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No Middlemen for South Ossetia

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Russia will send funds allotted for the development of Georgia's breakaway South Ossetia region directly to local authorities, bypassing an intermediary created by the Regional Development Ministry, Kommersant reported Saturday.

The ministry's South Directorate will be disbanded next year after completing its current projects, said South Ossetia's top official in Moscow, Dmitry Medoyev.

Russia allotted about 10 billion rubles ($327 million) to restore the republic's economy after the 2008 war with Georgia that ended in Moscow's recognition of Tskhinvali's independence. South Ossetia will receive another 6.3 billion rubles in 2011, the report said.

The official explanation for the change is that the reconstruction work is almost complete, but corruption allegations directed at the South Directorate have influenced the decision to disband it, Kommersant said.

President Dmitry Medvedev met with South Ossetian leader Eduard Kokoity at his summer residence in Sochi on Friday.

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