

Putin Scolds Cabinet as He Pledges \$13Bln for Caucasus

By [The Moscow Times](#)

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Prime Minister Vladimir Putin has accused federal bodies in Moscow of not properly distributing money in the North Caucasus — even as he presented plans to spend an additional \$13 billion on 37 new projects in the area.

"I consider it unacceptable when federal agencies, acting on various pretexts, refer to the inherent difficulties they face when transferring funds," Putin told senior government officials, including North Caucasus envoy Alexander Khloponin, on Friday.

He said Vneshekonombank and the Education and Energy ministries were the main culprits in not getting much-needed state funds to the mainly Muslim region, where unemployment is as high as 50 percent in some regions. Despite pouring money into the North Caucasus, Kremlin critics regularly accuse Moscow of endemic corruption and red tape, meaning the funds get lost and pocketed along the way.

Putin unveiled plans for 37 major new projects in the energy, construction and tourism sectors this year across republics along the country's southern fringe, with investments totaling 400 billion rubles (\$13.36 billion). The investments, aimed at employing 400,000 people over the next decade, are part of a long-term plan through 2025 the Kremlin proposed last July to develop the North Caucasus.

A decade after Moscow drove separatists out of power in the second of two wars in Chechnya, the North Caucasus is plagued by almost daily violence, as poverty-stricken youths want to carve out a separate, Islamic state.

"The hardest thing is to make sure the investors fulfill their obligations," Khloponin told reporters Friday.

Appointed by President Dmitry Medvedev a year ago, the Siberian former business executive has been accused by the Kremlin of doing too little to tame the region it has labeled Russia's biggest domestic political problem.

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