



Dear Colleagues,

The year 2006 was an important landmark for our newly-founded organization that was transformed from a representation of a US NGO into a Russian public organization. Will we succeed in maintaining our team that possesses over 10 years of successful experience in working on an environmental and social program carried out in cooperation with USAID, municipalities in Russian regions and NGOs? Will we find new partners, including those from among the Russian business community? Will we be able to launch new programs in the capacity of a local organization? These were only three of the many challenges facing us at the beginning of the year and requiring hard work and task-oriented activities.

Looking back, we can say that we have successfully fulfilled these three most important tasks of 2006. We have signed a new cooperative agreement with USAID and have practically begun work on a new Community Development Support Program. We have retained our team of professionals, as well as our long-established relations with six partner Regional Centers - NGOs located in many regions of the country. Such companies as SUAL and Eurochem and ALCOA Foundation and Ford Foundation have displayed an interest in our experience, which resulted in new agreements for concrete practical activities. We have also established working relations with the RF Ministry of Economic Development and Trade and are continuing to expand our contacts with new municipalities throughout all of Russia.

Of course, these are yet quite modest accomplishments, but they give us hope to believe that our experience is needed by the government, business and the public. All this allows us to face the future with confidence.

Oleg Fokin, Executive Director, Fund for Sustainable Development Mh



FUND FOR SUSTAINABLE DEVELOPMENT

The Fund for Sustainable Development (FSD) is an independent, nongovernmental, non-profit Russian foundation created to carry out projects addressing environmental issues and supporting socially responsible community development throughout the Russian Federation.

The mission of FSD is to enhance public-private cooperation in fulfilling targeted projects that emphasize sustainable regional and community development.

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, rational use of natural resources, environmental education, and civil society development.
- Collection, storage, analysis and dissemination of information on ecosystems, best practices and methods related to sustainable development, and the improvement 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 sustainable management of natural resources;
- Ensuring international cooperation and sharing experience with international organizations in the sphere of sustainable development.

The FSD team possesses extensive experience in promoting multi-sector interaction, bringing together local communities and interregional networks to manage projects; and involving citizens in protecting their socio-economic interests, advancing civic initiatives, and supporting youth activities.

The Fund's reputation is based on full transparency of all the aspects of its grant-making activities, with special attention focused on addressing issues connected with environmental protection and sustainable development.

The Fund's team of professionals has accumulated a body of experience in managing projects aimed at the rational use of natural resources, environmental and public health improvement, and also in developing and utilizing energy-efficiency techniques.

FSD Expertise

The Fund for Sustainable Development has brought together professionals who have been managing socio-economic projects since 1997.

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

The over 470 environmental and social projects (for an amount of over \$100 million) were focused on establishing lasting interaction with all sectors of society: government, business, NGOs and the mass media practically in all of the country's regions. The core principles of FSD, as a successor of ROLL's legacy, include transparency, openness, partnership development, achievement of practical results and promotion of project sustainability.

Under ROLL, a national network of partner regional centers was formed in the cities of Yekaterinburg, Ulan-Ude, Novokuznetsk, Nizhny Novgorod and Khabarovsk.



The Fund for Sustainable Development and the network it has created are an effective mechanism for disseminating successful experience in sustainable municipal development in Russia.

FSD Steering Committee:

V.V.Posner, journalist and President of the Russian Television Academy **V.B.Malkin**, member of the Federation Council of the Russian Federation Federal Assembly from the Republic of Buryatia





«Sustainable development has no alternative: only those who live in harmony with nature will survive. This is in full measure true of mankind. When someone has difficulty understanding theoretical reasoning, a live example has a much greater impact. The Fund for Sustainable Development creates such live examples.»

V. I. Danilov-Danilian,

Chairman of FSD Board of Directors, Director of the Russian Academy of Sciences Institute of Water Problems, and Corresponding Member of the Russian Academy of Sciences

FSD MANAGEMENT AND STAFF STRUCTURE

BOARD OF DIRECTORS

STEERING COMMITTEE

STAFF

FSD Board of Directors:

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

A. M. Amirkhanov, Deputy Director of the Department for State Policy in the Sphere of Environmental Protection, Russian Federation Ministry of Natural Resources.

Bennet Sheldon, Senior Manager in the Environment and Sustainability practice of Ernst & Young's Business Risk Services, Moscow.

Leonid Vindman, Vice President, IBD J.P. Morgan Bank International, Moscow.

John Dooley, Justice, Vermont Supreme Court; President, Russian-American Rule-of-Law Consortium; Board Member, Institute for Sustainable Communities; USA.

M. N. Zhurba, General Director of DallesProm, Khabarovsk.

A. N. Kosarikov, Deputy of the RF State Duma and Deputy Chairman of the Ecology Committee, Moscow.

V. M.Tarbayeva, Deputy Head of the Federal Rosprirodnadzor Service of St.Petersburg Region, RF Ministry of Natural Resources.

Sergei Shapkhayev, Director, Buryatia Regional Association on Lake Baikal, Ulan-Ude.

Barbara Felitti, Country Director, Ukraine, Institute for Sustainable Communities. **Oleg Fokin**, FSD Executive Director.

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

ENVIRONMENTAL HEALTH IMPROVEMENT IN REGIONS OF ALUMINUM COMPLEX PRESENCE







The Environmental Health Improvement in Regions of Aluminum Complex Presence Program is part of a joint SUAL Holding/USAID Program - Integrated Pilot Regional Development in the Russian Federation - fulfilled as part of GDA initiatives.

The Program addresses critical environmental and social concerns, such as the improvement of environmental health, environmental health risk management, support to local self-government, and public participation in sustainable community development. The Program was carried out in three municipalities: Segezha and Nadvoitsy (Republic of Karelia); Kamensk-Uralsky (Sverdlovskaya Oblast); and Shelekhov (Irkutsk Oblast).

The Program made use of the successful experience of ROLL projects accumulated by FSD staff in the course of ten years of working with Russian communities in seeking most successful solutions to local environmental, social and economic problems.



«Our work with the Fund for Sustainable Development on the Environmental Health Improvement in Regions of Aluminum Complex Presence Program has proved that a creative joint effort with such a truly professional partner team, plus their excellent performance and belief in their own abilities and success, are capable of producing surprising results.»

O. V. Fedoseyeva

Head of SUAL-Holding Government Relations Department



In 2006, the following projects of the second grant-round of the Environmental Health Improvement in Regions of Aluminum Complex Program were implemented under FSD guidance:

Sverdlovskaya Oblast, Kamensk-Uralsky

• Project: «Soul Ecology»

Organization: ROSTOK Rehabilitation Center for Children with Limited Abilities, a state educational institution, and Young Natural Scientists Center, a municipal auxiliary education institution

- Project: «Learning to Save Water»
 - **Organization:** Boarding School # 27, a municipal general education institution
- Project: «Let's Give Warmth and Care to Children from an Orphanage»
 Organization: Specialized Orphanage # 2, a state public health institution in Sverdlovskaya Oblast
- Project: «We Will Grow Up Healthy»
 Organization: Kindergarten # 89, a municipal pre-school educational institution

Irkutsk Oblast, Shelekhov

- Project: «Warmth, Care and Comfort Benefit Child Health»
 Organization: Gymnasium # 19 (Malyshok), a pre-school and elementary school municipal educational institution
- Project: «Health Counts Most»
 Organization: Kindergarten # 17 (Zolotoi Kluchik), a pre-school municipal educational institution
- Project: «Sewage Tanks Overhaul»
 Organization: Vodokanal Municipal Unitary Enterprise

Republic of Karelia, Segezhsky Raion, Nadvoitsy Settlement

- Project: «Organizing a Folk Crafts Center for the Social Rehabilitation and Adaptation of the Disabled»
 - **Organization:** Boarding School # 14, a special (correctional) municipal educational institution
- Project: «Founding an Environmental Information Center at Nadvoitsy City Library»
 Organization: Segezhskaya Centralized Library System (CLS) and Nadvoitsy City Library, Branch # 2 of CLS
- Project: «Prishvinskaya Trail School Ecotourism Club»
 Organization: Nadvoitsy Settlement Middle General Education School, a municipal educational institution
- Project: «My Pretty Smile»
 Organization: Segezha Central District Hospital, a municipal institution

Project:

«Warmth, Care and Comfort Benefit Child Health»

Organization

Gymnasium # 19 (Malyshok), a pre-school and elementary school municipal educational institution.

The project team winterized and insulated the roof and walls of the gymnasium to improve the quality of the indoor environment. The city allocated 253,000 rubles for repairing electrical wiring. The ventilation system in the swimming pool and the gym were repaired, which allowed to resume regular training and hardening of the children.

As a result of these activities, the respiratory disease rate among the children dropped 20 per cent. A special room was equipped with a "dry swimming pool", a foot massage treadmill for walking and improving flat foot, a Chizhevsky Chandelier, and a special dexterity development unit. A physiotherapy room was also opened at the gymnasium.



Children who are often ill are treated at the newlyequipped physiotherapy room

Project:

«Health Counts Most»

Organization

Kindergarten # 17 (Zolotoi Kluchik), a pre-school municipal educational institution.

With the help of partners from Novosibirsk this project equipped a spelaean treatment facility with special lighting, music, and figurines carved on the walls - all this helps to improve child health, lower respiratory disease risk, reduce stress, and strengthen the immune system. The personnel of the kindergarten were trained to maintain this facility. The kindergarten's "environmental room" was renovated and decorated with phytoncide houseplants. Phytotherapy, immunity correction, stress management and relaxation sessions now take place here. A special Chizhevsky Chandelier ionizes the air in the room.

To improve the quality of air around the kindergarten 50 pine spruce seedlings were planted. A health master class was conducted for parents at which they mastered the techniques of self-massage and breathing exercises. The project was broadly covered in the local press.



The kindergarten principal Tatiana Zhukotskaya in the environmental room during an interview

Project:

«Let's Give Warmth and Care to Children from an Orphanage»

Organization

Specialized Orphanage # 2, a state public health institution in Sverdlovskaya Oblast

The energy efficiency activities carried out by this project at the orphanage included replacing old windows in the bedrooms and installing five plastic multiple glass units.

After an air purifier was installed, the respiratory illness rate among the children dropped by 50% (as compared with last year), and the general living conditions of the children were improved, as well as the working conditions of the personnel.

A broad communications campaign devoted to the project was launched in the local press, radio and television with the aim of involving community members in various types of caring for the children from the orphanage. As a result, the number of donators from among businesses and the community has grown. The following organizations provided various types of support in the framework of the project: Irbis, a business firm; Entrepreneur, an NGO; the city's motor transport service; Ural Jewelry Bank; Sibran, a business firm; and Demidovsky Factory.



The area around the kindergarten was improved: flowers were planted, trees were pruned and new sandboxes were added to the playground

Project:

«We Will Grow Up Healthy»

Oxygenated fruit shakes are prepared for children with the use of a Zdorovye device acquired as part of the project

Organization

Kindergarten # 89, a municipal pre-school educational institution

This project installed 24 units of water purifying equipment; 3 units of health improvement equipment, such as ultrasonic and compressor nebulizers; and salt lamps in the bedrooms of the kindergarten.

A universal water treatment system Aquafor Viking was put in the kindergarten's kitchen.

Only several months after the group rooms of the kindergarten were decorated with phythocidal houseplants, the rate of respiratory illnesses among the children dropped by 1.5-2 times, with over 100 children benefiting from this initiative. In addition, all pre-schoolers and their teachers are undergoing an herbal tee health course.

The teachers of the kindergarten conducted a seminar to disseminate the experience of the project "We Shall Grow Up Healthy" among the 28 other kindergartens of the city.

Project:

«Organizing a Folk Crafts Center for the Social Rehabilitation and Adaptation of the Disabled»

Organization

Boarding School # 14, a special (correctional) municipal educational institution in Nadvoitsy

Project activities included setting up a Folk Crafts Center at School # 14. Under the guidance of project coordinator S.Fetulina, craftsmen from Chalna Village trained the teachers of the school in traditional crafts, which they are successfully passing on to the inmates of the boarding school. The Center offers training in basket weaving, cloth weaving, making folk toys, and Karelian traditional painting on wood.

The new creative atmosphere will help the students learn a trade and, thus, give them a chance to find their place in the adult world. Apart from the children, pensioners from the settlement also attend training session.



The model ship building group is especially popular among the boys of the school

Project: «My Pretty Smile»

Organization

Segezha Central Hospital, a municipal enterprise

This project opened a special dental office with modern equipment and materials for children at the hospital in Nadvoitsy Settlement. Two local dentists from the hospital attended advanced dental training courses in Moscow.

As part of the communications campaign launched in the community, fliers and booklets with dental recommendations were distributed among parents and children. The staff of the hospital conducted over 30 meetings with parents and delivered 9 lectures on this subject.

A year after the beginning of the project, a dental examination of over 70 children by Dr. Kuzmina, scientific consultant of the project and professor at the Dental Disease Prevention Department of the Moscow Medical and Dental University, has shown a significant improvement of the condition of their teeth and tooth enamel.

The project was joined by Colgate-Palmolive, which donated materials for dental hygiene, prevention and treatment offices in three local kinder-gartens and one school.



Children from local kindergartens and the elementary school are instructed in how to take care of their teeth: a total of 672 children were examined and 121 children were trained. Over 300 children underwent dental treatment. Oral hygienist N.Morgun works with children



CITY YOUTH: LEARNING TO BE USEFUL!

In 2006, the project "City Youth: Learning to be Useful!" prepared by the Fund for Sustainable Development became the winner of the contest of socially significant programs (projects) implemented by public and other non-governmental non-profit organizations in Moscow.

Project term: June-September 2006

Project location: Moscow

Project goals: introduction of new innovative techniques of involving youth in socially significant activities by utilizing successful regional experience in the capital; and youth participation in social and environmental activities aimed at improving the urban environment.

This project introduced new, interesting forms of involving youth in socially useful activities in Moscow that were previously successfully tested in the regions of the country. The project was intended for teachers and educators of Moscow schools, rehabilitation centers, children's homes and hobby groups who are concerned with organizing functional free-time activities and developing the youth movement within the framework of auxiliary environmental education programs and at city summer recreation camps for schoolchildren.

Project Summary:

In June and October 2006, a series of master classes was conducted for educators, instructors and heads of school and youth groups and clubs. The master classes were devoted to the following topics:

- «The Study of Nature as a Creative and Joyful Process» sharing experience in introducing an integrated inter-disciplinary emotional and patriotic child development program (for ages 5-15) (ethno-nature therapy). Facilitator: Dr. Shpotova, director of the Environmental Education Center, Obninsk.
- «Friends of Parks» involving youth in environmental protection activities in the green zones of Moscow and in promoting wildlife conservation in the city. Facilitators: E. Knizhnikova and Y. Sevruk, coordinators of Moscow programs of the Zapovedniki Environmental Education Center.
- 3. «Environmental Commonwealth» using the Web for involving children and youth in the national conservation movement. Facilitators: Dr. Rykhlikova, senior researcher at the Moscow State University Institute of Environmental Soil Sciences; A. Lyandsberg, head of the Laboratory of Animal Ecology and Biological Monitoring at the St. Petersburg Youth Creative Center; and I. Martynenko, researcher at the Moscow State University Soil Sciences Department.
- 4. «Clean City: With Children and for Children» experience of interaction between Pushchino City Administration and youth environmental groups. «We Are Responsible for Our City» - experience of the Pushchino Youth Center. Facilitators: Dr. Sapozhnikova, an ecologist, and Dr. Davydenkova, director of the Youth Center in Pushchino.



FUND FOR SUSTAINABLE DEVELOPMENT

A total of 100 staff members from Moscow schools, protected nature areas (PNA) of the city, children's education and after school activities centers from various parts of the city; education coordinators from District Departments of Education; and journalists were trained at master classes in the framework of this project.

The staff of Kurkino Natural Park PNA (Moscow) who attended master classes in June proposed to pool the resources of the project and the nature park to conduct master classes during the Annual Autumn Natural Park Exhibition in Tushinsky District of Moscow.

Thus, the joint work of the Fund for Sustainable Development and one of the attendees of a master class made it possible to acquaint a large number of teachers and educators with the project's creative techniques. The Park became a pilot area for introducing game ecology methods in Moscow, along with the State Darwin Museum, Butovo Children's Creative Center and other educational institutions. The master classes organized as part of the Park's mass environmental education effort promoted closer cooperation both among Moscow's PNAs and between them and the city's schools.

In the autumn of 2006, a number of Moscow schools and PNAs (Skhodnya River Valley National Park in Kurkino, Tsaritsino PNA, and Petrovsko-Razumovsky Reserve) began using in their work various elements of the methods and approaches that were presented at master classes organized by the project "City Youth: Learning to be Useful!"

The new experience is utilized in the excursions of the State Darwin Museum and Moscow protected nature areas (environmental trails) and in the work of the teachers of city summer camps and hobby groups; at the Butovo Art Studio in the process of organizing Poster Contests and preparing research papers; at elementary and middle schools; at auxiliary education institutions; and during ecology lessons.











On December 14, 2006, the official launching of the Program at Nevinnomysk Administration was attended by (left to right): Deputy Mayor R. Makushkin, chairman of the Program's Working Group; Mayor V. Ledovskoi; Chairman of the City Duma N. Bogdanova; T. Yermolayeva, director of the KCO Working Group and lead specialist of Eurochem PR Department; and Yu. Kazakov, Environmental Policy Adviser, USAID

ENVIRONMENT AND PUBLIC HEALTH IN NEVINNOMYSSK AND OTHER REGIONS OF EUROCHEM PRESENCE

On May 23, 2006, the Eurochem Mineral and Chemical Company and the United States Agency for International Development signed a Memorandum on Cooperation.

The goal of this cooperation was the development and implementation of programs aimed at improving the social environment in regions of Eurochem presence. Eurochem and USAID contributed \$1 million and \$300,000 to this Program respectively.

In November 2006, the first contest of environmental and social projects was announced by the Program in the city of Nevinnomyssk in Stavropol Krai, where one of Eurochem's production facilities - Nevinnomyssky AZOT - is located, and in other regions of the company's presence.

On December 15, 2006, the staff of the Fund for Sustainable Development conducted a grant application-writing workshop for thirty representatives of the city's administration, utility services, the water supply company (Vodokanal), condominiums, the vocational school, the higher educational establishment, schools, child care centers, public health institutions, the City's Youth Committee, and the Stavropol Youth Union intending to take part in addressing the critical problems of the city.

The priority topics of the contest were identified on the basis of the results of round table discussions devoted to the city's problems and conducted with the participation of stakeholders and local organizations:

- Preservation and rehabilitation of child health by improving the environment in children's social institutions, including the improvement of the quality of air and drinking water;
- Utilization of energy and resource saving techniques at social institutions (schools, kindergartens, orphanages, hospitals, etc);
- Environmental pollution reduction through an improvement of industrial and household waste processing, including sewage and return water treatment;
- Planting trees and shrubbery and improving city areas with the participation of local small businesses, NGOs and communities;
- Reduction of negative environmental impacts of agricultural activities through the introduction of environmentally sound agricultural methods.

A Working Group was formed to ensure more effective Program guidance and to promote information about this first of its kind Program in the city and neighboring rural areas.

COMMUNITY DEVELOPMENT SUPPORT PROGRAM IN THE RUSSIAN FEDERATION



This USAID funded Program was launched in late 2006 and its geography includes the Russian Far East, Lake Baikal Region, Northern Caucasus and a number of other regions of Russia.

A total of \$5.65 million was allocated for this Program for the period from 2006 through 2009.

The Program, aimed at promoting integrated regional and community development through assisting municipalities in addressing environmental, economic and social problems, consists of the following components:

- 1. Grant-making in targeted communities
- 2. Dissemination of best community development practices
- 3. Training for community development
- 4. Creation of new community development tools and practices

The Primary Program Goal is to design and disseminate both innovative and proven models of community development throughout the Russian Federation.

The Key Community Development Support Program objectives are as follows:

- engaging local citizens in addressing local 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;
- developing and introducing tools for energy savings and mechanisms to allow communities to reinvest saved resources into development programs;
- involving all interested stakeholders in selected communities in identifying priorities for community development;
- training community leaders, government officials, and business leaders to better address community needs through collective efforts;
- replicating best community development practices in a selected region.

Grant funding decisions of the Program are passed by an Advisory Committee founded to ensure transparency and equal opportunities for all organizations participating in grant contests. The main functions of the Advisory Committee are to approve funding for grant proposals reviewed by experts and to oversee the targeted use of grant funds. The Russian Federation Ministry of Economic Development and Trade is FSD's counterpart in carrying out the Program.

The Program will facilitate:

- an increase of the standard of living in Russian regions;
- the creation of a potential for future community development;
- citizen participation in decision-making related to their communities through interaction with local government and business.



In most communities wood processing waste is simply burned...



... although it may be a source of energy for local boiler plants, thus saving considerable funds for local budgets that could be used for development programs

RESEARCH PROJECT CARRIED OUT IN 2006 WITH SUPPORT FROM THE FORD FOUNDATION

The Fund for Sustainable Development was awarded a grant by the Ford Foundation to study energy-efficiency approaches furthering sustainable community development. Energy-efficiency is an issue of special importance in Russia where despite its abundant natural resources, the system of managing municipal resources is extremely inefficient; while the relatively low personal incomes and the quite limited financial capacities of municipal councils are hampering social development in communities. An optimization of municipal spending will allow local authorities to resolve the most critical problems connected with inadequate funding and improve local management.

In the autumn and winter of 2006, specialists from the Fund for Sustainable Development monitored over 20 communities across all of Russia and drew up a list of typical local priorities in the sphere of energy efficiency, environmental protection, and socio-economic development. Special attention was paid to such regions as Primorsky and Khabarovsk Krais, the Republic of Karelia and Nizhny Novgorod Oblast.

Project activities included the development of effective mechanisms of reinvesting energy savings into projects addressing such problems as poverty and unemployment and aimed at improving the quality of life in communities and increasing civic awareness. The Ford Foundation received a proposal to form a network of model communities in Russia to demonstrate approaches based on the principles of inexhaustible use of local resources, energy efficiency, increased transparency of decision-making, and stakeholder engagement. Their possibility to accumulate and trade emissions quotas in the framework of the Kyoto Protocol was also assessed.

This project helped to identify activities that are most effective both from the economic and socio-environmental points of view and targeted toward reducing energy consumption by utility services and social institutions (at present these account for up to 70% of local budget spending), as well as by middle and small sized businesses and other organizations.

The results of the study will help the Ford Foundation design its own social and environmental programs in Russia.

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

In 2006, the Fund for Sustainable Development prepared a proposal in the form of a concept paper for the Alcoa Sustainability and Conservation Program for Russia. The concept was approved by the donor and became the basis of a Program scheduled for 1.5 years.

At the end of 2006, FSD designed a 2007-2008 Work Plan for the Program that will be carried out in three communities where Alcoa production facilities are located: the cities of Samara and Belaya Kalitva (Rostov Oblast) and the settlement of Lubuchany in Chekhovsky Raion (Moscow Oblast). Total amount of funding provided for the Program - \$176,000.

The Goal of the Program is to support sustainable development and conservation in three partner communities in Russia: Samara, Belaya Kalitva and Lubuchany through educating local youth and providing assistance to local NGOs.

The Program consists of 3 components: (1) needs assessment and stakeholder engagement; (2) development of educational programs for selected schools and local NGOs; and (3) grant competition for local NGOs.

Component 1

An assessment of sustainability and socio-environmental needs will include the following:

- Blitz survey among a targeted audience (educators and youth) carried out by volunteers high school students, teachers and staff of local NGOs.
- Analyzing survey results and assessing conservation and sustainability needs in selected communities. As a result of these activities, the priority socio-environmental issues of these communities will be identified and will later be address by the subsequent components of the Program.

Component 2

Training in conservation and sustainability principles for school teachers, after-school activities instructors, and youth on the basis of educational programs and practical socially significant activities tested in 1999-2006 in many regions of Russia in the framework of the children's telecommunications project "Environmental Commonwealth" (implemented by the Environmental Soil Sciences Institute of Moscow State University) and the project "Clean City with Children and for Children" (implemented by the Department for Education and the Department for Youth and Public Affairs of the city of Pushchino, Moscow Oblast).

This component will include seminars and three-day master classes for principals and teachers of middle schools and instructors of ecology and biology centers and environmental hobby groups. Collective participants in the Program (schools and ecology and biology centers) will be provided with methodological materials and special test kits for conducting lessons, environmental research and express analyses. Teachers and students will work on small environmental research and conservation projects devoted to regional and local sustainable development.

Component 3

Local NGOs jointly with schools and children's educational centers in selected communities will participate in sustainable development through open grant contests for 9-month projects of an average cost of \$8,000 - \$12,000. The priority areas of the grant contests will be identified using FSD's project monitoring and assessment system and also the results of the local needs assessment component of the Program. Local NGOs together with selected schools will be encouraged to submit grant proposals for projects in these priority areas.











MODEL COMMUNITIES INITIATIVES PROGRAM

In 2006, the Fund for Sustainable Communities launched a GDA Model Communities Initiatives Program.

The Program is aimed at creating a network of model communities demonstrating examples of how to address environmental, economic and social concerns.

The Program was prepared in 2005 jointly with the Institute for Sustainable Communities (Vermont, USA) and in partnership with municipalities that presented letters of support guaranteeing the largest shared funds. External experts and the staff of the Fund reviewed all project proposals for Sustainable Development. Consortiums of organizations were formed in each community to carry out priority project complexes.

Municipalities participating in the Model Communities Initiatives Program:

- Razdolnoye (Primorsky Krai)
- Posolskoye (Republic of Buryatia)
- Leninsky District (Yekaterinburg)
- Dzerzhinsky Districts Babinskaya Municipality (Nizhny Novgorod Oblast)

Core Principles:

- Multi-sector interaction
- · Project co-funding by groups of organizations, including national companies

Grantee requested amount - \$267,313

Total project cost including grantee contributions - \$486,322

Key areas:

- Investment in energy-efficiency
- · Reinvestment of energy savings
- · Citizen participation in community development

The co-funders of the Program include USAID, Russian regional partner organizations, and transnational companies (TNK-BP, CitiGroup, and United Technologies).

FSD 2006 FINANCIAL RESULTS

Funding received in 2006	in thous. of rubles
Moscow Government	120
SUAL Holding	931
Institute for Sustainable Communities	2,387
Ford Foundation	1,458
Eurochem	2,160
ALCOA Foundation	4,439
USAID	7,881
Total	19,576
Grant spending	2,508
Administrative and program costs	1,320
End of year balance	15,748