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## Our Grants and Expertise Spark Off Community Self-Organization

The next several years will become for Russia a time of social modernization. To build a civil society, the country will need new public institutions capable of involving citizens in regional and community development. These will be organizations promoting civic initiatives and offering legal education. Their staff will be capable of helping a community to turn an abstract idea of improving life into practical activities aimed at reaching this goal.

This process has already been started in Russia. A growing number of organizations and companies are appearing on the "municipal" field of action. Some of them come from political consulting, some from the sphere of business and others from adjacent social areas. In 2008, MB will be telling its readers about the experience of these "first robins" and their new techniques of accomplishing effective social projects in communities.

Today we are introducing such an organization, the Fund for Sustainable Development (FSD), an NGO that has brought together professionals who have been working in the area of supporting community development since 1996 with emphasis on conservation and energy-efficiency. The current activities of FSD are focused on promoting civic initiatives through a system of contests and grants. Along with the United States Agency for International Development (USAID), which is the key donor of FSD, it also works with regional and community sponsors and clients.

FSD's "know-how" is a consortium approach, in which projects proposed for grants are not isolated undertakings, but parts of one group of projects targeted toward addressing common community issues.

FSD executive director, Oleg Fokin, spoke to our correspondent.



**A community ready to assume responsibility for its own well-being is an essential condition of a successful development of a city or a rural settlement.**

**How to turn its residents into a community capable of helping itself?**

**Such transformations became a reality in cities and settlements where the Fund for Sustainable Development is carrying out its activities.**

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- **Mr. Fokin, please tell us more about the consortium approach, which FSD has been using in its community development effort.**

- We offer communities, I mean all citizens, an opportunity to take part in a contest of socially significant local projects. Not separate projects, but a complex of interrelated initiatives. This means that in the process of preparing for a contest a kind of a public consortium is formed of NGOs, businesses, local leaders and municipal officials. All the projects are planned in such a way so to work together to resolve a certain issue that is critical for the community. It is important that the participants in the consortium are the ones to identify this issue and to understand what is wrong in their city, district or settlement. To be able to do this, people have to meet to discuss matters and, thus, begin to develop their community. This serves as a strong impetus to begin a permanent dialogue and facilitate multi-sector interaction.

The project contests are divided into several phases. At the first phase, we organize training and guide the participants to become project-minded. At the second phase we start certain projects that are supported by local leaders. After the initial proposal selection process, our managers go on site visits, where they not only oversee projects, but, if needed, help to create a project structure, to "put ideas on paper" in the form of project proposals, to finalize documentation, etc. At the third phase, we launch the entire project consortium.

As a "quintessence" of the joint effort and to ensure that our social technologies become permanent mechanisms, local community funds or municipal development funds – the titles may vary- are founded. As a result of our activities, such funds have already appeared in over ten municipalities.

## НОУ-ХАУ

A consortium approach allows to build more elaborated relationships in a community and to achieve a synergetic effect - when several small projects may trigger a strategic planning and local development process based on multi-sector participation.

**- Who are the participants in the contests, NGOs or municipal governments?**

- They may be municipalities, public organizations, schools, hospitals, kindergartens – anyone. The main thing is that they want to do something for themselves.

**- As a rule, outside consultants are confronted with a total reluctance of citizens to become involved in the affairs of the community. This is the second largest problem of the Russian self-government system after the meagerness of local budgets.**

- The people will not be interested in participating until they realize that they can influence things in their community. For example, we have been organizing contests in the city of Nevinnomysk, Stavropol Krai, for two years now. During the first year, things moved very slowly and we were hardly able to collect 9 project proposals. However, when the people saw for themselves that something could actually be done, when contest winners were announced and when practical work began, the next year we received 25 project proposals! The city administration was surprised to learn that so many talented people were interested in doing something for the city.

The effort in Nevinnomysk was funded jointly by USAID and the Russian company EuroChem. The latter was very much pleased with the outcomes of our program. If a business simply donates funds to local government, the residents may not even be aware of the fact that improvements in their community are made at the cost of that business. As a result, enterprises feel disappointed and the general situation in the community is characterized by a certain dissociation. However, through our mechanism communities have a chance to define their own priorities. We tell them: Here is \$60,000 or \$100,000 - you can write a proposal for something you believe is important and worthwhile to begin with. It may be so that the local administration is planning to replace lampposts, while the residents think that building a playground is more important. They are

the ones to decide, they receive the money and they implement their projects. What one creates with his own hands is valued more, is longer remembered and is taken better care of.

**- You are, in fact, repeating the idea, which most experts in community development mention in their publications in our magazine: development is only possible when municipal officials, business people and community members sit down together at the negotiating table. If one element of this triad is missing, that is the end to the whole process. By the way, it is almost as difficult to interest entrepreneurs as residents.**

- Yes, indeed. The majority of our donors are still large industrial groups that

**Citizens become interested when they can influence community processes. In Nevinnomysk, we were hardly able to collect 9 project proposals, but next year we received 25 proposals.**

are key employers in communities. But things are not that simple. We have quite a lot of projects in remote regions, for example, in villages in Khabarovsk Krai or Amurskaya Oblast, where there are no large businesses whatsoever and not much money in the local budgets. Nevertheless, our experience shows that if there are interesting development ideas in the community and if there is support from the local government and a certain level of public participation, small businesses also decide to participate. When people witness real work and real improvements, they are ready to invest.

For example, in the city of Svirsk, a portion of grant funds came from Teploseti, a local limited liability company. To be more exact, the proposal to close the detrimental boiler plant in the local hospital and build a new one became the winner in the grant contest. One new boiler was installed on our initial grant and after Teploseti had become interested in the project, it donated funds for the second boiler.

Or let us take Nesterovsky Raion located in Lake Baikal Region in the Republic of Buryatia. Following a decision of the Russian Federation Government, a special federal recreation area is being built there. That is why the complex of project proposals we had selected included energy-efficiency projects, a

project involving the creation of an ecopark, and another project that improved a section of the Great Baikal Trail to further promote ecotourism. Thanks to our first grant, the raion administration installed a combined gas-producer and boiler module in the local school. It replaced an old dilapidated wood-burning stove that was a fire hazard and consumed enormous amounts of firewood that the school had to buy. Having seen such tangible results, the Era Foundation of the Republic of Buryatia added nearly \$25,000 for installing solar batteries and building a water pipeline from the school to the local kindergarten. In other words, we began with an energy-efficiency project – replacing a heating stove with modern equipment in one place – and ended up

providing hot water to the local kindergarten.

**- It means that without outside consultants local government and businesses would not have found each other in their own communities? This is a paradox.**

- Yes, indeed, we act as catalysts. When we come to a community as an independent organization and start initiating activities, we become a focus of attention. We also bring money and technology, thus, giving an impetus to the process of community self-organization. We see our goal as waking people up and motivating them to actively participate in the life of the community, pool resources, and establish interaction between business, government and the public – this is also a technology. If nothing is done, nothing happens.

**- It would have been more logical for you to develop integrated social and economic development programs to which communities come anyway thanks to your participation.**

- We specialize in very concrete, tangible and practical deeds. Practice shows that these real deeds are capable of prompting public participation, which, in the end, leads to integrated community development. Public awareness increases and people begin to interact.

## НОУ-ХАУ

In this respect, we are very proud of our extremely successful project in the city of Nevyansk (Sverdlovskaya Oblast) with a population of 20,000. The situation in the city was the usual story: lack of money and complete deterioration. But I must mention that even before we had come there, the community was trying to change things and had initiated development training. We offered them an opportunity to realize their ideas. During the first year, they used our grant to introduce an energy-efficiency technique at the local factory and began saving \$60,000 a year. You can imagine how enthusiastic they became. However, we had one condition: the energy savings were to be spent for the city. The local council decided to use these funds for renovating heat pipelines. First of all, pipelines leading to the Veterans Home

### In Nevyansk (Sverdlovskaya Oblast) we began with a regular energy-efficiency project and ended up turning the city into a tourist gem of the Urals.

were insulated. Thus, the members of the community saw that the authorities were concerned about the city and responded in the same way. They began to plan joint self-help programs. As a result, when we came to this city two years later we saw a modern glass roofed market in the place of the old pipes. Without our help, a philanthropic community development fund was founded. The people remembered about the old city pond that was built two hundred years ago by local merchants Demidovs and which was, of course, all eroded. The community improved the pond, and sand was brought to its banks to create a city beach.

The second grant was entitled "Meeting Each Other Halfway" and was aimed at promoting interaction between the administration and local NGOs. As a result of two benefit events, enough funds was collected for organizing a city contest of social projects. Project participants included local schoolchildren who offered to find the old names of the streets of their city that is 300 years old. They spent the whole summer in archives, and near the usual street nameplates they hung

nameplates created in a "retro" style with the old names of the streets. The children also found an entrepreneur who sponsored the creation of the nameplates.

The third grant was used for founding a fund for supporting small and middle-sized businesses. The city began to develop plans of attracting tourists: it is located 120 km from Yekaterinburg and is an ideal location for weekend family recreation. One of the city's historical sites is a tower built in the 18th century by the Demidovs and renovated for the celebration of the city's 300th anniversary. Around Nevyansk, there are small villages with small potteries and shops where felt boots are made and where the local women make lace. The project consortium decided to bring all this together. A workshop devoted to small business development

was organized and of the 16 attendees, 8 had later opened their small enterprises, such as hotels, or to be more exact, rural guest houses; and local crafts shops began to appear in the villages.

Today, the results of these activities become obvious when you enter Sverdlovskaya Oblast by car and see advertising panels along the road inviting guests to the local "gem" – the city of Nevyansk. Tourists are brought there by bus. The regional administration provided money for building a business incubator in the city. All this was begun with the \$60,000 we had brought here as a grant and which was used for launching the process.

**- You work in small cities and rural settlements with a population from five to one hundred thousand people. Why is that?**

- This way we can provide support to remote areas that are experiencing a shortage of funding and where it is very important to change the situation for the better. We had worked on several large projects, in Yekaterinburg and Khabarovsk

Kari, but these are, rather, exceptions.

**- FSD has been known throughout Russia for quite a long time now because of its environmental and energy-efficiency projects. Why did you shift from the conservation area to social initiatives?**

- Because, on the one hand, the environmental subject has become less popular in Russia and, on the other, during the past years we, anyhow, worked at the juncture of the environmental and social planes. In our present activities, we simply place more emphasis on the social component. The more so because one of the strategic goals of our donor, USAID, is to build and develop civil society.

**- In other words you come to communities with "American" money? Today, not every head of municipality will be overjoyed to welcome you.**

- FSD is a Russian independent public organization with all Russian staff and with a transparent reputation. We have nothing to hide. Our projects – from Russians to Russians – our managed by Russians. USAID is our key donor, but it is not our only donor. We also work with Russian donors who are ready to invest in the development of communities, where their businesses are operated. Our partners include such large companies as EuroChem and SUAL. We have a requirement – the grantee must also make a contribution to the project. It does not have to be large and may not even be money, and may be, for example, space or equipment.

I think it would be more correct to ask the following question: Why money of American taxpayers is spent for solving problems here in Russia? The Russian reality is so that most of the country's municipalities lack funds for supporting social initiatives. Not many are capable of raising such funds. Not all businesses feel responsible for the development of local communities. When this changes, we will reorient to Russian money. Our model has a good potential. It is especially important to communicate with the local communities in places where large business or industrial plants, key local employers, are present and to maintain their positive image among the local population. For this, special managers and social technologies are needed.

**More detailed information about the Fund for Sustainable Development and its programs may be found at [www.fund-sd.ru](http://www.fund-sd.ru) or by telephone: (495) 748-0552, fax: 748-0553**