

***BELARUS,
MOLDOVA,
RUSSIAN FEDERATION,
UKRAINE:
WINTER EMERGENCY
1998-1999***

**appeal no: 30/98
30 September 1998**

***THIS APPEAL SEEKS CHF 25,014,000
IN CASH, KIND AND SERVICES
TO ASSIST 1,631,500 BENEFICIARIES FOR SIX MONTH***

Summary

This Appeal targets over a million and a half of the most vulnerable — families with many children, orphans, pensioners, severely handicapped, homeless — among the populations of Belarus, the Russian Federation, Moldova and Ukraine with food, hygiene, medical, and winter clothing supplies.

The financial crisis sweeping Russia and its neighbours has left millions of people struggling to survive in deteriorating economic and social circumstances. The International Federation acknowledges that the present humanitarian crisis, brought on by economic and political instability in Russia, is too large in scope for the needs of the population to be addressed completely. Long-term solutions can only be provided by economic and political policies.

The Red Cross Societies in all of the affected countries are important and recognised partners of their respective governments. As auxiliaries to their governments, which currently cannot cope with such vast needs, the Red Cross can help to alleviate the human suffering engulfing these countries. The established and well-experienced distribution network of the Red Cross branches will receive technical and advisory support from the International Federation throughout the duration of the winter operation.

The Humanitarian Situation

Throughout the four countries targeted by this Appeal, at least 73 million people are living below the poverty line according to some estimates. Russia's recent economic crisis has begun to take its toll on a population already battered by the rapid transition to an alternative system, bringing with it the inevitable human hardships of unemployment, inflation and steady disintegration of social/medical services. The August collapse of the Russian rouble against the dollar has meant millions of Russians have lost their savings (in many cases for the second time this decade). The consequent effect across Russia's borders to her main economic partners - Belarus, Ukraine and Moldova - means that their populations, suffering similar socio-economic dislocation, will also be plunged into deeper poverty .

The banking chaos across Russia, with sharp variations in currency rate exchanges has fuelled price increases and shortages, as storekeepers hold back their goods for more favourable prices. Salaries and pensions - if these have been paid at all - have been reduced by half. Fledgling businesses have been hard hit, leading to vast redundancies and increasing economic misfortune. Bottlenecks in payment systems and widespread bankruptcies have further reduced incomes.

Those caught in the poverty trap include not only people from traditionally vulnerable groups (elderly, disabled, single parent families, families with many children and rural dwellers) but also social groups not normally associated with under-privilege: public employees (teachers, miners, doctors, workers in institutes) as well as those living in far-off regions previously subsidised under the Soviet system. Added to this, there has been a marked deterioration in the state's capacity to provide social security, and health care over the past decade, resulting in a continuing decline of health among the population.

The political and economic turmoil in Russia has been accompanied by a number of natural disasters: floods in Eastern Siberia, droughts in the Urals and forest fires across large areas of Russia. Vast swathes of fertile soil have been lost resulting in a considerable reduction in this year's harvest. Many people lost crops on privately cultivated land, which in many cases constitutes their only source of food for winter.

The outlook for this year's harvest across all four countries is poor. According to the Food and Agriculture Organisation, *Russia's* cereal and pulse crop is now forecast at about 67 million tonnes, 25% down from last year, reflecting reduced winter and spring plantings and adverse weather. In *Ukraine*, rains came too late to boost the harvest of cereals and pulses, which is expected to be 32 million tonnes, 6 million tonnes down from last year. In *Belarus*, rain in late July/August benefited summer crops, but slowed winter grain harvesting; cereal output this year is forecast under last year's total. In *Moldova*, latest estimates put 1998 cereal production at 2.6 million tonnes, compared with 3.2 million tonnes last year.

Equally, the potato harvest across Russia has been severely damaged by rain, causing potatoes to rot. Since potatoes represent 10% of the national calorie intake, the failure of this crop may adversely affect general nourishment. During the Soviet era, 60% of potatoes were grown on private plots - today, according to the Ministry of Agriculture, it is 90%.

Reflecting developments in their countries, all four National Societies are themselves in transition. Without the state subsidies supplied by the previous system, each Society has to re-plan its structure, policy and fundraising. The Red Cross is still generally accepted as one of the foremost organisations providing assistance to the vulnerable, but there is a

large gap between a genuine *desire* to help the needy and the *means* to do so. All four Societies have an extensive network of branches and chairpersons, most of whom work on a largely voluntary basis. Many have good relations with the local authorities. National Society activities currently include visiting nurses services, blood donor recruitment services, emergency assistance programmes, and some clothes and food distribution programmes.

The Intended Operation

Last winter's Emergency Appeal (1997/98), for CHF 22,742,000 to provide basic food and clothing to more than one million of the most vulnerable people across Russia, Belarus, Ukraine and Moldova, was covered by 48%. The operation, which achieved most of its institutional objectives (Final Report in preparation), such as encouraging the National Societies to start national fundraising campaigns, for example, while falling short of objectives to provide relief as planned. The experience gained throughout all four countries has contributed to the preparation and planning of the current Appeal.

Assessment of Needs •

Assessment missions were carried out in mid-September in regions of the Russian Federation which were *not* covered by the Winter Emergency Appeal 1997/98. The teams included representatives from the Federation Delegations, National Red Cross Headquarters, local Red Cross committees and local social welfare authorities.

Findings:

- People living in the targeted regions are suffering from stress and fear because of constant price rises for basic consumer goods and medicines. The prevailing feelings among these populations are hopelessness and desperation.
- People failed to stock up properly for the winter because of unpaid salaries and subsidies, which were in turn almost swallowed up by inflation.
- Due to unusually unfavourable weather conditions in the targeted regions, both private and state harvests will be especially low this year.
- Financial stagnation and unsettled bills have caused desperate shortages of fuel for winter heating in many regions.
- Children are often the least protected group in the target areas. The assessment teams found that many children could not attend school for lack of winter clothes and stationery. Schools cannot provide free lunches. The Federation's Health Co-ordinator estimates 50% of children are physically under-developed. In this situation, particularly when child benefit payments have not been paid for years, **families with many children are considered to be the first priority for assistance.**
- There is a genuine fear among thousands of people in these regions that they will not be able to survive the current winter.
- Extensive relief assistance in the form of food parcels, soup kitchens, winter shoes and clothes is required.

The assessment teams to the Russian Federation and the National Societies of Belarus, Moldova, and Ukraine concluded that a total of 1.63 million people were at serious risk and would need emergency assistance beginning as early as October.

Red Cross Objectives •

- ◆ to alleviate the impact of cold, malnutrition, disease, stress, and to protect the dignity of 1.63 million beneficiaries;
- ◆ to maximise the use of local resources: human resources, goods and services;
- ◆ to strengthen local capacities by providing sustainable infra-structural support and training to the national headquarters and branches of the local Red Cross societies and social welfare institutions collaborating with the RRC;
- ◆ to promote partnerships between the Operating National Societies and the Participating National Societies.

The Winter Relief operation will tackle the most basic needs of the target population by supplying warm winter clothing and footwear for children and adults, and supplementary parcels of basic food and hygiene items. Soup kitchens will be established to provide beneficiaries mainly in urban areas with more than one million hot meals in a six-month period. Institutions catering for children, the handicapped and the elderly will receive basic medicaments (nursing kits).

The operation will be conducted throughout the six months of winter. It may be extended for a further two months (May-June) depending on the weather. The distribution of winter clothes, shoes and hygiene items will continue throughout the winter; foodstuffs will be distributed in three rounds (in December, February and April) when privately grown food stocks have been used up. Finally, a limited amount of locally-procured seeds will be supplied next spring to the most vulnerable people in rural areas. An emergency stock containing food, clothes and footwear will be set up in the Russian Red Cross (RRC) HQ's warehouse, in order to respond immediately should additional needs arise (see Annex 2 for details).

The target beneficiaries include: priority to families with many children; single parents, orphans; single and other pensioners; severely handicapped adults and children — both at home and in institutions which the authorities are struggling to support; unemployed and homeless; remote health stations; and street children (unofficial estimates suggest there are at least one million roaming across Russia - with proportionally similar figures in Belarus, Ukraine and Moldova.)

Besides direct aid, purchasing as many supplies as possible in the affected countries should assist in stimulating the local economy, while the experience gained by the National Societies of implementing such a wide-scale operation will improve their capacity to cope with problems in the years to come.

Resource development seminars will be conducted both before and after the operation. Those participating will be the heads and executive personnel from the operating local RC branches. The launch of the Appeal will be followed by an extensive local fundraising campaign.

Co-ordination •

At the beginning of the operation, traditionally strong ties between the Red Cross and the local authorities should ensure both efficient distribution and properly targeted assistance. Close co-operation with the Federation's delegations in Moscow and Minsk and its representative office in Kiev will contribute to regional co-ordination of the operation.

Personnel •

In Russia, one relief co-ordinator has been recruited and one consultant hired to support the fund raising. A Winter Emergency Appeal task force consisting of four national relief/logistic administrators will support the implementation of the operation. It is

planned that one relief administrator will be recruited as a delegate to support the Minsk Delegation. The primary task of the delegates will be to supervise, monitor and evaluate the operation. The number of paid national staff hired by the four ONSs for the implementation of this Appeal will be specified in the operational contract to be signed with each Society.

Transport, communications •

For transporting the commodities to the operational area, the ONSs which have available vehicles will be reimbursed for distribution costs. In addition, commercial road, rail and air services will be hired.

Operational contract •

In order to define responsibilities within the jointly implemented programme, to outline financial obligations and reporting requirements, a detailed operational contract will be established between the Federation and each ONS before the beginning of activities funded by this Appeal.

Media •

Media events include press conferences to launch the Appeal in: Moscow, Minsk, Kiev and Chisinau on or around 30 September 1998. The ONSs and the Federation Delegation co-operate jointly with the media and give guidelines to the republics and oblasts.

Anticipated Later Needs/Expected Results •

The situation in Russia is very difficult to predict; a mechanism is being set up to monitor the development of the crisis so that planning of appropriate measures can be quickly expedited. The operation may require expansion within the targeted regions - or new regions may need to be included at a later stage if the situation deteriorates.

Naturally it is hoped that the current economic reforms in all four countries will bring about a gradual improvement in social conditions; in the meanwhile, the Red Cross actions will mitigate individual emergencies.

It is anticipated that the overall winter operation (which will necessitate improvements in logistics and communication) will further improve the required capacity and image of the local RC branches. A membership campaign, including recruitment of volunteers, will be carried out during the operation, thus strengthening the capacities of the Red Cross.

National Society/Federation Plan of Action

October: conclusion of operational "model" contracts with ONSs; preparations in the field; seminar conducted in Moscow for all RRC branches involved in the operation; transport of donated clothing and shoes to the operational areas for distribution; money transfers.

November: distribution of clothing; set up and open soup kitchens; purchase and transport of food and other commodities to the operational area for distribution

December: first distributions of food and commodities; continued operation of soup kitchens

January: monitoring of beneficiaries; continuation of soup kitchens; purchase and transport of food and other commodities ready for second distribution

February: distribution of food and other commodities; continuation of soup kitchens

March: monitoring of beneficiaries; continuation of soup kitchens; purchase and transport of food and commodities ready for third distribution; impact analysis and report

April: final food distributions; last month of soup kitchens; distribution of seeds; monitoring of beneficiaries and start of final reports

May: completion of final reports for donors.

Plan of action (by country)

BELARUS

- ◆ to provide hot meals daily to 2,000 pensioners, homeless and orphans (8 Oblasts, one RC institution)
- ◆ to make 2 deliveries of food parcels to 16,300 lonely pensioners, disabled and refugees
- ◆ to make 2 deliveries of food parcels to 3,000 TB patients
- ◆ to deliver and distribute new/second-hand winter clothing and footwear to 55,000 beneficiaries
- ◆ to procure and distribute hygiene items to 3,000 bedridden
- ◆ to procure and distribute basic medicines for the Visiting Nurses Service

MOLDOVA

- ◆ to provide hot meals daily to 4,700 pensioners (in ten cities)
- ◆ to make 2 deliveries of food parcels to 15,500 families with many children
- ◆ to deliver 7,100 hygiene parcels
- ◆ to deliver and distribute new/second hand winter clothing and footwear to 30,000 people
- ◆ to procure and distribute basic medicines for the Visiting Nurses Service

RUSSIA

- ◆ to distribute second hand clothes and shoes to 600,000 beneficiaries
- ◆ to procure and distribute 474,000 family food parcels to 158,000 families (1 parcel every two months), a total of 620,000 beneficiaries
- ◆ to procure and distribute 150,000 hygiene parcels to 50,000 families (1 parcel every two months), a total of 172,000 beneficiaries.
- ◆ to procure and distribute 1,000 visiting nurses kits
- ◆ to provide hot meals (soup kitchens) daily in 12 different Oblast/Republics, totalling 1,080,000 meals.
- ◆ to procure and distribute seeds and tools to 90,000 families, a total of 306,000 beneficiaries.
- ◆ to purchase locally 5 vehicles and communication tools.
- ◆ to purchase locally 15 computers, printers and software.

UKRAINE

- ◆ to provide hot meals to 10,000 people in 27 Oblasts
- ◆ to make 2 deliveries of foods parcels to 45,000 elderly and handicapped people and 30,000 large families

- ♦ to provide food and basic medicines to 60 institutions for the elderly, mentally ill, and orphans

- ◆ to provide new/second hand winter clothing and footwear to approximately 90,000 people
- ◆ to procure and distribute basic medicines for the Visiting Nurses Service
- ◆ to provide hygiene items to 50,000 people
- ◆ to provide 11,000 water filters to large families and the elderly in flood-affected areas

In addition to this Appeal, the International Federation seeks an additional 50,000 metric tonnes of in kind bulk food for distribution in institutions and to expand the distribution to vulnerable families.

Evaluation ●

An impact evaluation on the effects of the operation will be conducted together by the ONSs and the International Federation with a full report for donors.

Latest events

Belarus ●

Like all former Soviet republics, Belarus is struggling to survive. The economic situation is grave, with very little hope of any improvement in the near future. The Belarussian rouble is unstable and fragile; inflation has swallowed up savings and makes life a permanent challenge for those living on fixed incomes. The human cost of transition is high: according to official statistics, 40% of the population (nearly 4 million) face absolute poverty, with monthly incomes below the “survival minimum” of USD 30 which in itself covers only 60% of a basic food basket. There are 500,000 people whose monthly income is equivalent to USD 10 and 82,000 people living on a social pension of USD 5.

The Belarus economy and its currency, being heavily dependent on Russia, have been severely hit by the Russian economic crisis. The devaluation of the Russian rouble sparked the flames of an economic fire which apparently cannot be quenched. As a direct result, prices of newly-imported or re-priced goods have sky-rocketed to between 60-300% of the mid-August average. Shortfalls in harvests as well as recent storms have raised prices of agricultural products beyond the income of the vulnerable.

Among measures to preserve the country's insufficient energy reserves, the Belarus government approved limitations in the supply of hot water, lowering heating temperatures, banning the use of electric heaters in offices, reducing street lights (by 25%) and TV broadcasting. All Minsk-based businesses must now cut the consumption of gas, oil and electricity by 10% against the same period in 1997. Transport companies must cut electricity usage by 15%, and commercial kiosks are not allowed to use electric light at all. The Belarus Ministry of Housing will raise utility prices soon. A month earlier, the Ministry raised sewerage service costs by 156%; a 200% increase in the price of water is expected to follow.

Moldova ●

Over recent years, Moldova has begun the arduous task of building a democratic nation and market-based economy while contending with ethnic conflicts and the social hardship accompanying restructuring. Living standards in Moldova are among the lowest in the former Soviet bloc countries.

Most of the 750,000 pensioners, who account for 17% of the population, have a pension worth only 10-20% of the minimum consumer basket, which is about USD 103, while the average salary is USD 53. Pensions and social allowances are often delayed by months. According to various official sources, nearly 80% of the population lives below the poverty line. To avoid a collapse in the economy, the government has been forced to increase foreign borrowing to a dangerous level. World Bank experts say that Moldova's foreign debts are at the "limit of payment capacity".

Russia ●

Even before the economic crisis struck on 17 August - precipitated by a withdrawal of government and Central Bank support for the rouble - the economy shrank in the second quarter of 1998, after stagnating in the first, as high interest rates and falling commodity prices slowed the pace of new investment. Despite the IMF package agreed in mid-July, the political crisis deepened amid continuing protests by miners, teachers and other state employees concerning wage arrears.

Soon after his appointment, Prime Minister Yevgeny Primakov spoke about the priority of eliminating poverty and the need to settle wage and pension arrears "once and for all". However three people refused the position of Deputy Prime Minister in charge of social policy, before Valentina Matviyenko accepted it.

With the rouble's continuing erratic exchange rate, and the threat of hyper-inflation brought on by "controlled" emission, the economic outlook for most Russians is extremely bleak. In Moscow and St Petersburg, the emptying of stores has been most noticeable as comparatively wealthy people quickly converted their roubles into durable/consumer goods.

70% of Russia's food is imported - stocks which will not be replaced because traders can no longer buy from abroad. Elsewhere in the country, the apparently well-stocked shelves hide the stark truth: people cannot afford to buy. The barter/subsistence economy which has virtually eradicated the use of money throughout Russia's provinces, will be badly hit by predictions that this year's harvest may be the worst in 40 years.

Ukraine ●

The economic and social crisis is deepening in Ukraine. 1997 began with a decline of industrial output by 8.1% compared with January 1996. Inflation in the commodity market increased 2.2% from 0.9% in December 1996 and 1.2% as of November 1996. As of 1 April 1997, according to the National Bank of Ukraine, a nation-wide debt in salaries payments was UAH 4.4 billion (approximately CHF 1.8 billion), including UAH 1.1 billion debt for budget funded enterprises and organisations, equal to a two-month national salary fund. As of 10 December 1997 the backlog was UAH 5.2 billion (CHF 2.1 billion).

Due to growing debts to Russia for gas and oil, cuts in supplies have occurred and in winter it may lead to serious heating problems. The energy sector is reported to be in a critical state due to a fuel deficit caused by non-payment of electricity supply. In 72,000 homes, the gas has been cut off because families were not able to cover steadily growing housing payments.

The national currency, the hryvna, has been under pressure ever since Russia devalued the rouble. Russia accounts for 40% of Ukraine's foreign trade.

The first half of 1998 was marked by several natural disasters. The Nikolaev, Kherson, Cherkassy, Chernigov, Kiev oblasts were damaged by heavy rainfall. Continuous heavy rains and a rise in the water table have caused significant damage to agricultural areas, leaving thousands of families homeless. The situation of the most vulnerable has become even worse.

The Response so far

Government Action ●

Funding of social welfare services continues, but officials state that they are receiving as little as 30% of their full budgetary allocations. Food and other humanitarian assistance is provided, as well as limited social programmes for the elderly and disabled. Many institutions for orphans, abandoned children, mentally and physically handicapped children and adults, pensioners and prisoners are overcrowded and under-funded. Considerable efforts are made by staff in these institutions (many of whom are potential beneficiaries themselves, due to low salaries) to maintain acceptable living standards.

Red Cross/Red Crescent Action ●

The Winter Emergency Appeal launched by the International Federation in October 1997 was the first operation of its kind. The Canadian, Swedish, Norwegian, Swiss, German, Netherlands, Danish, Hellenic, Australian and Austrian Governments, all responded generously. For Belarus, Ukraine and Moldova together, the Winter Appeal 1997-1998 raised CHF 12 million from international donors. This has meant huge operations in the four countries, mobilising the entire Red Cross network and resources over several months.

In Ukraine and Belarus, local resources were mobilised to raise assistance in kind and in cash. This effort will be repeated. In Russia, concerted efforts (including the recruitment of extra personnel) are being made to improve local fundraising.

Within the framework of the operation, more than 1,630 tons of food, 133 tons of hygiene items, 1,507 tons of clothes and more than 200,000 hot meals have been distributed in these four countries.

The National Societies know that they have the capacity to implement another relief operation, and that thanks to the experience gained in the last Winter Emergency Appeal, they are now able to work even better and quicker.

Other Agencies' Action ●

Although other humanitarian agencies and NGOs (both local and international) assist some vulnerable groups, it is difficult to evaluate the size of their input as there is no co-ordination mechanism. The Red Cross branch in each area covered by this Appeal will attempt to set up such a structure with the local authorities in order to overcome this problem. However the challenges in all four countries far outstrip the capacities of the organisations involved at the moment, particularly as in Russia, charities have recently had to cut their activities because of the economic crisis, thereby increasing the numbers of vulnerable.

Budget summary

See Annex 1 for details.

Conclusion

The potentially fatal combination of economic crisis and the winter provide the blueprint for a growing, but so far *silent* disaster that places increasing numbers of people at risk. Despite the complexity and seemingly insoluble nature of the problems, the international community can nevertheless help to reduce their effects on individuals by providing immediate basic material and financial support. For further information, please contact Michael Schulz, Desk Officer, Europe Department at +41 22 730 4320.

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ANNEX 2

Tables of beneficiaries and needs

Table 1: Locations and Beneficiaries

Country	Beneficiaries
BELARUS	21,300
MOLDOVA	20,200
UKRAINE	170,000
RUSSIA	1,420,000
TOTAL	1,631,500

Table 2: Russia - Locations and Beneficiaries

Region	Beneficiaries
<i>European region</i>	<i>221,604</i>
Ivanovo oblast	54,087
Kaliningrad oblast	61,110
Kostroma oblast	52,693
Murmansk oblast	53,715
<i>Urals region</i>	<i>743,531</i>
Bashkortostan Republic	352,696
Orenburg oblast	92,643
Perm oblast	195,337
Chelyabinsk oblast	102,855
<i>Siberian region</i>	<i>454,865</i>
Buriatia Republic	58,105
Irkutsk oblast	253,232
Kemerovo oblast	68,873
Khakasia Republic	74,655
TOTAL	1,420,000

Table 3: Immediate needs

Commodities	Belarus	Moldova	Ukraine
Food parcels, pcs *	39,600	31,000	150,000
Soup kitchens	12.00	10.00	27.00
Hygiene parcels, pcs **	3,000	7,100	50,000
New/second hand winter clothing, tons	190.00	70.00	175.40
Basic medicines	62,000 CHF	22,500 CHF	110,901 CH
Water filters			11,000

Table 4: Beneficiaries against needs (not including recipients of SCH)

Beneficiary groups	Belarus	Moldova	Ukraine
Multi-children families	4,000	4,000	55,000
Lonely elderly	7,000	10,200	80,000
Handicapped and bedridden	3,000	3,500	20,000
Orphans	3,300	2,500	11,000
Homeless	700.00		
TB patients	3,000		
People in institutions			4,000
Refugees	300.00		
Total beneficiaries	21,300	20,200	170,000

Table 5: Russia -- Needs

Commodities	European region	Urals region	Siberia region	Total
Family parcels, pcs ***	56,400	257,100.00	160,500	474,000
Hygienic parcels, pcs ****	18,000	81,750	50,250	150,000
Second hand clothing, kg	216,000	720,000	464,000	1,400,000
Soup kitchens, number meals	140,000	588,350	351,650	1,080,000
Nursing kits, pcs *****	0.00	350.00	650.00	1,000
Seeds, sets	10,800	49,050	30,150	90,000

Table 6: Russia -- Beneficiaries .

Beneficiary groups	European region	Urals region	Siberia region	Total
Multi-children families - people	15,110 81,937	84,205 399,100	42,302 207,235	141,61 688,27
Sole-support families - people	28,910 67,867	90,137 193,431	71,580 151,253	190,62 412,55
Handicapped, lonely pensioners, orphans, homeless and others	71,800	151,000	96,377	319,17
Total individuals	221,604	743,531	454,865	1,420,00

* Family parcels contain rice, wheat flour, macaroni, canned meat, canned fish, oil, sugar, tea (not less than 10 kg)

** Hygiene parcels contain household soap, washing powder

*** Family parcels contain wheat, sugar, macaroni, vegetable oil, canned meat, condensed milk, tea and yeast (approx. weight 10.5 kg)

**** Hygienic parcels contain washing powder, toilet and laundry soap (approx. weight 2 kg)

***** Nursing kits contain basic medical supplies for visiting nurses