

# Saving the Snow Leopard With Microfinance

By [Howard Amos](#)

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Aiyara Yerkemenova, in blue, has used a \$2,188 microloan to build a small museum near the town of Saratan. **Howard Amos**

ULUGAN, Altai Republic — In the mountain villages of southern Siberia where Russia abuts China, Mongolia and Kazakhstan, the price of sheep's wool has increased tenfold since 2009.

Once, it could be bought for 5 rubles a kilogram, but today local farmers are reluctant to sell for less than 50 rubles (\$1.56) a kilogram.

Few are troubled about the rising cost, however, which is driven by demand from local craftsmen making clothes, tapestries, toys and knickknacks for the region's growing tourist market.

With no rail links, the Altai republic has long been accessible only to local visitors and the most adventurous. Some believe it contains the Russian gateway to Shambhala, the mythical

paradise of Buddhist tradition.

But this remoteness looks set to fade as infrastructure improves and officials, foreign donors, environmental activists and inhabitants foster a tourist boom.

A renovated airport was opened in the local capital, Gorno-Altai, in 2011, and S7 Airlines began flying the four-hour route from Moscow in June of that year.

During the 2012 tourist season — June, July and August — traffic increased 12.5 percent year on year, and officials are looking to have 3 million tourist visits annually by 2020.

In addition to its spectacular mountain scenery, one of the region's biggest attractions is the beauty of some of Russia's most endangered animals: saker falcons, argali mountain sheep and, above all, snow leopards.

### **Common Ground**

Far from being feared, the rise in tourism is welcomed, and encouraged, by officials and conservationists alike.

The uptick in visitor numbers provides new sources of revenue and offers an alternative to poaching, which has brought some native animals to the brink of extinction.

"The idea is for people to understand that it is profitable to protect rare species," said Mikhail Paltsyn, the Altai co-coordinator for the World Wildlife Fund, who has studied snow leopards for two decades.

The number of snow leopards, which are relatively easy to catch in traps because of their predictable habits, plunged in the 1990s as centrally subsidized agriculture collapsed and left people with few options other than the trade in carcasses and pelts.

The rare predators can also cause carnage if they get inside cattle or sheep pens, said Paltsyn, prompting local farmers to kill them to preserve their flocks.

Snow leopards are now extremely rare in the Altai republic, so the capture of one adult leopard on a video sensor last year caused much rejoicing.

As part of a drive to save the snow leopard, since 2009 the WWF has partnered with Citi Foundation, the philanthropic arm of Citibank, to fund projects to raise awareness of the revenue that could be generated from tourists drawn by the elusive felines.

The many souvenirs available at roadside stands throughout the region featuring the snow leopard, from woolen dolls to wall-size tapestries, may be one sign of success.

### **Budding Entrepreneurs**

But about 10 kilometers outside the small town of Saratan, in the Altai republic's Ulugan region, Aiyara Yerkemenova, 20, is engaged in something more substantial.

She used a 70,000 ruble (\$2,188) microloan distributed by local organizations on behalf of Citi

Foundation to build a small museum on land perched above a tumbling mountain stream along the road from Ulugan to Saratan.

Yerkemenova, who has a small child and a husband serving in the Army, is obligated to pay back the money within 18 months but hopes to add guest rooms, a \*\*\*banya\*\*\* and a small restaurant to the complex. The project was her mother's idea, she said.

Tourists in the area often approach locals to request assistance with hiking and horse riding and to ask about places to camp and buy food, Saratan Mayor Aidar Akchin said.

This sort of project is a way of formalizing these needs and earning money, turning "wild tourists," who travel with everything they need, into cash cows dependent on local facilities.

"It's work for people and comfort for the tourists," he said.

Budding businesswomen like Yerkemenova, whose creditworthiness is low by the standards of any bank, would otherwise struggle to find money for business developments.

"Who else will finance these people?" asked Tatyana Pakhayeva, the head of local fund Sodeistviye, which is one of the organizations chosen by the WWF to distribute Citibank's cash. Loans are usually between 20,000 and 150,000 rubles, she said.

Sodeistviye evolved from a United Nations Development Program project that ended operations in the area in 2008.

At first, Citi Foundation's money was handed out via grants, but the foundation switched to loans in 2012 as a more effective way to incentivize entrepreneurship. This year, 1.7 million rubles (\$56,900) has been distributed to 40 recipients.

In her experience with microloans, no one had ever been brought to court for nonpayment, said Pakhayeva. Extensions are granted and debts partly dissolved if necessary.

## **Gaining Popularity**

Tourism is increasing, said Igor Kalmykov, director of the Altai National Park, and it now stands at a level not seen since Soviet times. Growth was about 10 to 15 percent a year, he added.

Citibank funding also helps run seminars and courses for local people that teach basic craftsmanship. There is a focus on the manipulation of wool into felt souvenirs, clothes and wall hangings, hence the rise in wool prices. Classes also cover ceramics skills and techniques for making jewelry from bones and teeth of nonendangered fauna.

Some teachers for these workshops have to be brought in from other countries, like Kyrgyzstan, because local traditions were forgotten under communism.

Kalambina Zhilkovskaya, who lives in Gorno-Altai, said that she taught herself to work with wool by watching television programs and that the skill provides her with a useful source of income during the tourist season. But she also wants to develop her talents and be able to make more than curiosities.

"People are in love with natural clothes these days," she said.

## **Preservation Side Effect**

A primary aim of the Citibank Foundation globally is to encourage small businesses and reduce poverty. Although the Altai republic's 200,000-strong population is mainly involved in farming, unemployment in some pockets of the territory reaches 90 percent.

But aside from alleviating rural poverty and encouraging small business, the microloans and training seminars have also achieved some success in preserving Altai's indigenous wildlife, local activists said.

Snow leopards are not the only animals in danger. The region's rare saker falcons are also under threat. Poachers catch the birds and smuggle them across the border into Mongolia or Kazakhstan, where dealers arrange their shipment to wealthy clients in the Middle East who prize them as hunting animals.

It is difficult to catch the hunters. Just 40 park rangers protect the mountainous confines of Altai National Park, which borders the Tyva and Khakasia republics and covers more than 880,000 hectares, 10 percent of the entire Altai republic.

Poachers can be criminally charged only if they are caught pulling the trigger or untangling a carcass from a trap, Kalmykov said.

But in recent years, the number of illegal hunters caught has declined 11 percent annually in the Altai-Sayansk region, Paltsyn said.

Poaching, however, is not just the work of locals, who can be redirected to work in the tourist industry.

In a notorious 2009 incident, a helicopter crashed in the Altai Mountains, killing seven of the 11 people on board, including top government officials, who, judging by the carcasses in the aircraft, had been illegally hunting the rare argali mountain sheep.

Encouraging tourism contains many other risks apart from gun-toting officials, including littering and uncontrolled development.

Most people on the ground are aware of the drawbacks of tourism but still see it as the key to preserving the wildlife of the Altai.

Huge numbers of tourists are unlikely, said Paltsyn, who doubts that the region's burgeoning popularity could have a negative effect on its natural treasures.

"It's more exclusive tourism than mass tourism," he said.

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