the issue, but no concrete progress has been observed yet and in any case it will take some time before an agreement, if ever, can be reached.

As a result of the conflict, Abkhazia is a devastated region. Its population has shrunk from an estimated 500,000 people before the war to some 100,000 to 150,000 people, 15,000 of which being considered as destitute (according to ICRC) and a high percentage of them being elderly and isolated people. The situation of a significant number of pensioners, those with Russian passports, has improved last year with the distribution of Russian pensions, which represent ten times the amount of an Abkhaz pension. But with the disruption of the social infrastructure, the absence of real economic opportunities (the economy suffers from an international trade embargo) and the lack of a political settlement, the basic food, non-food and medical needs of the other most vulnerable people continue not to be covered. The de facto local authorities do not have the resources to cope with the situation and provide a decent social safety net. Thus Abkhazia, which enjoyed the highest standard of living in the former Soviet Union, now has some of the lowest. According to UNDP's report of April 2004 on their latest feasibility mission to Abkhazia, GDP in Abkhazia has fallen by 80-90% in less than fifteen years and unemployment is currently around 90%.

On the other side of the dividing line, some 200,000 Georgians who have left Abkhazia are still displaced within Georgia, particularly in the Western part. Around 50% of these IDPs are still estimated to be concentrated in Western Georgia (excluding Abkhazia). As an example, they represent half of the resident population in Zugdidi district (55,000 people according to Georgian Government figures), bordering Abkhazia, which places a significant burden on the infrastructure of this region.

Apart from IDPs, the situation continues to be very precarious for the most vulnerable households in Western Georgia and it is not expected that economic reforms will have an impact for these families at the community level. Even as Georgian pensions have been slightly raised, there are few economic opportunities so far to enable them to get out of aid dependency without external assistance.

1.2. - Identified needs :

- **Food security** : Food needs have been identified by ICRC and WFP as some of the most urgent and forgotten needs in Western Georgia. In particular, populations with no access to land, no agricultural skills and who are often elderly or disabled continue to depend on external food assistance for their survival, as pensions and other social benefits do not cover the average monthly food basket.

The situation in urban areas of Abkhazia is particularly difficult, with very limited social allowances (except for pensioners with Russian passports) and a disrupted family and community support network. Despite the fact that there is general food availability, the access is restricted by lack of income, mobility, land holding and welfare assistance. The average price of a minimum food basket per month is approximately 900 Roubles (around 30 euro) when the basic Abkhaz pension amounts to 90 roubles (3 euro) per month (the average Russian pension is 900 roubles). Food is the primary expenditure for vulnerable groups but isolated, old and destitute people do not have the means to cover even their basic needs. This is why there is still a need for food distribution to the poorest segments of the population.

However, among these beneficiaries, there are a number of households who could become self-sufficient if they were engaged in a food security/income generation programme, rather than continuing to receive food handouts. These households have

able-bodied members who only need to be provided with working opportunities and basic inputs as well as training. ICRC has started to develop this type of projects last year (agro, trade and craft) and intends to expand it in 2006.

In the rest of Western Georgia, the same type of programmes continues to be needed for the most vulnerable households – both direct food distribution and income-generation, but 2006 should be the last year for food distribution. Although pensions are somewhat higher (around 13 dollars) than in Abkhazia, they do not allow for a sufficient coverage of basic food needs and are partly used for covering health expenses which are anything but free. There is a lack of non-agricultural employment opportunities due to the collapse of Soviet industries, and therefore most people rely on agricultural activities for food consumption and/or income generation. However, the agricultural production remains low due to a limited access to inputs, old technology and limited agricultural and managerial knowledge.

ICRC has implemented in 2004-2005 a very ambitious agro, trade and craft programme which should come to an end in 2006, when ICRC plans to exit food assistance and handover the very most vulnerable, those who need to be permanently assisted through a social safety net, to the government.

Health : The Georgian health sector has been seriously affected by a decade which has seen the collapse of the soviet system, no maintenance of the infrastructures, migration of many health specialists and extremely low State budgetary allocations. Parallel systems for payment of the medical personnel have developed as well as a black market supplying unreliable medicines and medical consumables. Most of the primary health structures have collapsed, leading to a saturation of secondary health structures. Infrastructures providing mother and child health care and reproductive health care are badly in need of equipment and training and need a regular supply of essential medicines and medical consumables. Mother and Child health is a national priority, with indicators showing high perinatal and neonatal morbidity and mortality. 75% of pregnant women do not consult on a regular basis or often and only 10% have a post-delivery consultation.

This situation is rendered even more difficult in areas of high IDP concentration, notably Western Georgia (excluding Abkhazia). The population of Zugdidi, in Samegrelo, is said to have doubled with the influx of IDPs from Abkhazia, with dramatic consequences for the secondary health structures. In addition, many Mingrelian women from Gali (Abkhazia) continue to use health structures in Samegrelo due to the lack of such facilities there. As a result, access to quality health care for both the IDP and the resident populations is severely constrained.

In Abkhazia, the situation in the health sector is very precarious as well, but the needs of the most vulnerable people are covered by two organisations which are not supported by ECHO.

The EC is supporting a health reform programme in Georgia, but this does not affect either Samegrelo or Abkhazia.

- **Rehabilitation of collective centres :** Roofing, heating, insulation, water supply or sanitation conditions are appalling in a number of collective centres for IDPs in Western Georgia (excluding Abkhazia), many of which have been devastated by many years of poor maintenance. Although much of the infrastructure throughout Georgia is in big need of repair, the extent of dilapidation in collective centres is much higher and the needs more urgent, as these are structures (schools, derelict sanatoriums)

which were not meant for permanent housing. According to the recent re-registration of IDPs, conducted by the Government with assistance from UNHCR, there are still 200,000 IDPs in Georgia, of whom around half live in collective centres throughout the country. There are 319 collective centres registered in Samegrelo region, 110 in Zugdidi city alone and 96 in Imereti region. Programmes of basic rehabilitation were launched by UNHCR in 1993-94 and after the 2002 earthquake and currently a few organisations (ICRC, NRC, DRC) are working in this sector. But in many places, living conditions remain far below standards and basic repairs are urgently needed, in order 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 10 to 13 years.

1.3. - Target population and regions concerned :

- The target population for the food distribution will be some 35,000 destitute people, IDPs or resident population, in Abkhazia and the rest of Western Georgia (20,000 people will be targeted in Samegrelo and 15,000 in Abkhazia).
- The target population for the food security programme will be some 5,000 people for food/income-generation projects.
- The catchment population for the primary mother-and-child health care project will be the female population of Zugdidi region (50,000).
- The target population for the rehabilitation component will be IDPs in collective centres and returnees in Gali area.

1.4. - Risk assessment and possible constraints :

Georgia continues to be an unstable country. The Government is committed to tackle the two unresolved conflicts with South Ossetia and Abkhazia. This could result in a potential escalation of tensions before, hopefully, a positive outcome can be reached – in the short/medium term, possibly, with South Ossetia, in the longer term with Abkhazia.

The security situation in Abkhazia, particularly in Gali district, is very poor but has improved somewhat last year. Organisations have started to access areas they could not go before and more NGOs are now starting to get interested in this area.

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

2 - Objectives and components of the humanitarian intervention proposed: ¹

2.1. - Objectives :

Principal objective: **To improve the humanitarian situation of the victims of the unresolved conflicts in Georgia**

Specific objective:

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 the well-being of the most vulnerable segments of the population in Georgia : (1) food security/income generation projects; (2) access to mother and child health care; (3) improvement of shelter conditions for IDPs and returnees.

- Several projects will aim at ensuring **food security** for the most vulnerable layers of local residents, IDPs and returnees in Abkhazia and the rest of Western Georgia. Operations will include a large range of activities aiming at durable and equitable access to food or access to an income. A soup kitchen programme will be continued in Abkhazia for the most vulnerable people, disabled and elderly, who are unable to cook and depend fully on external aid for their survival. The current beneficiary caseload of large ICRC dry-food ration programmes implemented in Abkhazia and Western Georgia will be progressively absorbed into projects targeting able-bodied people who will be given the means to start food generating and/or income generating activities. Such projects were already developed in the last two years, especially in Western Georgia where it should be terminated in 2006. In Abkhazia, it will be developed on a larger scale than in 2005. The aim is to decrease further the number of passive recipients of food aid, replacing it by activities providing durable and stable income or food production, and closing down the assistance programme.
- A medical project will focus on the improvement of the availability and quality of reproductive health services and, as a main goal, the **Mother and Child Health (MCH)** in the Samegrelo region, area of the highest concentration of Georgian IDPs which borders with Abkhazia. It will build on the activities started last year in key referral MCH structures. The project will aim at improving the care services delivered to the population through the improvement of working conditions, the availability of equipment and consumables, refresher training by medical experts, introduction of WHO protocols and a functioning referral system for complicated pathologies. The programme shall not, however, become a substitute to the

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 Art.110 thereof, and its Implementing Rules in particular Art.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 Art.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 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.int/comm/echo/partners/index_en.htm

obligations of the Georgian Ministry of Health or attempt to create a parallel medical system.

- Living conditions of IDPs in several collective centres in Western Georgia will be improved through the immediate implementation of **emergency rehabilitation** projects. Priority will be given to collective centres for displaced persons which are the most in need for basic repairs such as roofing, sanitation works and repair of utilities. If security allows access to the region, rehabilitation of shelter for returnees will be started in Gali area (Abkhazia).

ECHO's intervention will be closely coordinated with programmes funded by other EC instruments, as they are partly complementary. The continuation of the Food Security Programme (EUR 10M in 2005, EUR 10M in 2006), in particular, should allow social benefits to be paid and institutions under the Ministry of Education to receive appropriate support, which will have indirect positive effects on vulnerable households.

Close coordination with the Rehabilitation instrument is in place and is essential, as the latter will be used for funding community-based projects in Abkhazia and Samegrelo, some of which (income-generation) will be quite similar and take over from those funded by ECHO so far. It is hoped that the combined action of ECHO and Rehabilitation instrument will have a positive effect on the food and economic security of vulnerable households. The entry into force of the Rehabilitation budget line, with the possibility to work directly with NGOs in areas and sectors covered by ECHO until now, is a very positive factor which should allow ECHO to progressively phase out from the food security sector.

However, even with an improvement of the economic situation, there will remain a caseload of "social cases" who will continue to need support, in particular food. In Western Georgia (excluding Abkhazia), ICRC is working with the government in order to allow for a handover. In Abkhazia, where the de-facto government is not able to take over, the transition will be more difficult and there is no solution yet for the remaining caseload.

In addition, as ECHO will be able to phase out from certain sectors, it will still need to continue with pure humanitarian aid in new areas which are opening to humanitarian organisations only now and have not been assisted yet. This means that in parallel to the Rehabilitation line, ECHO will still need to allocate funding to Georgia in 2006, after which it should consider a phasing out provided that the Rehabilitation line is still active and can support rehabilitation/reconstruction projects, especially in the shelter sector. ECHO's phasing out would also be facilitated if other donors than the EC, including the Member States were able to invest in rehabilitation around the conflict zone.

3 - Duration expected for actions in the proposed Decision:

The duration of humanitarian aid operations shall be **15** months.
Humanitarian operations funded by this decision must be implemented within this period.

5 - Other donors and donor co-ordination mechanisms

Donors in GEORGIA the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		ECHO	0		
Belgium		Other services			
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland	200,000				
France					
Germany	883,000				
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands					
Poland					
Portugal					
Slovakia					
Slovenie					
Spain					
Sweden					
United kingdom					
Subtotal	1,083,000	Subtotal	0	Subtotal	0
		Grand total	1,083,000		

Dated : 05/09/2005

(*) Source : ECHO 14 Points reporting for Members States. <https://hac.cec.eu.int>
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 unresolved conflicts in Georgia</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners²
Specific objective 1: To improve the living conditions of the most vulnerable segments of the population in Western Georgia	2,000,000	Abkhazia, Samegrelo, Imereti	Food security Primary Mother and Child Health Care Rehabilitation of collective centres	- ACH- ESP - CROIX-ROUGE - CICR- ICRC - CH - DRC - MDM - FRA - PREMIERE URGENCE
TOTAL:	2,000,000			

² ACCION CONTRA EL HAMBRE, (ESP), COMITE INTERNATIONAL DE LA CROIX-ROUGE (CICR), DANSK FLYGTNINGEHAELP, MEDECINS DU MONDE, 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 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.int/comm/echo/evaluation/index_en.htm.

8 - Budget Impact article 23 02 01

-	CE (EUR)
Initial Available Appropriations for 2005	- 476.500.000
Reinforcement from emergency aid reserve	- 100.000.000
Transfers	- -3.500.000
Total Available Credits	- 573.000.000
Total executed to date (by 19/09/2005)	- 478.637.870
Available remaining	- 94.362.130
Total amount of the Decision	2,000,000

Payment schedule

	2005	2006	2007
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 aid³, 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 United Nations 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, very few people have returned to their place of origin and there are still some 200,000 persons displaced, many of whom are still hosted in derelict collective centres.
- (4) The massive displacement has emptied Abkhazia of more than two thirds of its former population, leaving some 15% of the population, mainly elderly people, considered as vulnerable.
- (5) The economic situation in Georgia is a source of concern, particularly in Western Georgia, which hosts around 50% of the IDPs from Abkhazia. This places a significant burden on the infrastructure of this already impoverished region, where at least 5% of the IDP and resident population is considered destitute. Access to medical healthcare and to food, in particular, is very difficult for the most vulnerable.
- (6) Very little international humanitarian assistance reaches Georgia, which can be considered as a forgotten crisis as the needs of large groups of people seem to be forgotten and the focus of assistance has shifted to development.
- (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 **100,000 displaced persons**, 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** by using line **23 02 01** of the **2005** general budget of the European Union.
2. In accordance with Article 2 (a) 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 **01 October 2005**.
2. Expenditure under this Decision shall be eligible from **01 October 2005**.
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