

# State Looks to Triple Caucasus Spending

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**The  Moscow Times**

The federal government intends to triple funding for a North Caucasus economic development plan to 3.9 trillion rubles (\$141.2 billion) as it fights separatist violence.

The new figure was included in a draft of a decree published Monday by the Regional Development Ministry. The draft calls for developing the economic, investment and tourism potential of the North Caucasus to create jobs and housing.

The plan "must become the most important instrument for solving the socio-economic problems" and "supporting business" in the North Caucasus, Prime Minister Vladimir Putin said May 4 at a meeting in the region. At the time, Regional Development Minister Viktor Basargin said the government sought 1.3 trillion rubles for the project through 2025.

The Economic Development Ministry is pessimistic about the development plan because funding is "impossible," Kommersant reported Tuesday, citing an unidentified government official.

The federal government will allocate 2.6 trillion rubles to the project, while 1.1 trillion rubles will come from extra-budgetary funds, and the regional governments of the North Caucasus

will contribute 195.2 billion rubles, according to the draft decree published Monday on the Regional Development Ministry's web site.

Dagestan will receive the largest allocation at 1.2 trillion rubles, followed by Kabardino-Balkaria's 711.4 billion rubles and Chechnya's 449 billion rubles.

Federal forces have fought two wars against rebels in Chechnya since the Soviet collapse 20 years ago, and Dagestan suffered 112 bombings last year, more than any other Russian region, followed by 41 in Kabardino-Balkaria, according to the nongovernmental research group Caucasian Knot.

Ultrationalists have protested federal government spending under the slogan "Stop feeding the Caucasus," and Vladimir Zhirinovsky, leader of the Liberal Democratic Party, has said the funds are wasted on the region.

The Kremlin's envoy to the North Caucasus Federal District, Alexander Khloponin, said last month that it was a mistake to say Russia was trying to pay off the Caucasus.

*(Bloomberg, Reuters)*

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