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Background and Overview

Following a short one-month task order during which a one-year work plan and budget were developed, B-M began working in Kazakhstan under a US AID task order to implement public education in support of market reform and privatization in Kazakhstan from November 20, 1993 through November 21, 1994. A scope of work change in the task order was executed midway through the contract period. Driven by significant and previously unforeseen program needs, an increase in the level of effort allowed B-M to bring in additional regional coordinators/specialists. At the same time, a modified scope of work allowed for the implementation of several public education elements not previously foreseen and requiring no increase in the direct costs budget. This task order was subsequently extended with no additional cost through January 7, 1995.

B-M's objectives and the public education campaign's expected results as laid out in the task order were as follows:

1. A major shift of public opinion in support of privatization and market reform will have been realized.
2. A public education program that is effective in disseminating the goals and benefits of the privatization program, and that builds public support for market reform.
3. A significant Kazakhstan public relations capability in these areas will have been developed.
4. Public education undertakings for specific enterprises will have been successfully completed.

The following report outlines the key results and achievements produced by B-M's national and regionally-driven public education campaign in support of these objectives. These results were achieved despite significant obstacles, including: a frequent slowing in the decision-making process due to several changes in the leadership of the national GKI; severe budgetary constraints of the GKI and Kazakhstan government; poor or lacking in-country transportation, telecommunications and basic utilities infrastructure; a very low level of public relations capability and expertise in the local public and private sectors; and, a slow down in the second and third quarters of 1994 in small scale, particularly in wholesale, as well as mass privatization due to unresolved issues regarding the technical mechanism.

Finally, it should be noted that while objectives #1 through #3 remained high priorities throughout the term of the task, the mandate (and therefore funding) for case-by-case privatization (objective #4) support was significantly reduced in the final task order and budget negotiations concluded in November 1993.

Objectives and Results: Objective #1

Objective #1

A major shift of public opinion in support of privatization and market reform will have been realized.

Key Results

- ***Increased domestic support of market reform to 63 percent from 20 percent --*** By October 1994, 63 percent of respondents in national tracking surveys carried out by Burson-Marsteller considered market reform a necessity in Kazakhstan. By contrast, only 20 percent of respondents stated that they supported a market economy a year earlier. This major shift in attitude was achieved through a comprehensive national public education effort and critical regionally-driven campaigns that generated public participation in privatization (see below); brought the message of the benefits and opportunities of participation directly to the people; and initiated direct, forthright and honest communication with them in their communities. The B-M team was able to penetrate public opinion at the local level, working to dispel popular misconceptions and significant fears, as well as to counter, or in certain instances, win over opposition to the program at the local and community level.
- ***Achieved up to 90 percent domestic awareness of privatization within 4 months --*** By March 1994, a major shift in public awareness had occurred with 90 percent of respondents in a national poll carried out by B-M stating that they were aware of and knew about the privatization program. By contrast, B-M's earliest benchmark survey carried out in October, 1993 showed a high degree of confusion and a significant lack of understanding of privatization. More than 76 percent of respondents in October, 1993 claimed they did not have sufficient understanding of privatization; a majority had not yet heard of the Kazakhstan privatization program; and, when respondents who demonstrated awareness of privatization were asked what they planned to do with their coupons, 46 percent stated that they planned to sell them, confusing their domestic program with the Russian voucher system.
- ***Achieved up to 93 percent domestic participation in mass privatization --*** Despite severe delays, a successful January 1994 launch of mass privatization resulted in 80 to 93 percent of the population going out to pick up their coupons by March 1994, with many having to travel up to a day's journey to do so. In addition, more than 87 percent went on to invest up to 20 percent of their coupons by late Spring.

Objectives and Results: Objective #1

- ***Created more than 11.9 million Kazakhstan shareholders by May 1994*** -- With 85 percent of 14 million Kazakhstan coupon-holders investing up to 20 percent of their coupons, 11.9 million new Kazakhstan shareholders were born. By October 1994, this figure had further increased with up to 35 percent of all coupon-holders investing all their coupons.
- ***Initiated important reversal of negative public attitude toward privatization*** -- By early summer the mass privatization program had stalled. Leadership changes at the GKI, escalating debate and opposition to the program in Parliament, and a general slow down in the economy resulted in a sharp decline in public support to 28 percent by June 1994. To reverse this trend, B-M carried out a series of advertising and informational campaigns that announced a liberalization on restrictions for investing coupons and a new deadline for investing. These efforts, combined with continuing public education efforts to demonstrate the real benefits of market reform and private ownership, resulted in a rise of public support for the process to 34 percent by August, 1994. Moving the needle further on this trend remains an important priority for 1995.

Objectives and Results: Objective #2

Objective # 2

A public education program that is effective in disseminating goals and benefits of the privatization program, and that builds public support for market reform.

Key Results

- ***Increased support for, awareness of, and participation in market reform and privatization programs to 63 percent, 90 percent and 93 percent, respectively*** -- A major shift in public opinion in support of the privatization process and market reform was achieved through constant, intensive dissemination of messages and educational information explaining in clearly understandable terms what privatization means to urban as well as rural citizens in numerous sectors. (see Objective #1).
- ***Increased national and regional domestic media coverage of privatization by 60 percent and enhanced Kazakhstan media practices and quality*** -- By November 1994, B-M's media relations efforts had resulted in a 60 percent increase in the number of TV, radio and print articles on privatization. While the number of articles appearing in March 1994, averaged at 30 per week, by November 1994, this figure had jumped to well in excess of 54 per week. In some cities, for instance in the western Kazakhstan city of Atirau, coverage vaulted 75 percent. At the same time, positive coverage of privatization now outweighs negative coverage by two-to-one. These trends were tracked through full and comprehensive national and regional media monitoring which B-M had up and running by March, 1994. At that time, coverage of privatization was minimal, very superficial, and frequently inaccurate. To raise the profile and level of understanding of privatization among journalists, B-M national and regional teams enlisted the support of the GKI and its regional offices to conduct a series of seminars, press conferences, interviews, and roundtables with journalists explaining and answering questions about the privatization program. B-M then supplemented these efforts with a continuous stream of written materials, story leads, and a series of seminars on professional journalism practices and ethics. These activities achieved not only a far stronger understanding of market economic issues and the privatization program among journalists, but further stimulated an interest in covering these issues in a thorough, accurate, and professional manner.
- ***Informed 12 million Kazakhstan citizens about the goals and benefits of privatization at critical junctures in the national program through advertising and direct mail drives*** -- To reach 12 million Kazakhstan citizens with positive, motivational privatization messages, B-M carried out television, radio and print advertising campaigns at critical times in the program as well as mailings and mass leaflet distribution. The advertisements carried carefully designed and tested messages explaining the goals and benefits of privatization in both Kazakh and Russian languages. Placement and frequency of ads was based on national research of media

Objectives and Results: Objective #2

preferences, circulation and specific audiences of national and regional media outlets to effectively reach everyone accessible through newsprint, television, and radio. B-M filled any possible information gap with mass mailings of two informational leaflets distributed to every residential address in the country, as well as by making available these leaflets at Savings Bank branch offices throughout the country. Specific ad campaigns and "information drives" included:

- Mass privatization "Pick up Your Coupons" three-ad campaign
 - Mass privatization ad campaign urging the public to invest their coupons before the January, 1995 investment deadline
 - "No Barriers!" mass privatization ad campaign announcing liberalization of restrictions on the amount of coupons that people could place in investment funds
 - Direct mailing to households of 5 million leaflets announcing the issuance of Privatization Investment Coupons and explaining what citizens must do to participate in the process
 - Direct mailing to households of 5 million *Your Chance* mass privatization question and answer leaflets explaining the role of investment funds, and counseling citizens to choose now, but choose wisely
 - Ongoing advertising campaign reinforcing small scale success stories such as a hairdresser in Akmola, a new truck owner in Zhezkazkan, a dry goods store in Taldy Korgan, a trucking enterprise in Arkalyk
 - Small scale privatization bidders leaflet -- *What is to be done?* -- explaining the object payment mechanism to all people registering for auction participation throughout the country
 - *Trucking Privatization, What Does It Mean?* booklet to trucking enterprise employees explaining the benefits received from privatization of their enterprise, and their opportunities to participate and purchase private trucks
- ***Achieved support among Kazakhstan authorities and organizations previously negatively predisposed to privatization*** -- Critical to the success of privatization and economic reform is winning the support of and participation by national and regional government organs. Through educational programming, generation of positive press coverage, and on-location informational/community relations efforts, B-M enlisted the support of officials and organizations previously negatively predisposed, and in some instances, impeding the progress of privatization in Kazakhstan.
 - Worked to persuade skeptical members of Parliament of the successes and benefits of privatization by presenting them with highlights of a survey of privatized small scale enterprises conducted by Deloitte & Touche. B-M quickly highlighted the most solid, convincing data, drafted articles around them, and achieved publication of key pieces in Parliamentary papers in both Kazakh and Russian languages.

Objectives and Results: Objective #2

- Increased the impact of a politically sensitive Parliamentary visit to the Czech Republic that was aimed at educating key Parliamentarians on the benefits of mass privatization (the Kazakhstan program is similar to the Czech model). B-M identified and recommended key members of Parliament for participation, and proposed, secured and managed Kazakhstan media participation in the visit. As a result, key members of Parliament returned to Kazakhstan with a far more positive attitude and much more thorough understanding of the process; and, important positive domestic publicity of the Czech experience and its benefits was achieved. The trip's impact was vastly expanded as it resulted in a frequently broadcast 30-minute special TV program on KTK, a leading commercial channel with 11 million viewers nation-wide.

- Achieved resumption of small scale auctions in Kokchetav working closely with newly appointed local privatization officials. The auctions had been halted for four months by the reluctant regional administration and newly appointed privatization officials were uncertain how to enlist support among the regional administration and the local public for resuming the auction process. B-M responded by immediately conducting intensive informational sessions with privatization officials on the opportunities, benefits, and successes of privatization, and trained them in presenting the issue effectively to the administration, the press, and the public. B-M distributed educational leaflets, booklets, and success stories to the press and generated substantial positive coverage that bolstered public support for the process. B-M was able to launch well prepared privatization officials into a constructive relationship with local media and build the support among the local population necessary to achieve a resumption of small scale auctions in the region.

- Achieved support and participation of resistant labor collectives in trucking and wholesale privatization in numerous regions, including Shymkent, Akmola, Karaganda, Uralsk, Almaty and Petropavlovsk. Workers' fears of job loss and salary cuts stemmed from an incomplete understanding of the benefits and the opportunities of privatization. B-M regional teams dispelled these fears by conducting focused educational programs for trucking and wholesale enterprises. Targeted leaflets addressed the specific concerns voiced by workers in focus groups conducted by B-M; and, enterprise meetings with local privatization representatives offered workers a chance to receive direct, authoritative responses to their questions. The support that B-M built by educating workers about the privatization process resulted in strong worker participation in truck auctions, with many buyers going on to start their own private freight hauling businesses.

Objectives and Results: Objective #2

- ***Forged important cooperative relationships with Kazakhstan officials representing different branches of government, and facilitated communications and coordination between them*** -- Recognizing that a successful national privatization effort requires participation and involvement of numerous government offices throughout the country, B-M quickly established relationships with key officials at the national and regional level and maintained them through its Almaty office and 6 regional hubs. These working relationships have propelled the program forward at a local level and have been effective channels for resolving problem issues. Of equal importance, they have helped to streamline communications and increase cooperative efforts between all government organizations involved. Examples include the following:
 - Within the framework of the Public Education Working Group, chaired by President Nazarbayev's deputy chief-of-staff, Mr. Murat Tazhin, B-M has built an effective relationship and won continuous support for US AID programs from the executive branch. The Working Group includes Mr. Tazhin, a GKI representative and the B-M team leader. It has proven to be a valuable forum for bilaterally identifying and addressing unforeseen needs, as well as for resolving new issues. For instance, when case-by-case investor Philip Morris prepared to publicize unresolved contractual issues with the Kazakhstan government, B-M worked through the Working Group and facilitated a resolution to the issue. Importantly, heightened publicity and further disagreement that might have negatively impacted public opinion was avoided and the two parties reached a successful understanding. It is also in this setting that B-M alerted the government to important shifts in public opinion, secured counterpart material contributions, received endorsement of program strategies, and enlisted cooperation of other government offices, such as the Ministry of Press and Information and Ministry of Labor (see below).
 - B-M's extensive regional network and solid working relationships with regional privatization officials have resulted in improved communication and cooperation between different regions. Where inter-regional communications are difficult due to poor telecommunications infrastructure, B-M regional teams ensure a valuable and steady flow of information between the regions. They share with local officials experiences, successes, and lessons learned from other parts of Kazakhstan. B-M teams have also worked to establish regular meetings among regional privatization officials in key regional centers. These meetings also provide a forum to distribute materials such as press kits, investment fund posters, and sample auction promotion advertisements. Particularly in Western Kazakhstan, privatization officials in outlying areas have stated that B-M's efforts have helped them to keep abreast of progress in Almaty and other regions, and have in turn enabled them to keep their local populations better informed.

Objectives and Results: Objective #2

- Leveraging solid relationships with different regional government branches, B-M has achieved increased communication and cooperation between local privatization officials and other important local government representatives. In Akmola, where privatization programs are closely scrutinized by the regional legislature, communications between privatization and administration officials were frequently strained. B-M utilized effective relationships with both branches to unite them in jointly sponsoring, administering, and judging a series of pilot youth programs including drama and essay competitions on themes of privatization. B-M's effort has proven to be the first step in an increasingly cooperative relationship between Akmola privatization officials and other Akmola government organs.
- ***Built effective national and regional communications network now relied upon by other U.S. Government contractors working on privatization and the transition to a market economy*** -- B-M has facilitated, supported and increased the effectiveness of other U.S. Government programs, by providing them access to and support from the extensive B-M regional communications network. B-M teams have offered consultations on communications strategy, introductions for other technical consultants to key national and regional government officials, and assisted other organizations in establishing relationships and favorable advertising rates with media and production agencies. B-M's support in these areas has both increased efficiency and enhanced coordination between numerous U.S. Government programs. Specific examples include:
 - **Government Relations** -- B-M's knowledge of and relationships with key executive and legislative branch officials provides a mechanism through which messages have been conveyed to affect change and achieve U.S. government objectives in Kazakhstan. Through Mr. Tazhin and the Public Education Working Group, sensitive issues regarding a revised mass privatization program have been addressed, with messages reaching key government leaders at the highest levels. B-M has also begun covering parliamentary issues, identifying key topics of debate and sources of disagreement. B-M is currently preparing a Parliamentary directory listing members, parties, committees, and key players, which will be distributed to all U.S. Government consulting groups and technical advisors.
 - **Communications Strategy** -- B-M has facilitated and supported activities of U.S. Government projects including the Futures Group, the Urban Land Reform project, and the Booz-Allen Antimonopoly group by providing strategic guidance on how to most effectively reach key target audience, assisting with message development and key TV, radio and print media lists and media outreach.

Objectives and Results: Objective #2

- ***Press and Local Vendor Relations*** -- B-M has accompanied representatives of other U.S. Government programs to provide introductions, and assisted in establishing favorable relationships for them with print, radio, and television media in every region of the country. B-M's long-standing working relationships with these institutions has allowed U.S. Government contractors such as Booz-Allen to benefit from B-M's information network, and discounted advertising rates, and has achieved opportunities for Ernst & Young Mass Privatization and FMI Capital Markets spokespersons to reach millions of potential investors through speaking opportunities on the TV show "Business Class" and at Kazakhstan Press Club events.

- ***Secured counterpart material participation of at least \$136,740*** -- B-M's close cooperation and stable relationships with the GKI and the Public Education Working Group have achieved crucial counterpart material participation in the form of: 1) free TV air time 2) free office space in Almaty and in the regions, and, 3) special permission for B-M expatriate staff to travel on specially reduced rates (up to 80 percent lower than those normally charged). Despite a severely limited budget, Kazakhstan counterparts identified areas in which their material contributions could synergize U.S. Government funds dedicated to public education, and achieve an even greater impact for the program. Specific material contributions include, but are not limited to:
 - B-M has been granted 111 minutes of free TV air time since July, 1994. At the commercial advertising rate of \$360 per minute, the contribution totals \$39,960.
 - An additional 180 minutes of free TV air time is being allocated for airing six episodes of B-M's social marketing program. Again, at \$360 per minute, the time represents a contribution of \$64,800.
 - Free office space in Almaty contribute approximately \$6,000 per year in addition to free office space in all the regions (leasing rates for regional office space are unavailable)
 - Permission for B-M expatriate staff to travel and lodge at significantly reduced rates has contributed \$26,500 since December, 1993.

- ***Met unforeseen needs and achieved results with creative, innovative programming and sound budget management*** -- The B-M team has been quick to identify and respond to unanticipated program needs, and has demonstrated great flexibility in initiating creative, sustainable programming while fully adhering to US AID project and budget guidelines. Notable results achieved include:

Objectives and Results: Objective #2

- The Kazakhstan Press Club -- Although operating for only four months, B-M is rapidly establishing the Kazakhstan Press Club (KPC) as a prestigious forum for both public and private sector press events. Attendance regularly reaches 90 percent of those invited, and many journalists are now using KPC informational resources like CNN, and translations of western press articles to improve their coverage of domestic privatization and economic news/events. The KPC has sponsored press conferences for GKI Chairman S. Kalmurzayev, Templeton Investment Funds, the Overseas Private Investment Corporation, the U.S. Commercial Attaché and the USIS Press Officer, attracting an average of 50 journalists to each event. The KPC recently issued its second monthly newsletter recapping KPC events, and featuring business and economic articles submitted by local journalists. B-M founded the KPC in response to the need for journalists, especially those from independent media organs, to have a professional association through which they can address and affect solutions to common problems. As the KPC becomes more firmly established it will be turned over to an independent board of directors comprised of local journalists.
- "Business Class" -- In February, 1994, B-M premiered the first business and economic television news program in Kazakhstan. In less than a year, "Business Class" has achieved a regular domestic viewership of over 4 million, and is professionally recognized as a leading program of its kind in the entire CIS. In November 1994, "Business Class" was singled out as the best program aired at a conference of close to 100 independent CIS television stations. Ilzya Fidel, president of KTK, the independent commercial station airing "Business Class," proudly states that "as far professionalism goes, it's the best show we have," and this has contributed significantly to the rise of KTK as the most popular private television station in Kazakhstan. In October 1994, the Russian Federation's Ostankino Television channel began airing "Business Class" throughout the CIS.

"After our first material went out on Ostankino, they called us up to say thanks. They said it was the best material they had ever gotten from anyone in the CIS, and that in Kazakhstan they wanted to work only with us."
Dmitry Batsiev, Editor-in-Chief, "Business Class"

"Business Class" has since received other international requests from Moscow's TV-6, and a private station in Omsk to air the program. Working to generate independent financing for the program, "Business Class" hired marketing specialist Evgeniy Maslov, who has secured advertising agreements with large investment funds, and a furniture store, and hopes that by the end of the year, advertising revenues will cover about half the show's production costs.

Objectives and Results: Objective #2

- Social Marketing TV Program -- In response to our counterpart's request for increased public education programming which would effectively communicate the goals and benefits of privatization to less sophisticated audiences, B-M issued an RFP, selected and began working with the private film company, Ulkiza, to produce the first social marketing television drama to air in the CIS. Social marketing is an extremely effective tool for affecting changes in viewers perceptions, which in turn produce changes in their behavior. B-M specialist Kunwar Sinha, who developed the internationally acclaimed Indian program of this kind "Come Along with Me", conducted extensive training in the principles and methods of social marketing, and worked side-by-side with Ulkiza in developing messages and characters for the drama. The resulting pilot episode was well received by focus groups carried out by B-M as well as by local privatization authorities. Upon receiving approval from US AID, B-M and Ulkiza produced five continuing episodes, which will air in January, 1995. The only program of it's kind in Kazakhstan, this show takes the goals and benefits of market economic reform and private ownership to the public in a human and entertaining fashion.

- Publicity of Critical Legal Precedents -- B-M's effective national publicity of the Kazakhstan High Arbitration Court's reversal of a Torgai oblast court decision to re-nationalize four legally privatized small scale retail shops succeeded in forestalling similar actions by other regional administrations. By taking the court decision to the public, B-M forced the issue and established the credibility of this crucial legal precedent. Indeed, following publicity of the court's ruling, 52 comparable cases that had been pending have all been dropped. Public perception of transparency in the privatization process was enhanced, and faith was built in the equitable application of program laws. Chairman Kalmurzayev, when speaking on the case to Parliament, stated "the facts of this case, as you all know, have been published widely, in *Karavan* for example" and went on to present the results of this case to underscore that while mistakes cannot be entirely avoided, the privatization process can correct itself.

- Youth programs -- B-M's monthly public opinion tracking surveys identified youth, educators, and intellectuals as some of the strongest opponents of privatization. To address these groups, B-M tested highly successful pilot programs designed to educate and win the support of these key audiences. In Akmola, the pilot program generated so much positive discussion among parents, teachers, students, and government officials, that the Akmola Terkom chairperson is submitting the project to the GKI in Almaty, proposing to extend "Privatization in Schools Week" and the essay competitions to all other oblasts as an official, GKI-sponsored program. B-M tested this first ever "Privatization in Schools Week" and pilot student essay contest in one rural and one urban school. The effort targeted 14-18 year old students and included 30-minute daily presentations by local GKI officials explaining the benefits and goals of privatization.

Objectives and Results: Objective #2

Following a week of presentations, essay contests were conducted, with each participating student submitting an essay on the topic "What privatization means for my future." Winners were selected by a jury comprised of Terkom officials, Oblast administration officials, and educators; they were then interviewed on radio and TV, and their essays were published in oblast and city papers.

- ***Increased Participation in Small Scale Auctions*** -- B-M's solid promotion of 500 small scale auctions, synergized by ongoing public education efforts, achieved a substantial increase in auction participation, and in the number of objects sold at auctions in regions throughout the country.
 - In Akmola, local privatization officials credit effective public education and advertising for the surge in auction participation from two bidders per object in the early months of 1994 to the current average of five bidders per object offered at small scale auctions
 - When B-M began work in the Kostanai region, local privatization officials were publishing only one legal announcement per auction with disappointing results. Auctions were frequently held without a single object being sold. B-M instituted a regular program of auction promotion which has played a significant role in achieving the current rate of more than 50 percent of objects being sold at each small scale auction
 - Regional privatization officials in Petropavlovsk have stated that after B-M staff initiated promotional and educational activities, there was a marked increase in rural residents participating in auctions. This was ascribed to B-M's special attention to informing people in outlying regions; placing posters with auction dates and participation information in rural areas of the region
- ***Effectively worked to reduce rate of payment defaults on auction objects*** -- B-M's work to educate new owners of small scale enterprises and regional privatization officials about auction payment mechanisms played a key role in reducing the rising rate of payment defaults by new owners. B-M identified a major reason for the defaults: a thorough lack of understanding among purchasers of the extremely complicated part-cash/part-housing coupon payment mechanism. To address this situation, B-M prepared a very clear, illustrated leaflet explaining the process step-by-step. Through its regional network, B-M ensured that each privatization office and each auction bidder received the booklet. Subsequent surveys among auction participants affirmed that B-M's leaflet clarified the payment mechanism and ensured that buyers understood the responsibilities they were assuming upon purchasing an auction object. Moreover, several regional privatization officials expressed to B-M staff that they too found the booklet helpful in making sense of the payment mechanism, and that it increased their ability to explain the process to others.

Objectives and Results: Objective #2

- *Enhanced our program by discovering other U.S. Government funds, organizations, and materials to support objectives* -- B-M quickly established relations with other U.S. Government-funded agencies and contractors, and identified areas in which objectives of different projects dovetailed and could be effectively realized through cooperative efforts. By initiating such coordination, B-M achieved increased impact for public education programs and facilitated greater integration of U.S. Government projects in Kazakhstan. Examples include the following:
 - U.S. Information Agency Worldnet programs -- B-M coordinated with USIA representatives in Almaty to obtain and translate three series of educational television programming, "Business File" "the Entrepreneurs," and "How to Become a Successful Entrepreneur." B-M airs each of these programs on regional television channels free of charge. They have become extremely popular with business people and entrepreneurs, particularly in those regions where privatization is meeting it's greatest opposition. In Kokchetav, for instance, where privatization was halted for four months, viewers have been especially vociferous in their appreciation.
 - Peace Corps Small Business Development -- B-M regional coordinators contacted Peace Corps volunteers in several regions, and encouraged them to attend small scale auctions to distribute their information, and meet with entrepreneurs and new owners. In some cases, the collaboration has continued with Peace Corps representatives appearing on B-M business news programs and regional TV and radio talk-shows.
 - Academy for Educational Development (see below)

Objectives and Results: Objective #3

Objective #3

A significant Kazakhstan public relations capability in these areas will have been developed.

Key Results

- ***Trained and increased Kazakhstan private sector capabilities of public relations, advertising and media*** -- From the outset, B-M made a priority of building the capabilities and professionalism of private sector vendors active in all spheres of public relations and communications work including in attitudinal research, materials production, advertising and journalism. B-M's approach involves both day-to-day on-the-job management, guidance and cooperation with vendors/subcontractors, as well as structured training with recognized specialists in specific fields. The following three case studies provide an example of the notable results achieved by the B-M team with more than 13 vendors/subcontractors in Almaty and numerous local vendors in the regions (see also attached list in Appendix):

- Television programming -- B-M brought in specialist Kunwar Sinha from B-M/India, to educate the private film production group, Ulkiza, in theory and methodology of social marketing and how best to develop characters and plot for a television serial. Ulkiza, a family-run company, spun off from state-owned Kazakh Film four years ago. They have won international awards for their artistic and dramatic films, but had never worked in television, and had no knowledge of social marketing. Currently there is nothing available to fill the growing demand for locally produced television drama with which viewers can truly identify. With the experience gained through developing and producing the social marketing program, Ulkiza stands poised to fill this void with quality local television entertainment.

In addition, B-M launched the Kazakhstan TV business news /privatization program -- "Business Class" -- now among the highest-rated programs of its kind in Kazakhstan and the CIS. The program is preparing to operate independently of B-M and USAID resources. (see Objective 2)

- Public Opinion and Market Research -- B-M's day-to-day collaboration and special training seminars with local public opinion research groups have both increased their professional and technical capabilities, and increased their desire and ability to adopt internationally recognized standards of market research.

Objectives and Results: Objective #3

Aleksander Rusanov, director of BRIF, stated:

“as a direct result of my, and my staff’s participation in the training program, we are changing our methods of conducting surveys more closely conform to international standards.”

Where initially the B-M team assisted in everything from survey design to data analysis and reporting, the groups now require only periodic guidance to perform these functions. In addition, the three key public opinion research organizations in Kazakhstan -- BRIF Social and Market Research Agency, Giller Institute, and the Republic Center for Public Opinion and Market Research -- participated in a three-part training program designed and carried out by B-M to increase technical capabilities of these organizations and enable them to conduct research conforming to accepted international standards. To do this, B-M utilized research and training experts from Yankelovich Partners. The first two parts of the program have already achieved the establishment of a professional, collaborative relationship between the three groups, as well as increasing their analytical and reporting capabilities.

- Advertising production -- When B-M first began work on a vital advertising campaign to support the launch of the mass privatization program, the DAKS advertising agency proved themselves talented, but without world class advertising production experience. The B-M team worked with DAKS to develop their capabilities including: use and production of story boards and scripts and start-to-finish advertisement production. As DAKS continued to refine their talents, B-M continued to contract to them for graphic design and printing. With the revenue from our contracts DAKS has been able to reinvested in their small private firm, purchasing new state-of-the-art beta cam equipment. This has allowed DAKS to expand significantly the services they offer. They have expanded their staff, and have among their clients some of the largest private retail establishments in Kazakhstan as well as other U.S. Government contract groups.

- Academy for Educational Development journalism training -- Through a US AID-funded program sponsored by AED's NIS Education and Training group, B-M established a core group of national journalists trained specifically to cover economic and business issues. 15 journalists who had successfully completed a series of B-M privatization seminars in Almaty traveled to the United States for training at Columbia School of Journalism, visits to corporate headquarters of U.S. firms investing in Kazakhstan, and discussions with prominent U.S. media as well as financial institutions. The program gave Kazakhstan journalists first-hand experience in covering market economic issues, and vastly increased their understanding of western business reporting. The result has been far more thorough, investigative coverage of issues since their return to Kazakhstan, with one participant planning to start a new independent weekly business publication.

Objectives and Results: Objective #3

- **Trained 40 public relations professionals in six regions** -- A key factor in B-M's achievement of task order objectives has been a fully integrated regional communications network of 6 professional regional coordinators, and over 40 Kazakhstan professional and support staff trained in public education, advertising, and media relations. Local professionals are increasingly assuming primary responsibilities for liaison with local officials and media, and managing B-M local staff in outlying regional cities. Their success in doing so is not going unnoticed:

"Without Salima (Tulegenova) 's help, our work would be meaningless. . . If the other consulting firms aided us to this extent our work would be much more successful."

Chairman, Aktubinsk Privatization Committee, in a letter to Privatization GKI First Deputy Utepov

- Northern and Southern Kazakhstan -- The regional hubs of Akmola and Shymkent were established and fully staffed locally in early 1994. B-M regional coordinators have brought local staff capabilities to the level at which they can now function independently in virtually all spheres of work including advertising, materials production, government relations, press work, TV and radio programming, and financial management, requiring minimal guidance from the B-M team in Almaty.

In the northern city of Kokchetav, the chairman of the regional privatization office praised the work of B-M city representative, Ms. Kaynikul Dzhandildinova, and said that before B-M began public education work in the region, privatization officials had been *"very passive"* and members *"had been afraid to speak publicly or hold TV programs because they didn't know how to explain privatization in an easily understood way."* After coaching and training, they now regularly speak out on issues and meet with local journalists.

Local staff in Akmola independently designed and distributed 2,000 posters throughout the oblast, which promoted small scale auctions, and gave a telephone number that people could call for further information. B-M local staff coached the privatization officials who would be answering calls, and achieved a response rate of up to 200 calls per day from people who had seen, and acted upon their promotional efforts.

Mr. Eldar Akhmedov, currently deputy coordinator for the southern region, recently planned and conducted a two-day training seminar for local staff from the western and southern Kazakhstan cities of Uralsk, Aktubinsk, Kzyl-Orda, and Djambyl. With the assistance of B-M's deputy coordinator in Akmola, Mr. Akhmedov held a second training seminar specifically aimed at educating new local hires in the basics of regional public education strategies and tactics.

Objectives and Results: Objective #3

- Eastern, Central and Western Kazakhstan -- Local staff in these regions have received training from B-M expatriate staff and from Northern and Southern region local hires. Staff in these regions can now manage day-to-day activities of advertising placement, liaison with local business programs and journalists, interaction with privatization officials, and coordination with staff in outlying regions independently. Having not had the benefit of full B-M experts/trainers until mid-to-late summer, local staff in Eastern, Central, and Western Kazakhstan still require substantial guidance and an experienced professional to drive public education activities.
- Almaty -- The most populous, sophisticated and politically strategic of all the regions, the capital city and its surrounding regions was an important focus of training activities from the outset. Here, local staff manage all auction advertising. Due to the political sensitivity of the region, however, activities there require the expertise of seasoned B-M public relations experts to work on crucial third-party advocacy programs and government relations efforts.
- ***Trained local privatization officials in public education and press relations*** -- B-M regional teams have effectively educated local privatization officials in communicating privatization messages to the press and to the public. And, in certain instances B-M has succeeded in turning antagonistic relations between officials and local journalists into very positive, cooperative relationships. Regional privatization officials work under severely limited budgets, a fact which has resulted in press secretaries in all but one region leaving their jobs for higher paying private sector work, and in a frequent lack of basic resources for regional officials to conduct more than the minimum legal requirement for auction promotion. To address this problem, B-M has trained regional privatization chairmen and deputy chairmen in press relations, an extremely effective, low-cost means to reach the population with privatization information and successes:
 - B-M regional teams developed a positive relationship between privatization officials and local media in Kokchetav. In the local privatization chairman's words, B-M "*woke us up,*" and "*thanks to USAID and B-M, my colleagues are now working to educate the population.*" When B-M began work in the region, he characterized the situation differently:

"Officials didn't know how to make the concepts of a market economy understandable for the public. There is very little money for training, so many of our own colleagues didn't understand. . . they were afraid to speak in front of the press."

Chairman, Kostanai Region Privatization Committee

Objectives and Results: Objective #3

- B-M trained regional officials, arranged press conferences and seminars for journalists, and provided the media with the key regional contacts who could answer media questions. Previously, Kokchetav officials had refused to work with commercial media, fearing that without the leverage enjoyed over state organs, the media would criticize them. Now independent journalists are regularly invited to all press events.
- Prior to B-M's activity in Kostanai, the region's privatization committee deputy chairman had no contact with the press, calling them "lazy," "unfriendly," and "do-nothings." Two months later, B-M achieved a 50 percent price reduction for privatization committee advertisements and sponsored a press conference with local journalists. After the conference, the deputy chairman praised B-M efforts, and requested weekly meetings with journalists.
 - Local staff in Akmola trained privatization committee staff to answer information hot-line calls generated by a B-M poster promotion campaign. Up to 200 calls per day were logged, with callers receiving clear, friendly responses from trained officials.

Objectives and Results: Objective #4

Objective #4

Public education undertakings for specific enterprises will have been successfully completed.

Key Results

- ***Successfully provided press and government relations support for case-by-case privatization*** -- Although B-M's task order provided only a very limited mandate and funding for this area, B-M has achieved public and political successes in case-by-case investments/privatizations, promoting positive press coverage of the process, and effectively leveraging key government relations capabilities to the benefit of all involved:
 - Forestalled public crisis with case-by-case investor, Philip Morris. Unable to resolve issues surrounding their purchase of the Almaty Tobacco Factory through their regular counterparts, Philip Morris was prepared to take their frustrations to the press. Not wanting the Kazakhstan government to be caught unawares, or for the case-by-case program to lose credibility as a result of negative press coverage, B-M alerted President Nazarbayev's deputy chief-of-staff, Mr. Murat Tazhin, and press secretary Mr. Nurlan Danenov. B-M's positive relations with the executive branch opened the door for meetings and negotiations between the parties resulting in a mutually acceptable resolution to the issue.
 - B-M achieved significant press coverage of case-by-case investor RJR Nabisco's purchase of the Shymkent Confectionery. B-M provided background information to Almaty and Shymkent journalists, and organized a press conference generating over 20 articles and television spots covering the event.
 - Important press coverage through well attended events organized at the Kazakhstan Press Club was achieved for Templeton Investment Funds as well as the Overseas Private Investment Corporation. Activities by both organizations in Kazakhstan have a direct bearing on foreign investment/case-by-case financing and growth.
- ***Assisted in effectively drawing attendance, communicating messages, and generating publicity for Ernst & Young and Deloitte & Touche-sponsored business seminars*** -- B-M effectively publicized, and prepared educational materials for use in seminars held in Almaty and regional centers aimed to train owners of newly privatized enterprises in standard western business practices, and growing their business in Kazakhstan's emerging market.
- ***Educated and introduced entrepreneurs to key resources available to them*** -- The B-M team assisted new business owners to access the resources, guidance and information intended for them from the Peace Corps, IESC representatives, The Business Council, and worked with new owners to assist them through the post-privatization processes.

Proposed Next Steps / 1995 Objectives

Public/Opinion Leader Support for Privatization/Market Reform

- Maintain public support during ongoing privatization and post-privatization phases, taking into account that as participation in the program increases, so too will the number of "real life" experiences which as a rule temper initial optimism and support
- Build majority support for privatization and market reform among national parliamentarians through direct communications, the Public Education Working Group and third-party advocacy from key regional constituents
- Increase support among key student and educator groups through roll-out of youth and student privatization education program

Mass Privatization/Capital Markets

- Continue to "rebuild" majority support for mass privatization and ensure successful final waves of mass privatization by July 1995
- Educate 11.9 million shareholders to participate prudently and effectively in the market

Small Scale Privatization

- Support successful final waves of small scale privatization, aimed to increase the number of auctions held and the number of objects offered at these auctions
- Reverse negative popular perceptions/attitudes towards entrepreneurs and small business owners.

Private Sector Development/Training

- Continue to develop much needed local private sector public relations and media capabilities, specifically with respect to new and emerging issues such as basic finance, investment and capital markets operation/issues
- Maintain regional support for local authorities' privatization public education efforts, through locally staffed B-M regional network; and, continue public relations/communications training of local GKI officials

Attachments

Key Tactics / Activities Implemented

Advertising Production

Print -- Ran 4 national ad campaigns in support of mass privatization; continuous regional and periodic print ads promoting small scale and trucking auctions

Television -- 4 national campaigns run at key stages of mass privatization, 1 national small scale image advertisement; continuous regional and periodic national small scale auction advertisements, and one mass privatization informational campaign currently running

Radio -- 4 national advertising campaigns supported television and print ads; consistent regional small scale auction advertisements

Outdoor -- In Almaty, included a billboards on a main thoroughfare, and at the city exhibition center, periodic banners, and logos painted on sides of busses promoting mass privatization. In all regions, included billboards, banners, busses and trams, and posters promoting both privatization image, and small scale auctions; banners and posters at truck auction centers

Survey/Market Research

Monthly public opinion tracking -- Begun in March, tracked opinions through face-to-face interviews with a national sampling of 1200 respondents, and demographically representative samplings from 5 regions each month

Monthly focus groups -- In-depth qualitative research elicited more detailed information from a monthly average of 4 small, representative groups on specific aspects of or issues pertaining to privatization

Survey among small scale auction participants -- Questionnaire designed by B-M, and run by Deloitte & Touche consultants at each small scale auction during months of March - July, 1994. Elicited information about reasons for participation, source of information about the auction, attitude toward pricing mechanism

Survey among truck purchasers -- Conducted initial survey during closed-auction pilot phase, and designed follow up questionnaire for June, 1994 survey to determine how new owners are using their trucks, and to identify potential success stories

Materials testing -- Focus groups and in-depth interview research conducted with appropriate samplings to test all B-M materials and advertisements; allowed B-M team to fine-tune text and images and achieve maximum impact with targeted audiences

Key Tactics / Activities Implemented

Post privatization surveys - In August, 1994 conducted face-to-face interviews with 1500 managers and 1500 workers of enterprises privatized under mass privatization to determine attitude toward the process in general and the specific experience of their firm; similar survey among 400 owners and managers, and 1500 consumers of privatized small scale enterprises

Media preferences -- National survey using face-to-face interviews conducted in January, 1994 to determine preferred television, print, and radio media

Attitudes toward Investment Funds -- Focus groups conducted in August, 1994 to assess public attitudes toward the role of investment funds in mass privatization

Printed Materials

Mass leaflets -- Two leaflets, each distributed to every residential address in Kazakhstan supporting launch of mass privatization;

Small scale booklet -- 8 page illustrated booklet explaining small scale payment mechanism; distributed to all regional privatization offices and distributed to all small scale auction participants; 6 page leaflet titled "What is a share?" distributed to regional privatization offices, and participants in wholesale, trucking, and small scale auctions involving share packets

Auction promotion flyers -- A very effective means of promoting small scale auctions; used in rural areas where newspapers arrived late, and at times when newspapers were not printing. Distributed at banks, bus stops, office buildings, and other key locations

Direct Mailings -- In addition to national mass privatization mailings, leaflets promoting small scale and trucking privatization were mailed directly to residents of the Uralsk, Akmola, and Shymkent regions

Special Projects/Services

Social Marketing program -- Six 30-minute episodes of a dramatic television serial which delivers to viewers messages supporting privatization in a subtle, entertaining format

Third Party Advocacy -- Worked with unions of entrepreneurs and local business clubs to help disseminate small scale auction information to members, and help to promote privatization process among members and opinion leaders

Key Tactics / Activities Implemented

Training Programs

Business journalism seminars -- Conducted series of seminars aimed to develop a core group of business and economic journalists; initially run in Almaty, later taken to Shymkent, and Ust-Kamenogorsk

AED journalist training -- As a follow up to business journalism seminars, 15 journalists traveled to New York, San Francisco, and Washington, DC for training in Western business journalism

B-M local staff workshops -- Conducted three workshops with local staff from Almaty and each regional office; prepared educational materials, and trained staff in pr, advertising, financial management, and research

Training seminars for research groups -- Conducted three-stage session with international Yankelovich polling group; trained in questionnaire development, interviewing, analysis, reporting, and use of provided NIPO analysis software

Media Events

Kazakhstan Press Club -- Established information resource for local journalists with CNN, and numerous Western publications; provided venue for both local and international press events; issues monthly newsletter

"Business Class" -- Trained journalists in professional journalism standards, provided story leads, guided and reviewed program format

Media relations -- Operated extensive, daily media briefings and media relations to achieve publicity at national, local and regional levels

Media monitor -- Reviewed all television, print, and radio coverage of privatization in Almaty and six regional centers; composed English language summaries of each article, compiled and distributed weekly to consulting groups, US AID, and US Ambassador

Regional Constituency Programs

Small scale auction support -- promoted 500 auctions throughout Kazakhstan and conducted supporting public education activities promoting public support for the process

Regional business television programs -- In each regional center, and several outlying cities, provide information, and guide in production of local business and economic news programs

Advertising, materials production, media relations/media monitor, government relations, third-party advocacy -- see above

Key Kazakhstan Vendors

<u>Local Firm</u>	<u>Contact</u>	<u>Services</u>
BRIF	Aleksander Rusanov, Director	Conducts focus groups on mass privatization, advertising and, materials
RCIOM	Baurzhan Zhusupov	Regularly conducts surveys to gauge public attitudes toward privatization
DAKS	Ivan Kahn	Created computer graphics and animation for mass privatization TV ads; desktop publishing for privatization pamphlets
Dank Video Advertising Agency	Amir Karakopov	Wrote, designed and produced small-scale privatization ads for TV
RIKKI	Serik Korzhumbaev Talgat Ospanov	Designed template for newspaper ads; does national and regional media buys
Akbar	Aidar Zhumbaev	Created network of businesses, works with B-M on direct marketing
Smat-Bene Agency	Kraus Artur	Produced 50 large promotional banners for trucking auction centers
Igor Kiko	Igor Kiko Express newspaper	Popular local cartoonist drew characters for trucking, wholesale, and small scale privatization leaflets
Atamura	Kainar Olzhaev Murat Kupmuhammed	Printed mass privatization posters and leaflets
Talgarskaya Typographics	Alexander Kostin	Reproduce large quantities of leaflets and brochures (2,000 at a time)
Ulkiza	Asya Sulyeeva	Creating and producing social marketing television drama.
Butya		Developing mass privatization TV campaign
Charm Advertising	Gulzhaem Kuangaliev	Developing small-scale privatization advertisements
Kazakhstan Today	Andre Schukhoff	Developing business news program
M'Art	Alexander Severnuk	Produced TV ads for small-scale privatization

PUBLIC RELATIONS

I. PUBLIC EDUCATION PROGRAMS

A. BACKGROUND AND OBJECTIVES

Evidence from around the world suggests that privatization programs are unlikely to succeed without strong support from the general public. Public education and communications are core elements of the privatization process and not an add-ons.

In the Kazakhstan the idea of privatization will have to be carefully explained to the public in concept and practice. An effective national educational program will encourage the general public to support and participate actively in the privatization programs that are envisaged for Kazakhstan. It will also be used as an effective vehicle to explain to the public the critical role of privatization in the broad array of changes designed to accelerate the transition to a market economy.

This support can be achieved by designing and implementing a comprehensive public education program, utilizing all available instruments of the press, radio, television and other means of mass education and communication.

In the public education program, a distinction will be made between program and project public relations.

Program Public Education: This will include national and regional educational activities tailored to inform the public about various components of the Government of Kazakhstan's (GOK) overall privatization program (e.g., mass privatization, small-scale privatization, linkage with economic reform).

Project Public Education: Project public relations include public education and relations work and marketing which is specific to the privatization of individual enterprises (such as by privatization coupons, case-by-case privatizations, or investment tenders). This part of the public education program will finance project public relations for select enterprises on a pilot basis in conjunction with the program public education effort.

The public education and communication activities are designed to accomplish eight objectives:

- mobilization of broad popular support for the GOK's overall approach to privatization and economic reform program in general;
- education of Kazakhstani citizens in the use of coupons, their rights as shareholders, and the overall importance of privatization to Kazakhstan's transition to a market economy;
- development and encouragement of local organizations and institutions that support the GOK's privatization program;
- dissemination of information to the public about the benefits of participating in the privatization programs, the mechanics of how the process will work, and the requirements for individual participation;
- assistance to regional communications and public relations initiatives designed to support privatization auctions;
- development on a pilot basis of public relations and marketing for specific enterprises, and the roll-out of the program based on pilot results; and
- over time, build an institutional infrastructure within GKI to effectively support the communications needs of the privatization and restructuring process; and
- over time, promotion of a network of privately owned public relations firms throughout the country that meet international standards of professionalism.

B. TASKS

In order to achieve these objectives, a comprehensive, fully integrated set of tasks must be performed by a team of expatriate and Kazakhstani experts and others committed to acquiring the requisite skills. The work is divided into two phases. Phases I and II however, are intended to be implemented simultaneously, with pilots initiated under Phase I continued and/or revised under Phase II. These tasks will include the following efforts:

PHASE I

The purpose of Phase I is to rapidly identify critical constraints to the implementation of the public education program, develop strategies for rapid resolution of these constraints, and initiate market research to define public opinion regarding privatization reforms.

Phase I requires the consultants to:

1. Review media infrastructure and identify pilot areas
 - a. Identify local media (television, radio, print, staffing, etc.) resources capable of participating in a program as defined below;
 - b. Review public education programs and other elements of the privatization program underway and quickly adapt or revise the Workplan to accommodate them as appropriate;
 - c. Identify pilot projects and begin implementation
2. Revise the workplan and prepare cost estimates for full implementation of Phase II.
 - a. Based on the illustrative workplan below, develop a detailed workplan for each of the program elements in collaboration with GKI and USAID.
 - b. Refine cost estimates for workplan detailed below, including equipment and subcontracting requirements, in collaboration with GKI and USAID.
3. Initiate national opinion research (TO BE EXPANDED IN PHASE II)
 - a. Undertake opinion survey(s) to identify attitudes towards privatization generally, and the GOK's program in particular.
 - b. Identify present level of understanding, concerns and possible areas of misunderstanding from the survey to determine the messages to be used with the key audiences in the public education activities.
 - c. Develop and schedule tracking research to provide information for adjusting communications messages, (e.g. monthly tracking studies) to provide a monthly measure of how the public is reacting to it.

PHASE II

1. Develop educational materials and identify the most effective channels of communication.
 - a. Develop basic themes for a comprehensive mass communications program to be delivered to the Kazakstani public, and the most effective channels for its dissemination.

- b. Develop all creative work such as storyboards and scripts for television and radio communications, design print advertisements, posters, information booklets and leaflets, etc.

2. Pilot public educational program.

- a. Identify and train Kazakhstani experts, and place spokespersons who can relate directly to key audiences as a part of overall program.
- b. Educate the media on the privatization program to help to ensure that they are fully knowledgeable about the mechanics of privatization, use of housing coupons & other coupons, the role of securities, etc.
- c. On a pilot basis, implement initial public educational program material designed to maximize dissemination of key messages to target audiences. Adjust as indicated by public reaction and tracking studies. Themes will include the benefits and fairness of the privatization process, the role of the GKI and other agencies, and the crucial connection between privatization and economic reform. In addition to Almaty, it will be important to reach people in regional centers and in the chosen regions/cities.
- d. On a pilot basis, prepare and implement the project public education programs for 3 medium or large enterprise that are scheduled for privatization.
- e. On a pilot basis, identify which constituency and interest groups will be especially important to the success of the program, and help to build important coalition to mobilize a critical mass of support for the GOK's privatization program among these key groups, including enterprise managers and employees, the military, entrepreneurs, farmers, students, etc.
- f. Identify and enter into purchase agreements for news space and communication time for program and project public education events.
- g. Arrange to set up interviews for Kazakhstani officials if they are travelling overseas to assess how other countries are managing mass privatization programs.
- h. Hold productive public seminars and meetings.

By way of illustration, Pilots that might be developed in this phase, in anticipation of a national roll-out, are;

- television, print and radio advertising
- television programming
- non-paid media programming
- public relations programs, such as:
 - * promoting privatization successes
 - * news releases of special interest on a weekly basis
 - * privatization supplements for the print media
 - * foreign press relations
 - * media monitoring (foreign and domestic)
 - * special ad-hoc projects
 - * special one-day programs tailored to particular regions
 - * corporate governances and shareholder's rights programs

3. Roll-out Public Relations Program

- a. Continue program and selected project public education, including key groups, as indicated by results of pilot phase.
- b. Maintain ongoing relationships with Kazakhstani media, e.g. interviews, background briefings, press materials, and radio and TV talk shows where the public has the chance to question panels of spokesmen and experts.
- c. Provide advice and support to GRI press officers and others as required. Help to develop news briefing analyses coverage relating to privatization issues.

C. EQUIPMENT

The success of the privatization program also depends heavily on the ability of a network of regional agencies to implement various aspects of the program, for which effective communications facilities and an efficient office environment is required. Support is urgently required to purchase equipment for selected local and national privatization agencies, including property funds and regional commissions. This equipment will greatly support pilot efforts undertaken by these organizations and will serve to jump-start the privatization process.

Allocations of equipment to regional agencies will be made on a merit and need basis, taking into account the actual number of privatizations generated by an agency. A standard set of equipment will be made available to an eligible agency. To provide an example, this set might include a personal computer, basic software package, a printer, a small photocopier, and a fax. Recipients will fund maintenance and operating contracts to service the equipment and maintain its operations throughout the course of the project.

D. TRAINING

Building a Kazakhstani capacity to implement the public education program is part of each task and implicit in the level of effort estimates and the staffing configuration for this workplan.

For example, Kazakhstani specialists involved in the Phase I Strategic Review may become the second tier of program management during implementation. Creating opportunities for program staff to build expertise through hands-on involvement in all phases of the program will be a specific objective of all foreign technical advisors.

In addition, activities such as orientation trips to visit U.S. firms or institutions doing similar public education work will be organized and financed during Phase II.

E. REPORTING REQUIREMENTS

1. After each pilot project is identified and approved by GKI and USAID/Almaty, the contractor will prepare an individual work plan tailored for the characteristics of that selected privatization initiative. This work plan will also be approved by GKI, and USAID/Almaty and AID Washington prior to implementation. Short action plans will be prepared for each short term advisor. These plans will be approved by within one week after the arrival of the experts.

2. At the end of each month submit brief status reports to the GKI and USAID/Almaty on the implementation and achievements plus any proposed changes or refinements to the work plan. Provide weekly verbal status reports and other feedback as required.

3. At the completion of the contract, the contractor will prepare a summary report for GKI and USAID/Almaty which details the planned actions and accomplishments made toward each action. Lessons learned and replication opportunities should be stressed.

F. PROJECT MANAGEMENT

The day to day management and implementation of this workplan will be carried out by the State Property Committee (GKI), in conjunction with consultants, sub-contractors and other service providers. Periodic consultations regarding implementation will take place with A.I.D. Representatives from Almaty and Washington.

The A.I.D. technical office responsible for monitoring workplan implementation is USAID/Almaty, Private Sector Officer, or A.I.D. Washington, NIS/TF/PSI personnel, as designated.

Under this workplan, task orders will be executed to complete the work. Task orders and key personnel of contractors will be approved by the GKI and A.I.D.

G. LEVEL OF EFFORT

The level of effort for the public education program is as follows:

	<u>STAFF DAYS</u>	
	<u>Foreign Experts</u>	<u>Local Experts</u>
Phase I	152	420
Phase II	<u>1,360</u>	<u>9,280</u>
Totals:	1,512	9,700

H. SKILLS REQUIRED

All foreign experts should have at a minimum five years of management experience in the relevant fields. This is especially necessary in the area of mass communications. Training and technology transfer skills will be critical. GKI reserves the right to review the qualifications of individual specialists proposed and other information relevant to their deployment in Kazakhstan. Russian or Kazakh language ability is a prerequisite for key field staff.

Sample skill categories for this work include: program managers, senior media, mass, communication and research advisors; print, television, creative, programming and research specialists; and financial and contract management specialists.

I. RESULTS

1. A public educational program that is effective in disseminating the goals and benefits of the privatization program, and that builds public support for market reform, will have been designed and implemented.
2. Project public education undertakings for specific enterprises to be privatized will have been completed successfully and in a manner consistent with the overall program public relations program.
3. A significant Kazakhstani public relations capability in these areas will have been developed.
4. A major shift of public opinion in support of privatization and market reforms will have been realized.

J. SPECIAL INSTRUCTIONS

- 1. In the course of implementation, the consultants will produce documentation and guidelines which may be used for replication by other institutions. These should be instructive, streamlined and adaptable to various environments in different regions of Kazakhstan and will not require extensive foreign expertise but utilize local expertise for implementation.**
- 2. Equipment to be purchased is for the purpose of jumpstarting the program. This procurement will be a pilot effort and will demonstrate efficiency and cost effectiveness. Under further activities, including the development of new institutions, these institutions will be required to bear the cost of further equipment procurement.**
- 3. Consultants will make a firm commitment to stay on site for the duration of the project. Consultant travel off site should be limited to essential trips related to the project or be approved by GKI and USAID. Consultants shall make their documentation and research services available and involve specialty expertise wherever necessary.**
- 4. During the course of the work, many institutions and foreign consultants may simultaneously undertake selected initiatives. To ensure the overall success of the effort, unusual coordination and team work will be required in order to get the job done quickly, efficiently and effectively. Unnecessary duplication of past efforts should be avoided and, instead, consultants should work in a collaborative spirit, sharing information and lessons learned to precipitate the development of the public education program in Kazakhstan.**
- 5. Without the written approval of GKI and USAID, the Consultant nor any of its employees shall communicate with members of Kazakhstani or foreign press regarding their work under this contract. The Consultant shall not otherwise seek to publicize their work under this contract. The consultant shall not identify its client under this contract to third parties without the approval of GKI.**
- 6. The Consultant shall obtain the approval of GKI before making any changes in personnel assigned to the Project. In addition, the Consultant shall obtain the approval of GKI if personnel assigned to this Project shall be out of Kazakhstan or working on other projects in Kazakhstan at any time during the Project being implemented under this Task Order.**