



Dear friends and colleagues,

In 2008, the Fund for Sustainable Development celebrated its third anniversary.

Many important events took place during the past year. We acquired many new partners and our programs were supported by new donors.

We worked closely with our Steering Committee, whose members Vladimir Posner and Vitaly Malkin, provided overall assistance, primarily by their interested attention to our activities, which we deeply appreciate.

We rotated our Board of Directors and now it includes two of our long-time partners: Alexander Levintal and Miron Kupchik.

Our experience shows that our work is especially needed on a community level, in small towns and villages, where the majority of Russia's population lives and where critical environmental, economic and social issues facing the country are concentrated.

This community level is where most of FSD's programs are fulfilled. They are aimed mostly at motivating human potential and bringing together local activists capable of tackling challenging tasks. These community members are the backbone of civil society, which is still only taking shape in our country.

To advance in this direction, citizens who have developed interesting ideas require just a little help to turn these ideas into viable proposals, which, in turn, will be carried out in practice. This is precisely what FSD does.

**Oleg Fokin,**

Executive director

A handwritten signature in black ink, appearing to read 'Oleg Fokin', written in a cursive style.



*«The work of the Fund for Sustainable Development aimed at facilitating community development is based on realistic, effective and time-tested solutions. FSD never deviates from its basic principle that every project, along with being targeted toward addressing the most critical and significant issues, must also motivate responsible attitudes and help communities in their economic and creative development. Only this way we can achieve stability in our country and look forward to successfully overcoming the economic crisis.»*

**S. Yurkova, Ph.D.,**

*Director of the Russian State and  
Municipal Governance Research Center*

## FUND FOR SUSTAINABLE DEVELOPMENT

**The Fund for Sustainable Development (FSD)** is an independent, nongovernmental and non-profit Russian fund created to promote regional and community sustainable development through concrete projects addressing environmental, social and economic issues across the Russian Federation.

**Pursuant to its mission, FSD carries out the following activities:**

- Grantmaking, including the development and support of activities and training in the sphere of regional sustainable development, environmental protection, environmental education, and civil society development;
- Collection, storage, analysis and dissemination of information on ecosystems, best practices and methods related to sustainable development and promotion of environmental and human health;
- Preparation of analytical reviews and forecasts in such areas as conservation of Russia's natural heritage and biodiversity, and the rational management of natural resources.

**FSD works on projects and programs with support from Russian and international donors in the following areas:**

- Environment and public health
- Conservation and rational nature management
- Support to civic initiatives
- Energy and resource efficiency
- Education and youth development

The FSD team possesses extensive experience in promoting multi-sector interaction, bringing together local communities and interregional networks to manage projects aimed at promoting the rational use of natural resources and environmental and public health improvement and developing and utilizing energy-efficiency techniques.

FSD reputation is based on a full transparency of all aspects of its activities, with special attention focused on addressing issues connected with environmental protection and sustainable development. The key principles of FSD work include transparency, openness, formation of partner teams, goal-oriented activities and achievement of sustainable project results.

### FSD Expertise

The Fund for Sustainable Development has brought together professionals who have been managing social and environmental projects since 1997.

The expertise of this team is based on community development approaches and techniques tested under the ROLL (Replication of Lessons Learned) and TGP (Targeted Grants Program in the Russian Far East) carried out with financial support from the United States Agency for International Development (USAID).

These programs included over 470 environmental and social projects implemented from 1997 to 2005 (for an amount of over \$10 million) and focused on establishing lasting multi-sector interaction in practically all regions of the Russian Federation.

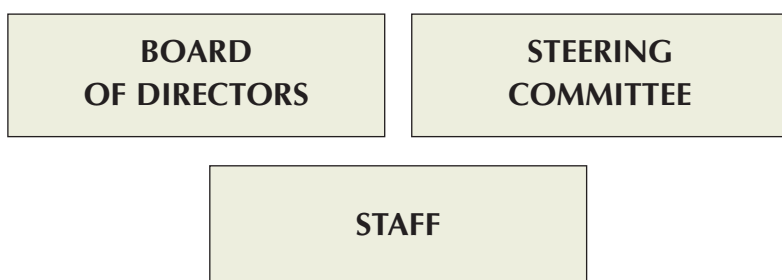
Starting from 2005, FSD has successfully fulfilled a whole range of projects with funding from **USAID** and Russian and international businesses, such as **SUAL, BP, EuroChem, CITI, TNK-BP** and **United Technologies**.

FSD is actively collaborating with international foundations (**Alcoa Foundation and Ford Foundation**) and government philanthropic organizations (**Moscow Chamber of**

Public Organizations, Moscow Philanthropic Board and the National Health League Charitable Foundation).

FSD has a network of partner regional centers across the country in the cities of Yekaterinburg, Ulan-Ude, Nizhny Novgorod and Khabarovsk. These centers take an active part in on-site project management.

## FSD MANAGEMENT STRUCTURE



### FSD Board of Directors:

**V. I. Danilov-Danilyan**, Director of the Russian Academy of Sciences Institute of Water Problems, Moscow, and Chairman of the FSD Board of Directors

**A. B. Levintal**, Deputy Chairman of Khabarovsk Krai Government and Minister of Economic Development and External Relations (from March 2009, Deputy Plenipotentiary of the RF President in the Russian Far East Federal District)

**Bennet Sheldon**, Administrative Director, Sisco Systems, Russia, Moscow

**Leonid Vindman**, Managing Director, Head of Russian IB Origination UniCredit Markets & Investment Banking, Moscow

**A. N. Kosarikov**, Head of Research, Environmental Projects Consulting Institute

**V. M. Tarbayeva**, Deputy Head of Nevsko-Ladozhskoye Water Basin Authority of the Federal Water Resources Agency

**S. G. Shapkhayev**, Director, Buryatia Regional Association on Lake Baikal, Ulan-Ude

**Barbara Felitti**, founder and owner of Barbara Felitti Consulting, LLC

**O. S. Fokin**, FSD Executive Director, Moscow

**Carol N. Pierstorff**, Senior Environmental Advisor, Energy Markets Group (EMG), Washington, DC, USA

**M. B. Kupchik**, General Director, Marka Podorozhnik LLP

### FSD Steering Committee:

**V. V. Posner**, journalist

**V. B. Malkin**, member of the Federation Council of the RF Federal Assembly from the Republic of Buryatia

**V. N. Kisilev**, Chairman of the Providers of Last Resort and Retail Suppliers Non-Profit Partnership

**John Dooley**, Justice, Vermont Supreme Court; President, Russian-American Rule-of-Law Consortium, USA



*«Before the global financial and economic crisis, many people viewed sustainable development as merely a beautiful, but not necessary dream. Today, when the crisis has entered every home, it has become evident that a transition to sustainable development is a necessity and that it is the duty of each responsible person to do everything possible for this transition to take place. It is no use designing global plans for restructuring the global financial system: it will inevitably restructure on its own under the influence of mass pressure coming from the bottom. Such pressure may only be caused by changes in social consciousness that occur as a result of the involvement of growing numbers of citizens in community development and conservation. These activities, as nothing else, facilitate civil society development, help acquire rational behavior skills, and promote cultural development that is not superficial but real and deep. That is what FSD is currently concerned with, and I wish it many successes!»*

**V. I. Danilov-Danilyan**,  
Corresponding Member  
of the Russian Academy of Sciences,  
Director of the Russian Academy  
of Sciences Institute of Water Problems  
and Chairman of FSD Board of Directors



At a meeting of FSD Board of Directors that took place on June 4, 2008, the results of three years of work were summarized and approved.

In the course of this meeting, the staff of FSD Program Department made presentations devoted to the projects and programs carried out in the Russian Federation; and questions related to the further development of the organization were discussed.

At the meeting, the FSD Strategic Development Plan Through 2012 was presented for consideration and a number of administrative and financial documents regulating the activities of the organization were approved.

A. Levintal, Deputy Chairman of Khabarovsk Krai Government and Minister of Economic Development and External Relations (from March 2009, Deputy Plenipotentiary of the RF President in the Russian Far East Federal District), was appointed a member of the Board of Directors.



On June 25, 2008, at an extended meeting of FSD Advisory Board, funding was approved for 52 projects of three FSD programs for the period from 2008 through 2009.

The independent FSD Advisory Board was founded to ensure transparency and equal opportunities for all organizations participating in grant contests. The main functions of the Advisory Board are to approve funding for grant proposals reviewed by experts and to oversee the targeted use of grant funds.



*RC directors, from left to right: A. Yashin, deputy Ural RC director; L. Strukova, Ural RC director; E. Milanova, RC coordinator and FSD projects manager; E. Volkova, Volga-South European RC director; V. Belogolovov, East Siberian RC director; and S. Pleshakov, RFE RC director*

The Regional Centers (RC), which are the key elements of FSD regional interaction and partnership in the regions of Russia, were founded over 10 years ago and operate under the auspices of NGOs in the cities of Nizhny Novgorod, Yekaterinburg, Ulan Ude and Khabarovsk. RC connect FSD with the regions and facilitate partnerships between government and nongovernmental organizations, strengthen relations with donors and international organizations and help FSD to identify priority areas of activity in the country's regions.

Seminars and project monitoring and assessment are important areas of RC work. In 2008, two Regional Center Seminars took place:

22nd RC Seminar – April 22-23, Ulan Ude.

23rd RC Seminar – October 31, near Yekaterinburg (Verkhnyaya Sysert).

Program results and plans for 2008-2009 were discussed at these seminars.

RC took an active part in preparing and conducting a training seminar Innovative Social Technologies and Project-Oriented Approaches to Community Development that was held on October 28-30, 2008 in Yekaterinburg.

## FSD PROGRAMS AND PROJECTS IMPLEMENTED IN 2008

### *R. Butovsky, FSD Program Director*

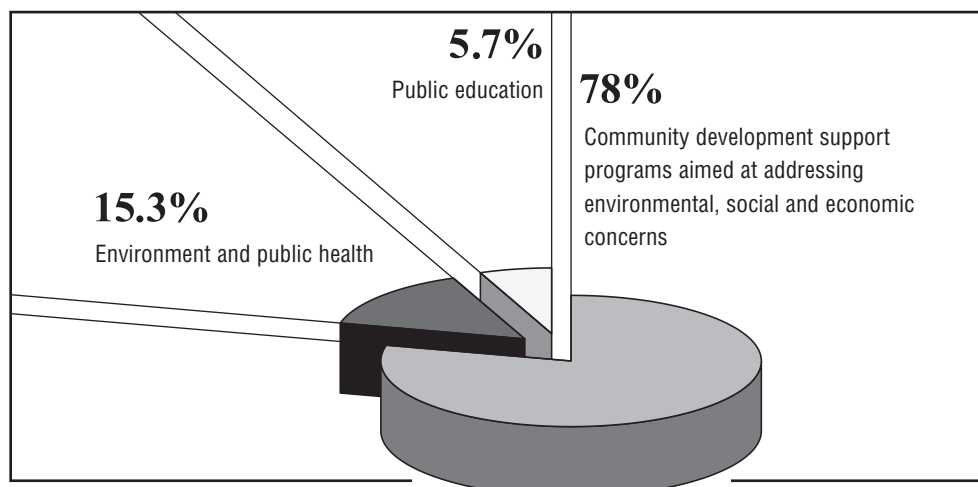
In 2008, we began summarizing the results of projects carried out under the Community Development Support Program (funded in the first and second grant-rounds) and the Amur Initiative Program (a total of 56 projects). The Program provided a considerable degree of support and offered new models of sustainable development to local communities, which is one of the priorities of the RF Government. The seminars that we organized with the participation of leading experts in the municipal reform and with assistance from the RF Ministry of Economic Development, made it possible to identify the main issues of community development and plan ways and means of addressing them.

FSD also successfully continued work on other programs involving environmental education for children and youth, creation of new jobs in rural areas, and public health improvement.



### Projects and Programs

- Community Development Support Program
- Amur Initiative Targeted Program
- Environment and Public Health in Nevinnomyssk and Other Regions of EuroChem Company Presence Program
- «We Are in Charge of the Future» ALCOA Sustainability and Conservation Program for Russia
- Sustainable Development and Jobs in Rural Areas (RURALJOB) – Ford Foundation Program
- Emotional Rehabilitation of Children in Need of Special Social Protection Program
- Improving Communities Right Now – CITI Foundation Program
- Male Health Improvement
- Energy Efficiency for Local Communities on Sakhalin Island Program





PROGRAM FUNDING:



**USAID**  
FROM THE AMERICAN PEOPLE

PROGRAM MANAGEMENT:



## COMMUNITY DEVELOPMENT SUPPORT PROGRAM



This Program, launched in the end of 2006, was FSD's priority area of activity in 2008. The Program is being carried out in the Russian Far East, Lake Baikal Region, Northern Caucasus and in some other regions of Russia with financial support from the United States Agency for International Development (USAID).

Program funding for the period from 2006 through 2009 is \$5.65 million.

The Program is aimed at promoting integrated regional and community development through providing support to communities in addressing environmental, economic and social issues and includes a number of core components of which the most noticeable ones are grant contests and education/training.

The RF Ministry of Economic Development is the coordinator and partner of FSD in fulfilling this Program.

**The primary Program goal** is to design and disseminate both innovative and proven models of sustainable community development throughout the Russian Federation.

### Key Goals of the Community Development Support Program:

- to engage citizens in addressing community needs and problems through a series of targeted grants focused on local economic development, waste management, public health, small business development, social assistance and natural resources management;
- to develop and introduce tools for energy and resource savings and mechanisms allowing communities to reinvest saved resources into development programs;
- to promote multi-stakeholder participation in identifying priorities for community development.

In 2008, 56 projects of this Program were completed, after which the most successful experience was summarized to form the basis of the Code of Best Practices – guidelines for introducing the most effective models into community development in Russia. Another 41 projects of the Program were launched under two grant-rounds: in the Caucasus (all projects of this round will take place in the Northern Caucasus) and nation-wide (the projects of this round will take place in the RFE, in the European part of the country, in the Urals, and in Siberia). Hence, the best practices in the area of sustainable community

development will be disseminated across all of Russia. The projects are being implemented in 34 municipalities in 14 regions (from Smolensk Oblast to Primorsky Krai).

**The Program facilitates:**

- increasing the standard of living in Russian regions;
- creating a potential for future community development;
- citizen participation in municipal decision-making through interaction with local government and business.

The Program's progress was discussed at a seminar «The Basics of Municipal Governance» held in April 2008 in the city of Shchyokino in Tula Oblast by FSD with the participation of the National Research Center for State and Municipal Governance and Tula Oblast Municipalities Council.

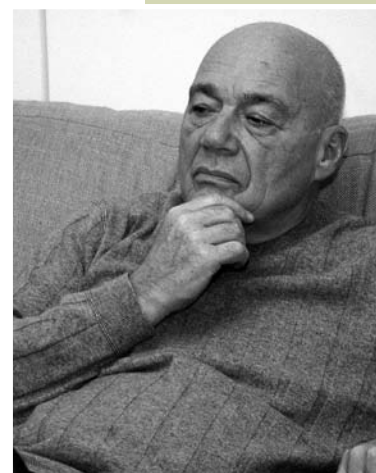


Over 1000 representatives of municipalities participating in the Program from the RFE, the Caucasus, Eastern Siberia, the Urals, and Nizhny Novgorod and Tula oblasts attended the seminar



The seminar was also joined by vice-governor of Tula Oblast A. Korablev (center) and the head of Shchyokinsky Raion N. Pilus (left)

In October 2008, in Yekaterinburg, a training seminar «Innovative Social Technologies and Project-Oriented Approaches to Community Development» was held with the aim of increasing the professional level of FSD partners – the staff of municipalities participating in the Community Development Support Program.



«There can be no civil society if citizens do not take part in public affairs. It just cannot be. It is unreal. Then it is only words.»

**V. Posner,**  
journalist and  
FSD Advisory Board member



B. Tsurulnikov, chairman of the Local Community Funds Partnership, conducts a master-class devoted to the role of local community funds in sustainable community development and the significance of philanthropic programs and public participation in these programs



«For me personally it was very important to work with enthusiastic and determined people on the site of the project: the school management and teachers. They did not have to be reminded about what to do and did not have to be closely overseen, because they were glad to be able to change things in the life of their school and to do something for the children.

«Now we have many like-minded people, local activists, who are always ready to take part in our effort. Young people not only began submitting project proposals, but are taking an active part in their implementation.»

**L. Yusupova,**

*Project complex coordinator and executive director of Sozdaniye Regional NGO*



## PROJECT COMPLEX

### INTEGRATION OF INTERNALLY DISPLACED PERSONS FROM MOUNTAIN AREAS IN CHECHNYA INTO THE LOCAL COMMUNITY

#### Thematic projects included in the Project Complex:

1. Elimination of illiteracy and emotional rehabilitation of children from internal refugee families.
2. Organizing creative activities in the Children's Art School in Oiskhar settlement.
3. Integrating internal refugees into the community of Oiskhar settlement through organizing after-school activities for children and creating employment opportunities for women.

#### Community problems addressed by the Project Complex

- Internal refugees from mountain areas lack sources of subsistence in their new place of residence and live below the poverty line.
- Almost 100% unemployment among internal refugees who cannot compete on the local employment market.
- Children and adolescents from these families fall behind their local peers regarding their educational and economic level and feel withdrawn and isolated.

#### Key project results promoting community development

- 20 children and adolescents from internal refugee families received primary education, thus, becoming full-fledged members of society; seven high-school students acquired experience in volunteer work; and 25 children with post-traumatic disorders underwent an art therapy course during which their emotional health has improved. The pupils of the school in Shuani settlement planted trees and shrubs in the schoolyard. Project experience in art rehabilitation and elimination of illiteracy was summarized in a brochure that was distributed among 200 NGOs and schools.
- The following energy-efficiency activities were carried out in the children's art school in Oiskhar settlement: 12 old windows and two doors were replaced, energy-saving lamps were installed and the roof was repaired, which allowed to reduce power consumption by 4 times. The schoolyard was also improved. As a result, over one hundred children now study in warm classrooms with good lighting and can also attend drawing lessons in the schoolyard – because of the danger of land mines these lessons cannot be conducted elsewhere.
- After a sports ground was built in School #2 in Oiskhar settlement and the gym in this school was renovated, nearly five thousand local children have a chance to play and exercise without being exposed to the danger of mines.
- At the sewing courses organized as part of project activities, 30 women were trained as seamstresses and now are able to provide for their families. Additional jobs were created for seamstresses working from their homes.



## *One Step to Hope*

When one sees a manual for middle school students entitled «The Basics of Mine Safety» in rural Chechnya, the first thought is about the children's parents and their fear that every day and every second when their children are outside they are subject to danger.

Plain-land villages Novye Shuani and Oiskhar have received families that relocated from mountainous Chechnya. These people abandoned their homes in the mountains for only one reason – to save their children from the danger of mines. They simply knocked on doors of strangers and were accepted with no questions asked. Gradually, their lives normalized, but in these new peaceful lives, they were faced with new problems that once again brought about fear and desperation: many of their children did not know how to read or write and because of the many years of isolation from peers, they had become asocial and were suffering from many complexes. Another problem was how to provide for their families.

The Fund for Sustainable Development, having studied the host of problems facing these two settlements, began dealing with the children's illiteracy and offering emotional rehabilitation. An accelerated education course was organized for one academic year in the schools of the settlements for children from internally displaced refugee families. The course is based on a program developed by Liliya Yusupova that helps students catch up with peers in the course of several months of studies.

The teachers from the Children's Art School in Oiskhar have achieved surprising results: they found that for 12-13-year old children to get rid of their fears and bashfulness was enough to be around peers and to attend drawing lessons together.

Assisting the Children's Art School became the next social project of FSD in 2008. It involved replacing old windows and doors, repairing the roof, renovating the classrooms, building a fence and improving the schoolyard – all this was done with the help of volunteers from among older students and their families. A major effort was put in to make the children feel safe and comfortable!

Of course, the problems of persons internally displaced because of the war in Chechnya cannot be resolved at once by means of several small projects. However, after summarizing the preliminary results of projects accomplished in 2008, we may say that the lives of the people are changing, at least, little by little and, what is most important, the people are also changing. They are becoming relieved of such feelings as hopelessness, fear of the future and needlessness. They are starting to believe that their lives will change for the better.



*During the project, children from internal refugee families attended an accelerated education and emotional rehabilitation course. The parents of three students, T. Khusanova, L. Taisumova and Z. Atamayeva, who studied under this program, wrote in their letter of response: «Our children are scoring better results in their studies, are showing an interest in acquiring new knowledge and have become more sociable. Thank you for caring for our children.»*



*Twenty five adolescents from internal refugee families attended a summer art rehabilitation course and today are continuing their studies at the art school*



*The project involving teaching women to sew is a good example of how to help each other simply and without extra words. Equipment and fabrics were acquired with FSD funding, while the rest of the work was done by local activists, skillful seamstresses. They were glad to teach other women to sew, thus giving them a chance to make clothes for their families and earn money working from their homes*



«All countries in the world had overcome economic crises by changing their technological systems! Such time is an excellent opportunity to create something new and with a good potential. It is not only an opportunity, but a necessity as well.

«Why are we afraid to rely on scientists, to merge their ideas with the efforts of entrepreneurs and to plunge them into resolving problems facing communities? They should be provided with an organizational resource that will allow them to reach the ultimate results.

«This will be the shortest distance from a scientific idea to its market realization! And what is important, the idea will a priori be in demand, having originated to resolve a real problem.»

**S. Nikitenko,**

*Project Complex coordinator, director of INNOTEK Innovation Center, Kemerovo*



**PROJECT COMPLEX  
MOTIVATING INNOVATIVE APPROACHES  
IN THE COMMUNITY AND ENHANCING  
PUBLIC PARTICIPATION BY USING EXAMPLES  
OF TESTED PROJECTS**

**Thematic projects included in the Project Complex**

1. High-technology and cost-effective heating for cultural and social institutions.
2. Sustainable community development based on rational forest management (Profit from Waste).
3. Picking wild berries and producing syrups as food supplements.
4. Starting a production of cedarplast to promote health in the community.

**Key project results**

- A system for recycling mining and timber waste into fuel briquettes with a high calorific capacity, whose ash is an environmentally sound fertilizer, was organized by the project team jointly with the management of the local coal mine. It is expected that as a result of project activities, the amount of timber-sawing waste will drop by 50%.
- Dissemination of the experience of introducing a system of planned forest sanitation with subsequent self-recovery. A small business in Tyazhinsky Raion began putting out limber products, which in 2009 will be used for modernizing an old building in which a Creativity Center will be opened for local craftsmen.
- Community members collect cranberry tree berries and other plant materials, which undergo initial processing. Over 1 t of cranberry tree berries were collected and processed into syrups at Lena, a small business located in Novokuznetsky Raion. The syrups were donated to the less socially protected community members (pensioners, the disabled and schoolchildren). Nearly 60 new jobs of berry collectors were created. In 2009, a small business for producing syrups will be founded in Tyazhinsky Raion.
- SibTech, a local small business, began collecting cedar cone and nut shells, which it processed into a health product Cedarplast. It is produced by pressing the shells and gluing them with their own tar using a special technology. The panels do not contain any additional substances and are environmentally safe. They were used as a finishing material in a children's home, kindergarten, a home for the elderly and in local schools. As a result of this project, the amount of cedar pine processing waste has decreased considerably. Ten community members were trained to create objects and souvenirs from Cedarplast.

## *Learning to be the Masters of Their Own Land*

Kemerovo Oblast, which occupies a vast area, is rich in resources and is known for its beautiful nature. This land deserves to be loved and cared for.

How to become a master of one's land? A master who cares for it and wants to make it better.

Kemerovo Oblast is abundant in forest products such as berries, mushrooms, nuts and many others. People who live there know all about the medicinal and nutritive qualities of wild berries that grow in nearby forests. Thus, a project of collecting and processing wild berries into healthful syrups was launched in 2008.

Traditional products of the local cedar forests prompted the idea of another project involving the production of articles from Cedarplast, which is an environmentally pure material made of cedar tar and cedar nutshells. Cedarplast panels are very attractive and resemble abstract works of art of an amber-honey color. It is not surprising, that souvenirs and gift items made of this material are so popular. «Cedarplast is a unique material and attracts a lot of attention wherever we present it. It has extraordinary properties and unlimited areas of application. Thus, after displaying it at an international exhibition in Germany, we have received a request for producing beer mugs from Cedarplast (!),» says Ludmila Patrakova, head of the Department for the Protection and Commercialization of Intellectual Property at Kemerovo State University.

It seems that the formula of increasing community wellbeing has been found: natural resources + latest scientific ideas + initial investment + our hands and desire to work. We are learning to be thrifty masters of our own land. We are learning to love it and care for it. And we know that we will succeed!

**N. Galdetskaya**, manager at Tyazhinsky Raion Fund for Small Business Support and Development:

*«This is the first trial year and it is very important for us. Through studying the whole technological chain – even if it is at a faraway processing complex in Novokuznetsk – our raion will be able to organize its own production. Luckily, primary products are available year-round, because there is no sense collecting and storing cranberry tree berries, since in winter, when they are slightly touched by frost, they are better preserved in natural conditions. We believe in the successful future of our project: the recipe for the syrups was developed by Kemerovo Food Industry Technology Institute and everyone who tastes them likes them a lot.»*



*Scientific research confirms the unique qualities and superiority of wild currants, rowanberries, and cranberry tree berries over cultivated berries by their mineral and vitamin qualities*



*In the course of one year, all products made during the project will be handed over to orphanages, schools, kindergartens and homes for the elderly. The new healthful product will be provided to those who are in a greater need of «live» vitamins.*



*In a special physical therapy room with Cedarplast panels on the walls patients breathe in the curative cedar aroma. Cedarplast contains concentrated phytoncides with a tremendous healthful effect, which is preserved in the course of 10-12 years.*





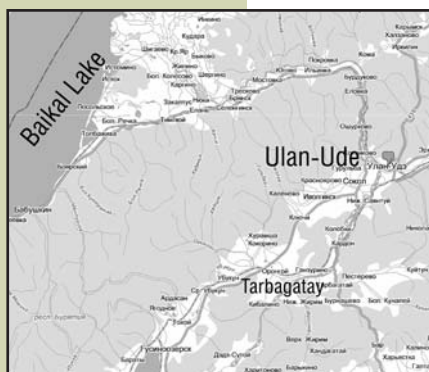
«Tarbagataisky Raion is a unique place in the Republic of Buryatia. It has a rich historical and cultural heritage, being home to one of the world's largest communities of Old Believers. The ethnic culture of Semeiskie Old Believers is on the UNESCO Intangible Culture World Heritage List.

«The projects were carried out in Tarbagataisky Raion with financial support from the US Agency for International Development. They promoted development in our community, helped improve child health, and strengthened interaction among the municipal authorities and government and non-government organizations.

«Project activities included a large public information and communications effort aimed at informing people about the projects. As a result, they began showing greater initiative in seeking solutions to our problems.»

**O. Lotsman,**

Head of the Economics Department of Tarbagatai Ration Administration in the Republic of Buryatia



**PROJECT COMPLEX  
SUSTAINABLE DEVELOPMENT OF  
A TRADITIONAL COMMUNITY**

**Thematic projects included in the Project Complex**

1. Energy-saving in Tarbagataisky Raion – conversion of coal-burning boiler plants to the use of alternative fuel.
2. Warmth in Solnyshko Kindergarten – saving energy and heat and improving child health.
3. Investing in warmth – reinvesting in wellbeing – reinvestment of energy savings into social programs.

**Municipal problems addressed by the Project Complex**

- High energy consumption by local heat supply systems and high housing and communal services rates resulting from the use of local poor-quality coal by boiler plants and a 90% deterioration of their equipment.
- High emissions of pollutants to the atmosphere due to the large number of coal-burning boiler plants and the close proximity of a coal strip mine.
- Low indoor temperature in most of the local kindergartens that were disconnected from central heating and are using electric heaters.
- High rate of respiratory illnesses among children caused by low indoor temperature and a lack of conditions for hardening the children and improving their health.

**Key project results**

- Modernization of six boiler plants (located in three schools, the library and two community centers) including the replacement of obsolete coal-burning and electric boilers with low-consumption combined gas generating and water heating boilers that work on wood waste.
- The Small Business and Rural Development Support Fund of Tarbagataisky Raion used saved and additionally raised funds for conducting two contests of small social projects. As a result, grants were awarded to 13 projects aimed at youth development and support to the culture of a traditional community – Semeiskie Old Believers.
- Modernization of the heat supply system in the kindergarten of Nikolayevsky settlement (replacement of hazardous electric heaters and installation of module boiler equipment working on wood waste); and winterization of the building and maintaining an optimal temperate mode in the kindergarten.
- Implementation of an Integrated Child Health Improvement and Hardening Program in the kindergarten and involving children in athletic activities. A physical therapy room was opened, which lead to a health improvement and reduction of respiratory illnesses among the children.
- Improved environment through reducing the use of high-ash coal and lowering hazardous emissions by 13%.
- Improved quality of municipal services and increased public awareness about the issues of energy saving and child health protection.

## *Warm Sun for Our Children*

What may be sadder than a kindergarten without children? The warm and cozy playrooms that used to be filled with children's voices and laughter have suddenly become empty!

In 2003, Solnyshko (Sun) Kindergarten was disconnected from central heating because of the liquidation of the entity that was responsible for its heating. The child care center was left to search for other ways of keeping the rooms warm. Heating panels were purchased, but it soon became evident that they did not solve the problem, but rather made it worse: the children kept burning themselves, although the panels were mounted quite high on the walls. It is impossible to make children sit in one place without moving. In addition, the panels did not provide enough heat and only warmed the upper parts of the rooms, while the floors remained cold and draughty. Soon the kindergarten became a «champion» in several areas: inside temperature from + 12 to +14°C, greatest number of respiratory illnesses among the children and lowest attendance.

«All this is a thing of the past,» says the director of the kindergarten Elena Potorchina. «Today we have a new heating gas-generator boiler, the old windows and doors were replaced and the whole kindergarten was renovated. Some of this was made possible thanks to support from the Fund for Sustainable Development and the local administration, for example, the renovation. Parents and staff helped us enormously. You should only see how our kindergarten has changed! But winterizing and renovating the building was only part of the general effort. A group of enthusiasts consisting of doctors and kindergarten teachers decided to restore the unique child health improvement methods that had been developed in Solnyshko Kindergarten. This method includes physical exercises, preventative inhalations, cold water rubbings, and treatment entitled "Seaside walk". Researchers from the Baltic States discovered that children who often ran in ankle-deep water were less prone to illnesses. Such hydrotherapeutic procedures tone blood vessels strengthen the nervous system and increase body resistance. We adapted this technique to our local conditions, so as to do this indoors in our kindergarten and added carriage exercises. These lessons have become the most favorite ones. For the children they are both useful exercises and joyful and fascinating games.»

The rate of illnesses in children attending Solnyshko Kindergarten has dropped considerably. We now like to invite children and their parents from other settlements to show them our accomplishments and to show them our warm and comfortable rooms.



*E. Potorchina, director of Solnyshko Kindergarten demonstrates a new boiler unit installed under the project*



*Physical training in the kindergarten*



*In the new physical therapy room preventative inhalations are administered*





*«For a long time nothing happened in our ancient village. I still cannot believe that all this was not a dream – what if I open my eyes and everything will be as it had always been? But no! Every morning I walk on a level road, drink clean water and admire our museum. What makes me especially happy is that we have accomplished all this with our own hands. We are grateful to our donors and FSD for believing in us and supporting our initiative.»*

**N. Druzhinina,**

*Head of Sikachi-Alan Administration and Project Complex coordinator*



## PROJECT COMPLEX

### SUSTAINABLE DEVELOPMENT OF SIKACHI-ALAN, ILYINKA AND MALYSHEVO SETTLEMENTS IN Khabarovsk KRAI

#### Thematic projects included in the Project Complex

1. An alternative source of energy using solar heat for heating water at the Educational Center in Sikachi-Alan settlement.
2. Sikachi-Alan Petroglyphs – a key to community development.
3. Founding an ethnographic museum in Sikachi-Alan to promote integration of friendly cultures.
4. Reviving a traditional culture to advance economic and spiritual development of small Arctic indigenous peoples.

#### Key project results

- The Project Complex helped solve both infrastructure concerns of the community and the problem of unemployment. Each project supplemented the others in creating a regional cultural and ethnographic center in the three selected villages and enhanced the realization of the historic and recreational potential of this area.
- Solar energy collecting panels and tanks for accumulating warm water were installed in the Educational Center in Sikachi-Alan that will provide year-round hot water without additional power costs.
- Actual-size models of medieval and ancient dwellings of small Arctic indigenous peoples were created for the ethnographic museum that was opened as part of project activities. Twenty seven local residents attended a course «Creation of folk art objects from wicker, birch bark, wood, and fish skin» and after graduation received certificates.
- The creation of new jobs helped check the extremely negative tendency of alcoholization of the local population and a general health decline; and the reduction of expenses for heating water will allow investing more into community development. The legal mechanism of reinvesting energy savings took effect as a result of an ordinance issued by the head of Khabarovsk Municipal Raion.
- The project «Sikachi-Alan Petroglyphs – a Key to Community Development» provided better access for tourists visiting Petroglyphs by repairing 400 m of the road that leads to the site. Upon learning about this local initiative, the administration of Khabarovsk Rural Raion decided to pave the repaired road with asphalt. Thus, a simple technical project has consolidated all sectors of the community and mobilized local residents for addressing local development issues.

## *A Wonder Road Four Hundred Meters Long*

### **Problem setting**

*Problem:* unique Petroglyphs on large boulders are located on the right bank of Amur River near Sikachi-Alan settlement. Ancient artists engraved in stone images of animals, birds, masks and boats on waves – naive art of the time when the Pyramids were built. These Petroglyphs are on the UNESCO Intangible Culture World Heritage List.

There are also scientists and visitors interested in history who are ready to travel thousands of kilometers in all weather and at any time only to see these invaluable ethnographic and cultural monuments.

*Question:* How to reach Sikachi-Alan's Petroglyphs? Only by rowboat during the autumn and spring high water and by no other way, neither by car nor by foot. Although it is only 400 meters from the center of Sikachi-Alan! But what 400 meters! The settlement lacks money for repairing this part of the road.

### **Problem solution**

The solution to this problem, which had remained unsolved for many years, turned out to be simple and logical.

In early 2008, the Fund for Sustainable Development provided funding for repairing the road, and twenty volunteers, residents of Sikachi-Alan, had set to work. Five residents of the settlement bought 5 truckloads of crushed stone and another 15 truckloads were granted free by the Caryer-Service Company. Road-building machinery was provided by Mayak LLP.

Other activities included opening a museum of local arts and crafts, for which new shelf stands were purchased, old exhibits were restored and new ones created, for example, actual-size models of ancient dwellings. Workshops were equipped and instruments and materials were acquired for those Sikachi-Alan residents who underwent training in the art school at the museum and were ready to create folk art objects from leather, wicker, birch bark, wood, and fish skin. «It is a wonderful feeling to create something with your own hands and do it as good as your forefathers, and then see your creation in the hands of a tourist. And to know that it will go far away and that many people will see it and appreciate it,» said one of the graduates. Such is one of the results of repairing a 400-meter road.

Someone describes the above as a miracle and someone will say: «You only have to give a slight push to an unmovable rock.» The latter is a good explanation: what was needed was a modest amount of funding, support from the local administration and business, and the initiative of community members. Next comes a belief in one's own abilities and this is an irrevocable process. Those who have learned to make their own decisions, to do things with their own hands, and to jointly achieve success, will not be able to live differently.



*The residents of Sikachi-Alan working on the road were joined by passer-byes and in four days all the potholes and ditches were filled with broken stone*



*During training in the school of local arts and craft, many attendees learned to create beautiful articles that are real works of art*

PROGRAM  
FUNDING:



**USAID**  
FROM THE AMERICAN PEOPLE

PROGRAM  
MANAGEMENT:

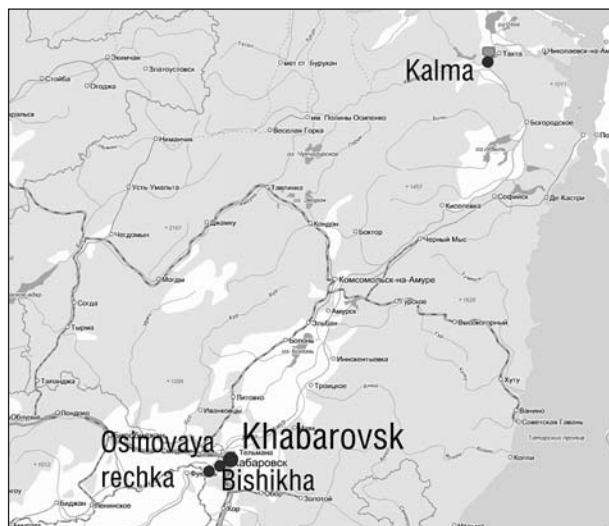


«The Amur Initiative Program has granted access to clean drinking water to thousands of inhabitants of riverside settlements who were compelled to use river water badly contaminated by a host of toxicants.»

**A. Levintal,**

*Deputy Chairman of Khabarovsk Krai Government – Minister of Economic Development and External Relations (from March 2009, Deputy Plenipotentiary Representative of the RF President in the Russian Far East Administrative District)*

Results of the Targeted Program  
**ORGANIZATION OF A PUBLIC MONITORING SYSTEM AND IMPROVING DRINKING WATER QUALITY IN SETTLEMENTS ALONG AMUR RIVER IN KHABAROVSK KRAI (Amur Initiative) in 2008.**



The goal of this program is to put in place a system of instant water quality monitoring and improvement in small villages located on the banks of Amur River, which is being catastrophically polluted from the Chinese side.

**Priority Objectives**

- Develop a system of effective and instant monitoring of Amur River water quality in partnership with Khabarovsk Krai Government, the Institute for Water and Environmental Problems at the Russian Academy of Sciences and local communities.
- Diversify drinking water sources in villages located along Amur River.

USAID granted \$149,860 for this targeted program, which FSD transferred to five organizations to carry out concrete practical projects in riverside settlements (see map). Another \$90,000 for this effort was allocated from budgets of different levels and still another \$50,000 was donated by local businesses (fish processing and tourist) interested in the availability of new water sources.

**Key results**

- Over 15,000 people have been provided with clean drinking water sources.
- The projects were further developed with funding from local businesses interested in the appearance of new sources of clean water – two additional wells were drilled; a foundation has been laid for developing small businesses in villages inhabited by small indigenous Arctic peoples; and dozens of new jobs will be created, thus, promoting local sustainable development.
- For the first time the residents of Sikachi-Alan and Kalma settlement have organized themselves and are covering the cost of servicing the wells.
- A system of instant monitoring of Amur water was established along its course on the territory of Khabarovsk Krai, which allowed reducing risks in case of emergency contamination both from China and local enterprises.
- The rate of gastrointestinal illnesses in project locations dropped by 20-30%.
- Effective partnerships were created among government, businesses and citizens who are now capable of addressing critical environmental and social concerns of their communities.
- In view of the impressive results of the program and many expressions of gratitude from communities in which projects had been implemented, and also requests to extend their activities, an agreement was reached to replicate the results of Amur Initiative in 2009 with joint project funding from USAID, Khabarovsk Krai Government and Khabarovsk businesses.



► *«The targeted program Amur Initiative was designed in response to a request from Khabarovsk Krai Government and is aimed at dealing with concrete objectives of improving the quality of drinking water in communities. From the point of view of USAID, it is important that the program supports civic initiatives and public participation in deciding community issues».*

**Yu. Kazakov,**

*USAID Environmental Policy Adviser, Office of Regional Development*



*In winter, when the river falls, concentrations of toxicants reach an out-of-limit level*



*Before an ultraviolet disinfection system was installed at the water inlet of Ussuri Rehabilitation Center, chlorine had to be used at the water treatment station, which significantly lowered the properties of the water supplied to ten thousand local residents and guests*





## FUND FOR SUSTAINABLE DEVELOPMENT 2006-2009 Programs and Projects



**USAID**  
FROM THE AMERICAN PEOPLE

**FORD  
FOUNDATION**



**EUROCHEM**  
MINERAL AND CHEMICAL COMPANY



**ALCOA  
FOUNDATION**

Legend	Program	Funding	Support		
▲	Community Development Support Program in the Russian Federation. Amur Initiative Program	USAID	RF Ministry of Economic Development; Khabarovsk Krai Government; municipalities; businesses; and NGOs	②	Model Communities Initiatives
				③	ALCOA Foundation Sustainable Development and Conservation Program for Russia "We Are in Charge of the Future"
				④	City Youth: Learning to be Useful!
①	Environment and Public Health in Nevinnomysk and Other Regions of EuroChem Company Presence	USAID; EuroChem Company	Nevinnomyssk City Administration	⑤	Emotional Rehabilitation of Children in Need of Special Social Protection





USAID; CITI; TNK-BP; United Technologies	Municipalities, businesses, NGOs	6	Sustainable Development and Jobs in Rural Areas (RURALJOB)	Ford Foundation	Municipalities, businesses, NGOs
ALCOA Foundation	Local ALCOA factories; Departments for Education at local administrations	7	Energy Efficiency for Local Communities on Sakhalin Island	BP Company	Nevelsk City Administration
Moscow City Government		8	Environmental Health Improvement in Regions of Aluminum Complex Presence	SUAL Holding; USAID	Municipalities
Moscow City Government		9	Improving Communities Right Now	CITI Foundation	Municipalities
		10	Male Health Culture	National Health League	RF President Program of supporting NGOs concerned with developing civil society institutes

PROGRAM FUNDING:



**USAID**  
FROM THE AMERICAN PEOPLE

PROGRAM MANAGEMENT:



*«Nevinnomyssky Azot has always been the key employer in the city. Nevinnomyssk grew together with the factory, along with generations of decent and hard-working people. The Program that has been launched in the city has once again confirmed the fact that EuroChem Company and its largest plant located in Nevinnomyssk are not only reliable partners of the local community and municipal authorities, but also a good example of a socially responsible business.»*

*«According to a corporate philanthropy survey conducted by Vedomosti Newspaper and Pricewaterhouse-Coopers (PwC) in 2007, EuroChem Company was among the ten best philanthropic organizations in Russia and the first in the chemical industry.»*

**O. Talberg,**

Administrative director of OJSC  
Nevinnomyssky Azot

## ENVIRONMENT AND PUBLIC HEALTH IN NEVINNOMYSSK AND OTHER REGIONS OF EUROCHEM COMPANY PRESENCE (2006-2009)



The Program is aimed at improving the life of the community and the social environment in Nevinnomyssk and turning it into a good deeds area.

The Program brought together 55 participating organizations, such as schools, kindergartens, health care and other social institutions, NGOs and local media outlets that presented their socio-environmental projects.

The key mechanisms of the Program are grant contests of projects initiated by citizens. It is aimed at identifying new local creative resources and strengthening multi-sector social partnerships. City residents, authors of proposed projects, are able to realize their aspirations and plans of improving life in their city. EuroChem awarded grants to 22 organizations; nearly 100 persons became involved in the practical Social Projects School; and over 30,000 became the beneficiaries of the Program.

The 2008-2009 outcomes of the Program include:

- new playgrounds and athletic and health centers appeared and still more will be opened;
- new rehabilitation equipment was acquired for the children's outpatient clinic;
- a winter garden and an environmental classroom were opened in one of the city's schools;
- kitchens in city hospitals and a kindergarten were modernized and gyms in the local college and school and a physical therapy room in a kindergarten were renovated;
- a Preschool Soccer League was founded;
- a family recreation park and a skate park will be built.

## PROJECT COMPLEX SPHERE (Three projects - 1,300,000 rubles)

### Project: MediaSphere

**Organization:** Radio Vis-a-Vis, Nevinnomysk City Radio Broadcasting Editorial Office, a municipal institution

**Key project results:**

- The city radio station was modernized (an audio mixer, a digital voice recorder and new microphones were installed);
- 32 high school students were trained at the Young Journalists' School;
- In 2008, local schoolchildren prepared over 80 radio items; and the first in the city children's radio show «Neposedy» was launched in collaboration with the Journalism Study Group at the local Children's Creativity Center.



*The journalists of the radio station opened the Young Journalists' School where students are trained in practical radio journalism and learn about the principles of environmental journalism*

### Project: EnergySphere

**Organization:** Emergency Station, a public health municipal institution

**Key project results:**

- New plastic windows were installed in the building of the city's Emergency Station and energy-saving techniques were utilized;
- Emergency First Aid training is offered to schoolchildren and teachers.

### Project: EcoSphere

**Organization:** Middle General Education School #1, a municipal institution

**Key project results:**

- A new classroom with modern equipment and a winter garden were opened in School #1. It is intended for conducting conservation lessons for students from the city's schools ([www.ecosphere.ucoz.ru](http://www.ecosphere.ucoz.ru))



*«For the city's authorities and, consequently, for the community, EuroChem Company is an example of a modern business that is concerned not only about the timely payment of taxes, but also about assisting the implementation of regional programs.*

*«The pilot program Environment and Public Health in Nevinnomysk, funded by EuroChem Company and carried out under the guidance of the Fund for Sustainable Development, is a new step in this process of interaction.*

*"As the head of the city's group for the implementation of the Program, I must note that in time, from a situation of certain misunderstanding and hesitancy, we have advanced to an active social initiative approach. As a result, 24 projects became winners!*

*«By participating in the Program, we have acquired much experience in competitive activities, which is a good survival tool for municipal institutions. I would like the Environment and Public Health in Nevinnomysk Program to continue!»*

**R. Makushkin,**

*Deputy Head of Nevinnomysk City Administration and Head of the Working Group for Implementing the Environment and Public Health in Nevinnomysk Program*



*At the stand of the Environment and Public Health in Nevinnomyssk Program during the City Day in Nevinnomyssk – children recognize themselves on photos displayed on the stand*



## PROJECT COMPLEX

### **I, YOU, HE AND SHE – ARE ONE HEALTHY COUNTRY! (Three projects – 1,286,667 rubles)**

#### **Project: Warmth and Comfort for Children**

**Organization:** Harmony Kindergarten (#45)

**Key project results:**

- The equipment in the kitchen and laundry of the kindergarten attended by 100 children and with a staff of 35 persons was modernized;
- A project launching celebration was organized for the local community;
- An additional 450,000 rubles were allocated from the city budget for renovating the rooms in the kindergarten.



#### **Project: I Shall be Healthy**

**Organization:** Gamma Kindergarten (#22)

**Key project results:**

- Modernization of the Health and Physical Therapy Center intended for 250 preschoolers attending Gamma Kindergarten and other children from the community;
- New health and medical corrective programs for preschoolers were designed.

#### **Project: Future Stars of Russian Soccer**

**Organization:** School #6

**Key project results:**

- Preschool Soccer League organized at School #6 was joined by children from Gamma and Harmony kindergartens. At the League, they learn to play soccer and take part in tournaments.
- Locker rooms in Vesta Sports Club and the Preschool Soccer League were renovated and modernized.

### *I Know that This Boy Lives Somewhere...*

A boy in the first row was watching attentively the prize-awarding ceremony that was taking place on the big stage. The winners were authors and implementers of social projects for which in 2008 EuroChem Company had granted 5,759,370 rubles.

In 2008, the seven projects fulfilled in Nevinnomyssk were aimed at addressing concrete problems facing social institutions, such as, among others, replacing outdated equipment in the kitchen and laundry of a local kindergarten; organizing a health and physical therapy room; replacing old windows and installing energy-saving equipment at the local emergency station; renovating the premises of the soccer club in School #6 and in the Preschool Soccer League. We would like to describe in greater detail two initiatives that bear a strong humanitarian charge: projects MediaSphere and Charity and Sympathy.

The MediaSphere project was proposed by Vis-a-Vis Radio Station, whose materials and reporting are devoted to environmental issues. It was a brave and timely undertaking! During the past year, the students of the Young Journalists' School produced 80 event-driven and topical materials. «Our students were supposed to find a subject, research it, prove that it should be covered and only after that prepare a piece. We believe that this is the only way to really master the skill of journalism. Only this way one can become an environmental journalist, someone who is not indifferent and who is motivated and professional,» said Tamara Shekina, chief editor of Vis-a-Vis Radio Station.

The project Charity and Sympathy, which involved opening a Stray Animal Salvation Service, included a consistent effort to instill in children a civilized attitude toward animals. Helping an abandoned dog or feeding kittens in the basement of an apartment building is the best inoculation against irresponsibility and cruelty.



*At the opening of the project Charity and Sympathy, its author, entrepreneur Nikolai Ryabokon, explained his idea as follows: «We, people, need this Service as badly as animals. We ourselves have to learn and have to teach our children to be tolerant, charitable and kind.»*

Good deeds are done by good people. For this, one must free himself of egotism and indifference. We should always remember that the same kind of a trusting boy is growing up near us and it depends on us what kind of a person he becomes.



*We have already seen this boy near FSD's stand in the street studying it with the same attention. This time he was posing calmly and with dignity for the local newspapers holding his grandmother's certificate. We wanted to come over to him and tell him that all our work was for his sake and for the sake of other children. We want them to feel cared for and be comfortable in kindergarten, school, outpatient clinic, sports school, and library. We want them to become self-confident, determined and happy adults.*



PROGRAM FUNDING:



**ALCOA FOUNDATION**

PROGRAM MANAGEMENT:



## ALCOA FOUNDATION SUSTAINABILITY AND CONSERVATION PROGRAM FOR RUSSIA «WE ARE IN CHARGE OF THE FUTURE»



*«We are glad that the "We Are in Charge of the Future" Program has met a favorable response in schools in Samara and Belaya Kalitva and is being carried out for three years now. We are convinced that young community members involved in the Program have learned a lot and will never be indifferent to what is going on around them. Of equal importance to us are the practical results attained by these projects.»*

*«We would like to thank Alcoa Foundation for the support it is providing to the Program and also the Fund for Sustainable Development for its highly professional management of the Program.»*

**A. Donets,**  
Alcoa Russia President

This philanthropic program involves educating schoolchildren in the area of conservation, increasing the professional level of teachers and educators, enhancing public participation in addressing environmental and social concerns, and bringing together community resources – those of schools and NGOs – and, thus, expanding social partnerships.

This integrated program includes educational and grant components, contests of creative projects and research done by schoolchildren.

In the spring of 2008, conservation activities in Belaya Kalitva and Samara were joined by over 70 schoolchildren and adults, schoolteachers and volunteers from ALCOA factories. The participants in the Program from School #2 in Belaya Kalitva and the members of the Youth Union Board at ALCOA Metallurg Rus planted nearly 250 trees on the first environmental trail of the city. In Samara, the Ecology and Life Safety Training Center, a local NGO, improved the area around School #72 together with its teachers and students.

In the summer and autumn of 2008, an interregional children's environmental contest «We Are One Family – Nature and People» was held under the Program attracting nearly 600 participants, schoolchildren from Belaya Kalitva, Samara and Lubuchany settlement. The contest included four nominations: «Native Land through the Eyes of Children» (drawings and items made of nature materials), «Photo Eye» (photographs), «The Second Life of Waste» (items made of recycled materials) and «Nature and People's Lives» (creative writing).

From June through August, over 30 children attended summer environmental camps and expeditions in Belaya Kalitva and Samarskaya Luka National Park.

In September 2008, eight new projects of schools and NGOs from Samara and Belaya Kalitva were launched under the Program. Project participants included children with limited abilities, for whom ecology lessons, puppet-theater performances and photo exhibitions were organized.

In the autumn of 2008, almost 100 schoolchildren from Belaya Kalitva and Samara presented their best research works at the IX National Teleconference of Conservation Research Works «Children Will Save Russia's Nature», which is a component of the Environmental Commonwealth National Telecommunications Project.

## PROJECTS IN SAMARA OBLAST

### Project: School Patronage of Nature Monuments in Samara Oblast

**Organization:** Ecology and Life Safety Education Center

Project activities included organizing a movement School Patronage of Nature Monuments in Samara Oblast; writing the movement's Charter and disseminating it among the city's schools; undertaking patronage of the Krasnaya Gora nature monument in Krasnoyarsky Raion and cleaning it of debris and installing information billboards near it. A booklet describing the project and a presentation on CD-ROMs are being prepared; a manual entitled «All About PNA» was published, and a photo exhibition was held.

### Project: Landscape Design Fantasies

**Organization:** Residence School #158

The project involved cleaning the area around the school and engaging 120 students in practical project activities. The experience of this project was summarized in guidelines «Socialization of orphans and children left without parental care with limited physical abilities through environmental education» that were disseminated among all children's homes and residence schools of the region.

## PROJECTS IN BELAYA KALITVA

### Project: We Are One Family: Nature and People

**Organization:** Belaya Kalitva City and Raion Department of the National Russian Red Cross Public Organization

This project increased public awareness about problems facing disabled children (350 such children live in the city) and involving them in conservation activities. Eight disabled adolescents were trained to use a personal computer. A drawings and photo contest was held and 30 disabled children were taken on excursions.

### Project: We Will Make Our City Clean with Our Own Hands

**Organization:** Belaya Kalitva City and Raion Department of the National Russian Red Cross Public Organization and Technical Creativity Center

Schoolchildren from the Technical Creativity Center and School #4 in Belaya Kalitva, together with their parents and community activists, monitored the environmental conditions of the streets and squares of the old downtown part of the city and studied and classified household waste in this section of the city. A training video film devoted to local environmental issues was created by the schoolchildren. It will be shown in 2009 in all the city's schools.



*Students from Residence School #158 in Samara improve the area around their school*



*Students from School #172 in Samara put the schoolyard in order*



*Shooting a film about ecology in the outskirts of Belaya Kalitva*

PROGRAM  
FUNDING:

**FORD  
FOUNDATION**

PROGRAM  
MANAGEMENT:



*«The Program of the Fund for Sustainable Development in our raion promotes multi-sector interaction among the administration, business and the public – represented by local environmental organizations – and has demonstrated the effectiveness of this mechanism in conservation, creation of new jobs, emissions reduction, and local sustainable development. We appreciate the support FSD and the Program are giving to local initiatives and also their methodological help.»*

**S. Kurchinsky,**

*Head of Terneisky Raion*

## **PROGRAM SUSTAINABLE DEVELOPMENT AND JOBS IN RURAL AREAS (RURALJOB) (2007-2009)**

In September 2008, FSD continued its work on the RURALJOB Program carried out with support from the Ford Foundation. The Program is designed to help rural municipal communities in forested areas throughout Russia in the following areas:

- Preservation of the environment and forest resources to promote local sustainable development;
- Public education to facilitate the creation of permanent jobs in communities;
- Consultative assistance and methodological support to local government and environmental NGOs in involving citizens in inexhaustible forest management and integrated utilization of non-timber forest products;
- Ensuring equal and fair access to local renewable resources.

In 2008, the effort of the first phase of the Program to create jobs in two selected model communities – in the Volga Region (Varnavinsky Raion) and in the Russian Far East (Terneisky Raion) – was continued. Work on the second phase of the Program has begun and includes a broad dissemination and replication of experience acquired during the first phase.

### **PROGRAM SUCCESSES IN TERNEISKY RAION, PRIMORSKY KRAI**

An environmental NGO, Uragus, was the implementer of the project of using biomass for heating local social institutions. It worked in collaboration with the local administration, the Terneiles woodworking company, and the local housing and utilities services to reduce the cost of heating in the hospital in Plastun settlement and to almost eliminate hazardous emissions to the atmosphere. Using a FSD grant, the following was achieved:

- A survey of the boiler room modernization services market;
- Materials for modernizing the boiler room were acquired;
- The boiler room operators attended a seminar at which they were trained to work with boilers that burn wood waste;
- The communications effort included establishing relations with the raion newspaper *Vestnik Terneya* to cover the course of the project.

After the beginning of this project, Terneisky Raion Administration managed to raise an additional 9.9 million rubles from the regional government for building a wood chip preparation line. At a meeting of the regional Housing and Communal Service, Terneisky Raion was named the best in the region for its utilization of innovative power saving techniques and its active position in environmental policy development.

In 2009, Rynda, a local NGO, is planning to conduct an interregional seminar devoted to replicating Program results achieved in Plastun settlement. The seminar will be held for stakeholders from municipal communities in the Russian Far East Administrative District.

## PROGRAM SUCCESSES IN VOLGA REGION

The experience of the Sustainable Development and Jobs in Rural Areas Program funded by the Ford Foundation in Varnavinsky Raion, Nizhny Novgorod Oblast, in the area of sustainable forest management was disseminated to other regions of the Russian Federation. As a result of implementing a technique of using wood waste in the boiler plant in Mikhalenino settlement, heating expenses in the 2007/2009 heating season dropped by 8.5 times. In November 2008, a seminar «Innovative Technologies and New Jobs for Rural Communities» was organized by the Fund for Sustainable Development, Varnavinsky Administration and the Povetluzhye Association.

The seminar was devoted to sharing experience in introducing innovative techniques and creating jobs for residents of rural settlements.

The seminar was joined by the heads and staff of 12 municipal administrations from Nizhny Novgorod, Kirovskaya and Vologda Oblasts and the Republic of Mari El; the staff of the Fund for Sustainable Development; entrepreneurs; an energy-efficiency expert from Dzerzhinsk Polytechnic Institute; an environmental lawyer from Moscow; and the staff of the Nature Saving Technology Center, an NGO from Nizhny Novgorod.

Presenters from the Fund for Sustainable Development spoke about FSD programs and the results of the first year of the Project in the Volga Region and in the Russian Far East.

The participating experts presented reviews of new energy-efficiency techniques and spoke about the legal aspects of tourism business development.

The heads and officials from municipalities made presentations. A video film was shown about the introduction of innovative techniques and new job creation in the region.

The materials of the seminar will be used for preparing an interregional Povetluzhye Mobile Exhibition.

The seminar participants visited two project sites: the boiler plant in Mikhalenino settlement in which a special boiler was installed that works on wood waste instead of costly coal; and the local middle school in which comfortable indoor temperature is maintained thanks to the use of new modern heating technologies based on wood waste utilization.



*The boiler plant in Plastun settlement is being converted from the use of diesel fuel, for which a lion's share of the municipal budget is spent and which severely pollutes the air, to the use of wood waste*



*The exposition of Povetluzhye Museum created under a Ford Foundation project was displayed at a community event in Varnavinsky Raion*



*Seminar participants visit the middle school in Mikhalenino settlement, where as a result of a Ford Foundation project, an optimal temperature is maintained and comfortable conditions were created for the students*



## BP COMPANY PROGRAM ENERGY EFFICIENCY FOR LOCAL COMMUNITIES ON SAKHALIN ISLAND

PROGRAM  
FUNDING:



PROGRAM  
MANAGEMENT:



In 2007-2008, the Fund for Sustainable Development, in collaboration with the Institute for Sustainable Communities (ISC) and with financial support from BP Corporation, fulfilled the Energy Efficiency for Local Communities on Sakhalin Island Program. Under this Program, an energy-efficiency project was implemented in Kindergarten #2 in the city of Nevelsk, which in the summer of 2007 suffered a devastating earthquake. It was one of the city's three kindergartens that had survived, but it required a major overhaul. FSD, jointly with ISC and in agreement with BP, the project's sponsor, provided funds for replacing old worn-out window frames in this kindergarten with new plastic ones and with better insulating properties. Nevelsk City Administration used these funds for replacing 16 window frames, thus preparing the rooms of one group of the kindergarten for the winter season. The remaining windows were replaced using locally raised funds. The kindergarten was also fully renovated. As a result, the temperature in this child care center increased by 3-5 degrees and the rate of illness among the children dropped considerably.

Local volunteers helped to prepare the kindergarten for receiving the children. Today, the kindergarten has lower heating costs and better indoor conditions.

The city administration intends to continue introducing energy-saving techniques in social institutions. FSD is also planning to involve the staff of the utilities service and energy-efficiency professionals of Nevelsk in regular educational events that it will be organized in this community.



*Kindergarten #2 before (left) and after (right) the windows were replaced and the building was refurbished*



## PROGRAM

### EMOTIONAL REHABILITATION OF CHILDREN IN NEED OF SPECIAL SOCIAL PROTECTION

In March 2007, the Emotional Rehabilitation of Children in Need of Special Social Protection Program, which was implemented jointly by FSD and its partners from the Ecological Education Center from Obninsk, was successfully completed.

In 2007, the Program became a winner in a contest of philanthropic socially significant projects and programs held by the Moscow City Public Relations Department.

Award: 1,150,000 rubles.

**Project term:** October 2007 – December 2008

**Location:** Moscow

**Program goals:** creating conditions for the emotional rehabilitation and development of disabled children, pupils of Moscow residence schools, with the help of innovative methods of emotional rehabilitation that have been developed and tested in the process of working with Beslan children, victims of the terrorist attack of September 2004.

#### Key project results:

- On three project sites in Moscow – at the Hematological Department of the Federal Children's Clinical Hospital; Child Personality Emotional Correction Center; and in the State Darwin Museum – work continued with the use of child emotional correction methods developed under the grant;
- Excursions were organized for the youth from Blagodar, a fund for the rehabilitation of the disabled, to historical sites in Moscow and Moscow environs;
- The children's club «Let Your Heart Touch the Heart...» founded at School #689 continued its activities.

On the whole, the Program proved to be quite topical, since it facilitates the adaptation of disabled children to society through art and nature therapy and helps parents and volunteers to involve children with limited abilities in creative education activities. In 2008, the program was replicated by other public organizations in Moscow.



*Students from the Child Personality Center (Moscow) at an excursion to an ethnic village in Kaluga Oblast that was organized under the program of incorporating emotional rehabilitation methods into the educational process*

PROGRAM FUNDING:



PROGRAM MANAGEMENT:



## PROJECT MALE HEALTH PROTECTION

At the end of 2008, the Fund for Sustainable Development began work on the project Male Health Protection (medical, social, organizational, cultural and educational aspects of protecting male health as a factor of national security). This project became the winner of the 2008 open contest of the National Health League that awards grants to non-profit non-governmental organizations for socially significant projects advertising healthy life styles and environmental health protection.

This project is being fulfilled in collaboration with Bashkiria State Medical University (Ufa) and is devoted to male health risk management through a large-scale public education effort that includes a whole range of communications, educational and practical activities aimed at preserving and strengthening male health. The project is aimed at promoting the creative role of man in society and nature; forming a positive image of a father; enhancing the prestige and status of the institute of fatherhood; and developing approaches to overcoming the masculinity crisis in Russia.

A survey and a series of physical examinations will be conducted among a target group of men on a pilot site in Ufa. Doctors and medical students will become engaged in the work of a Male Crisis Management Center and a hot line that will be opened at Bashkiria State Medical University as part of project activities.

The project includes two training seminars for specialists and six round table discussions of the topic of male health that will be organized in the six partner cities of the project: Moscow, Ufa, Perm, Yekaterinburg, Nizhny Novgorod and Ulan-Ude.

To more broadly advertise healthy lifestyles among the male population and involve the young generation in health management, an information Male Health Protection Website will be created at [www.malehealth.ru](http://www.malehealth.ru). Information about the project will be disseminated in nine cities of the Russian Federation under the public information activity Health Wave that will be launched by the National Health League (August 2009) and in the framework of the second national exhibition of Russia's public organizations – Civil Society: Advertising Healthy Life Styles and Protecting the Population and the Environment (January 2009). Project results will be presented at the All-Russia Forum «Health of the Nation» (September 2009).

The high point of the project will be a television bridge in the autumn of 2009 between six partner cities (Moscow, Ufa, Perm, Yekaterinburg, Nizhny Novgorod and Ulan-Ude) devoted to the topic Male Health Protection.



*Shamil Galimov, MD, and professor at Bashkiria State Medical University, is the research supervisor of the project*



*Elena Bondarchuk, FSD projects manager and the supervisor of the project, acquaints the participants of the 2008 Health Wave with the project*

## IMPROVING COMMUNITIES RIGHT NOW PROGRAM

At the end of 2008, the **Fund for Sustainable Development**, with financial support from **CITI Foundation** has launched the Improving Communities Right Now Program in the Volga Administrative District (Gorodetsky Raion, Nizhny Novgorod Oblast) and in the Ural Administrative District (Nevyansky Raion, Sverdlovskaya Oblast). The budget of this 2-year program is \$157,000.

The Program is targeted toward promoting sustainable community development through supporting small businesses and broadening local labor markets. This is an especially topical initiative, considering that on January 1, 2009, the Federal Law #131 «On the General Principles of Organizing Local Self-Government in the Russian Federation» has come into full force.

Due to the appearance of new business opportunities, the Improving Communities Right Now Program will help community members in the two selected locations to live and work more confidently in conditions of a market economy. Of special importance is the facilitation of greater business and civic activity in remote regions of the country and the utilization of all available resources (material, financial and intellectual) for the purpose of community development. These are the objectives of the joint program of FSD and CITI Company.

Tatiana Avramenko, head of Corporate Social Responsibility at CJSC KB Citibank, pointed out: *«We believe that in current conditions it is especially important to support newly-founded small-sized businesses, and this way CITI is helping people become economically independent and more confident in the future.»*

### Program objectives:

- Analyze local community priorities;
- Identify small businesses' needs to help them better adapt to the changing conditions of a market economy;
- Training for first-time entrepreneurs;
- Consultations on business project development;
- Grant contest of projects designed by entrepreneurs and the practical implementation of these projects.

### The Program consists of four components:

- I. Needs assessment and stakeholder engagement
- II. Training for the target group
- III. Grant contest of business projects
- IV. Program monitoring and evaluation

The Program provides training in the practical aspects of opening, running and further developing a small private business in the forest, agricultural and ecotourism sectors. The training will be attended by community members planning to start or further develop their own business and also by local officials. Local residents will have a chance to prepare their own business projects of starting new or modernizing already existing small businesses. FSD will organize grant contests of business projects developed during the training.

FSD will manage the Program in cooperation with local partners: Environmental Education and Information Center, an NGO from Yekaterinburg, and Nature-Saving Technologies Center, an NGO from Nizhny Novgorod.

PROGRAM FUNDING:



PROGRAM MANAGEMENT:



*In Gorodetsky Raion, the construction of a tourist complex Craftsman's City is under way. The Program will equip working places in the shops of this tourist complex, where master-classes in traditional arts and crafts will be conducted for schoolchildren, disabled citizens and tourists*



## FACTS AND EVENTS

January 2008

### **The Fund for Sustainable Development Takes Part in a Conference «Citizen Participation in Local-Self-Government as a Means of Increasing the Effectiveness of Community Management»**

In late January, in Novosibirsk, the Siberian Public Initiative Support Center organized a conference to present the outcomes of the program «New Effective Municipal Management Model: Addressing Own Problems». The Program is based on the Effective Management Model approaches developed by the staff of the Siberian Public Initiative Support Center and a partner organization, Epstein&Fass Associates, New York. At the Conference, experience was shared in the area of increasing the efficiency of the municipal management system. The conference also included a presentation devoted to FSD experience of involving citizens in self-government processes on the example of its programs carried out in Russia.



August 2008

### **The Fund for Sustainable Development Supported the National Action «Health Wave» that Unites Over a Million People in Russia Pursuing Healthy Lifestyles**

The Third National Public Information and Health Promotion Action «Health Wave» was held in August. It was aimed at popularizing and introducing innovative health-improvement technologies and helping children suffering from congenital heart disease and vision and hearing disorders and was held on board the Yuri Nikulin Motor Ship. The action was joined by the best specialists of the country's leading medical centers. Along the ship's route, Moscow-Perm-Samara along rivers Volga and Kama, the doctors visited the cities of Yaroslavl, Kostroma, Nizhny Novgorod, Cheboksary and Nizhnekamsk. They were joined by leaders of major public organizations of Russia from 20 regions. Representatives of the Fund for Sustainable Development also took part in the event.

The «Health Wave» was part of the «Russia without Tobacco National Public Program» launched by the National Health League, Russia's largest public organization.

In the cities en route of the motor ship, conferences and exhibitions of social projects – winners of the 2007 National Health League Grant Contest – were also organized.



September 2008

### **The Fund for Sustainable Development Participated in the Eighth Municipal Reform Support Forum in Moscow**

The Forum was devoted to the completion of the transition period of the municipal reform and the development of local self-government in Russia in accordance with the provisions of Federal Law #131-FZ dated October 6, 2003 «On the General Principles of Organizing Local Self-Government in the Russian Federation». The key sponsor of the Forum – the Russian Research Center of Government and Municipal Governance (director – Svetlana Yurkova) – is one of the partners of the Fund for Sustainable Development in the implementation of its Community Development Support Program.

The nearly 100 attendees of the Forum from various regions of Russia were federal, regional and municipal government officials and members of sci-

*The executive director of the Fund for Sustainable Development, Oleg Fokin, spoke at the Forum about the progress of the Community Development Support Program. The participants in the Forum noted the growing significance of such programs and the expansion of the range of issues they address in view of the full introduction of Federal Law #131 on January 1, 2009.*



entific, educational, consulting and public organizations concerned with completing the transition period and improving the socio-economic management of community development in Russia.

#### September 2008

##### **The Fund for Sustainable Development Together with Its Partners, EuroChem Company and ALCOA Foundation, Supported the Publication of an Environmental Encyclopedia**

The first volume of the «Environmental Encyclopedia» was presented on September 19 at the Manezh Central Exhibition Hall on the day of the opening of the exhibition «Healthy Nation – Prosperous Country» held as part of the IV National Forum. The «Environmental Encyclopedia» in 6 volumes is not only the first such multivolume publication in Russia, but in the entire world practice as well. It encompasses the whole specter of environmental topics.

The editorial board of the Encyclopedia includes prominent scholars, members of the Russian Academy of Sciences: Y. Laverov (Chairman), Yu. Arsky, V. Bolshakov, M. Zalikhanov and K. Kondratyev.

Along with the «Environmental Encyclopedia», the guests of the Forum became acquainted with FSD programs and projects that address environmental and health concerns and, in particular, those that are being implemented with financial support from ALCOA Foundation, EuroChem Company and USAID.

#### November 2008

##### **The Fund for Sustainable Development Presented Its Experience in Promoting Community Development at the Council of Europe Seminar «Involving Citizens/Communities in Measuring and Fostering Well-Being and Progress: Towards New Concepts and Tools»**

FSD program specialists Ruslan Butovsky and Elena Milanova were invited among other 150 experts from more than 30 countries to attend the seminar organized by the Council of Europe in Strasbourg on November 27-28, 2008, in the framework of the Strategy for Social Cohesion Based on Well-Being for All and Joint Responsibility.

In their presentations, Ruslan Butovsky and Elena Milanova spoke about FSD experience accumulated in community development across Russia; project monitoring and multi-level impact assessment (individual projects, project complexes carried out in communities, and a community development support program on the whole); and the evaluation of well-being in the process of carrying out community development projects in Russia.

#### December 2008

##### **FSD Presented Its Proposals on Community Social Partnership Development at the Third National Conference «Social Partnership and Civil Society Institutes Development: Regional and Municipal Experience»**

This conference was organized by the Russian Federation Ministry for Economic Development in collaboration with the Russian Federation Public Chamber Commission for Promoting Philanthropy and Improving the Legislation on NGOs and the Higher School of Economics State University with support from the UN Development Program and the International Bank for Reconstruction and Development.



*The «Environmental Encyclopedia» was presented by V. Danilov-Danilyan, corresponding member of the Russian Academy of Sciences and chairman of FSD Board of Directors and director of the Institute of Water Problems at the Russian Academy of Sciences and the chief editor of the publication (right), and by the author and compiler of the encyclopedia Prof. K. Losev (center)*

At the conference, the priorities of social partnership development and civil society mechanisms were discussed, and a number of workshops were held. O.Fokin, FSD executive director, took part in one of the workshops in a discussion of the mechanisms of multi-sector interaction in the process of implementing social initiatives. The participants discussed tangible mechanisms of interaction between government and civil society organizations, as well as successful practical results achieved by the country's regions and cities.

### **In 2008, FSD's Friends and Partners, Participants in its Programs and Projects from Many Regions of Russia, Extended Their Congratulations on Its 3rd Anniversary**

A dinner party devoted to the third anniversary of FSD became possible through support provided by the members of FSD Steering Committee – V. Malkin, member of the RF Federation Council from the Republic of Buryatia, and V. Posner.

During this event, charitable contributions were collected for the medical treatment of Roman Tulenev (b. 1994). As a result, a total of 31,000 rubles was transferred to the Life Line Philanthropic Foundation (a program for saving critically ill children).





## 2008 FINANCIAL PERFORMANCE

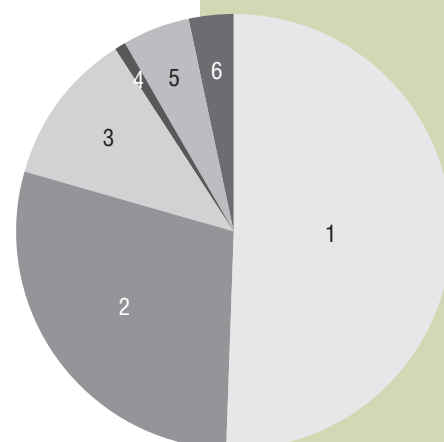
The financial management system of the Fund for Sustainable Development meets all the requirements of the Russian legislation to non-profit organizations and is based on the principles of transparency, efficiency and reasonable spending of donor funds. In 2008, FSD underwent two audits of its financial and accounting reporting. RTF-Audit LLP reviewed the targeted use of USAID funds; and Yuridit Auditors LLP examined the compliance of FSD financial reporting with RF reporting standards. The result of these two audits was a positive evaluation of FSD activities.

FSD financial relations with partners are based on the current Russian legislation and take into account specific donor requirements - which is reflected in its financial and administrative policy manuals.











FSD priority areas of activity are grant contests and management of winner projects. This activity is regulated by FSD's "Grant Contest Terms of Reference" and "Grant Policy and Procedures Manual". FSD constantly monitors the targeted use of funds awarded on a competitive basis.

### 2008 Expenditure Structure

Type of expenditure:	thous. rub.
1. Donations / Grants / Phlanthropy / Target Financing under technical assistance to address regional and community social and conservation concerns	37 022
2. Target grant management	21 118
3. FSD payroll, including tax payment in accordance with a simplified taxation system	8 340
4. Equipment, office supplies and consumables	551
5. Office rent and maintenance	3 801
6. Administrative activities in accordance with statutory activities	2 233
<b>Total expenditure in 2008</b>	<b>73 065</b>



### Funds Awarded to FSD Programs in 2008

	<b>Program:</b>	<b>Donor</b>	<b>thous. rub.</b>
	1. Community Development Support Program	USAID*	56 894
	2. Environment and Public Health in Nevinnomyssk and Other Regions of EuroChem Presence Program	OJSC EuroChem / Nevinnomyssky Azot / USAID*	6 750 1 388
	3. "We Are in Charge of the Future" ALCOA Sustainability and Conservation Program for Russia	Alcoa Foundation	5 336
	4. Sustainable Development and Jobs in Rural Areas (RURALJOB)	Ford Foundation	6 347
	5. Amur Initiative Targeted Program	USAID*	1 790
	6. Energy Efficiency for Local Communities on Sakhalin Island Program	BP	663
	7. Emotional Rehabilitation of Children in Need of Special Social Protection Program	Moscow City PR Department	-
	8. Improving Communities Right Now	CITI Foundation	1 423
	9. Male Health Protection (medical, social, organizational, cultural and educational aspects of protecting male health as a factor of national security)	National Health League, a national NGO	1 000
	10. Model Communities Initiatives (compensation of 2007 expenditure)	ISC* / TNK BP / USAID*	235
	11. FSD development and statutory activities	Private persons (donations from RF citizens) ALCOA RUS LLP	479 50
<b>Total received funds:</b>			<b>83 355</b>
from Russian donors		10,05%	8 279
from international donors		89,95%	74 076

\* USAID – United States Agency for International Development

\* ISC – Institute for Sustainable Communities (USA, Vermont)

