The mass privatization program in Russia—the cornerstone in the vast economic reform effort being carried out by the Russian Government—has been widely recognized as extraordinarily successful in both the speed and scope of its implementation. As of December 1993, over two-thirds of small-scale enterprises and more than half of the 14,000 medium- and large-scale enterprises have been privatized. Nearly all (81 of 88) regions in the Russian Federation are participating in the privatization process, and by the end of 1993 the State Property Committee (GKI) expects fifty percent of Russian industry to be privately owned.

U.S.A.I.D. has been instrumental in ensuring that this privatization process is successful. Responding to a request for assistance by the Russian Government, the United States Government working through U.S.A.I.D. has provided technical and financial support to the Russian privatization effort throughout the country. Below is a description of the U.S.A.I.D.-funded privatization assistance being provided throughout the Russian Federation. Please note that since project design and locations may change quickly in response to the changing economic environment and host country objectives, any summary of such projects is necessarily incomplete.

**ABAKAN**

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions.

**ALTAISKII KRAI**

Bain & Company Voucher Auction Support Group (VASG) began five week regional support in July 1993. Activities included: set up of auction center; expansion of bid reception network from 4 to 70 locations; built pipeline of 220 enterprises to be auctioned by the end of November; recommended enterprises for the All Russian Auction Program; accelerated the cash auction process and resolved some major legal irregularities. A budget of R55 MM has been developed by VASG and approved by the Russian State Property Committee (GKI).

**ARKHANGELSKAIA OBLAST’**

All-Russia Auction System (ARAS-PR)

Bain & Company VASG began their three week regional support in September 1993. Activities included: expanding the bid reception network through the activation of the local raions (regions) and a mobile bid reception center; and resolution of some legal irregularities,
including investment tenders being subtracted from the mandatory 29%. A budget of R39MM has been developed by VASG and approved by GKI.

International Finance Corporation Small Scale Privatization

ASTRAKHAN

All-Russia Auction System (ARAS-PR)

BARNAUL

All-Russia Auction System (ARAS-PR)

BELGORODSKAIA OBLAST'

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions.

Bain & Company VASG provided three week regional support, beginning in August 1993. Activities included: resolution of legal irregularities, cash auction support, and expansion of public information and bid reception.

BLAGOVESHCHENSK

International Finance Corporation provides pre-privatization support for small-scale enterprises.

BRIANSK

All-Russia Auction System (ARAS-PR)

BURIATIA (REPUBLIC)

Bain & Company VASG began regional support in the middle of November 1993. Activities included: improved communication flows between committee and fund, and finalized pipeline through March 1994. They are currently (as of November 23, 1993) working on a budget to provide an improved public information campaign and bid reception coverage.

CHEBOKSARY

All-Russia Auction System (ARAS-PR)
CHELYABINSKAIA OBLAST'

Bain & Company provides technical assistance in the form of a voucher auction team to assist with auctions in this region. Eight week regional support began in May 1993. Activities included: restarted voucher auction process that had been suspended, conducted seminar on share registries, expanded bid reception through the use of a mobile center subsequently featured on national television, resolved a series of legal irregularities, and helped in the upgrading of the voucher auction center. A financial assistance budget of R22MM has been developed by VASG and approved by the GKI.

CHERKASSIA

Price Waterhouse National Auction Staff have provided technical assistance to improve this region's voucher auction procedures.

CHITA / CHITINSKAIA OBLAST'

All-Russia Auction System (ARAS-PR)

Bain & Company VASG began their five week regional support in July 1993. Activities included: development of a public information campaign beyond obligatory announcements in order to increase demand, creation of an audit trail of auction documents, increasing the bid reception network using Sberbank, and support of cash auctions.

DAGESTAN (REPUBLIC)

Bain & Company provides a "quick response" mobile technical assistance team to assist with the auction system in this region. Four week regional support began in May 1993. Activities included: developing the first pipeline of 26 enterprises, recommending changes to the bid reception process, and public information campaigns. This region is significant because little progress has been made in voucher auctions in the Caucasus. They continue to work with the region to resolve legal irregularities. A budget of R37MM has been developed by VASG and approved by the GKI.

EKATERINBURG

Sawyer Miller conducted a privatization training seminar for local officials this past Spring.

Price Waterhouse has been providing legal and due diligence review of enterprises; assistance to local property funds in selection and preparation of bid collection centers; technical training in GKI auction procedures; monitoring of bid collection and voucher auction processing; assistance with post-auction procedures and development of share registries; coordination of public relations; financial support for start-up of bid collection centers;
assistance in cash auctions for self-financing of voucher auctions; and technical training in
corporate governance and shareholder relations for enterprise management.

Deloitte Touche is developing the regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

McKinsey & Company is working with three large privatized enterprises on business
structure, design and development of product market strategies, and corporate restructuring.

All-Russia Auction System (ARAS-PR)

IRKUTSK

Deloitte Touche set up a regional clearing depository center.

Ian Freed Consulting has installed a voucher clearing telecommunications system.

All-Russia Auction System (ARAS-PR)

IRKUTSKAIA OBLAST'

Bain & Company VASG provided regional support for four weeks beginning in September
1993. Activities included: development of pipeline of 260 enterprises, resolution of a series
of legal irregularities, recommending a site change for the auction center, expanding the
public information campaign, and lowering per voucher redemption costs through
negotiations with the subcontractor.

IVANOVO

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and
adherence to standards for collection and processing of bids for nationwide auctions.

IVANOVSKAIA OBLAST'

Bain & Company VASG began three week regional support in July 1993. Activities
included: conducting a seminar on cash auctions, expanding share packages to the legal
requirement of 29%, the expansion of the bid reception network, and ending the process of
mixed auctions. A budget of R56MM has been developed by VASG and approved by the
GKI.
KALACH (VOLGOGRADSKAIA OBLAST')

International Finance Corporation Small Scale Privatization

KALININGRAD

Deloitte-Touche developed the regional clearing and depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions.

KALININGRADSKAIA OBLAST'


KALUGA

All-Russia Auction System (ARAS-PR)

KAMENSK-URALSKII

International Finance Corporation Small Scale Privatization

KAMYSHIN (VOLGOGRADSKAIA OBLAST')

International Finance Corporation Small Scale Privatization

KARELIYA (REPUBLIC)

Bain & Company provides a "Quick response" mobile technical assistance team to assist with the auction system. Two week initial support began in May 1993. Activities included: support of cash auction process, recommendations on public information campaign, and expansion of the bid reception network from 6 to 20 locations.

Price Waterhouse has worked with the local property fund on voucher auction procedures.

KEMEROVO

All-Russia Auction System (ARAS-PR)
KEMEROVSKAIA OBLAST' 

Bain & Company VASG began their first two weeks of regional support in October 1993. Activities included: the development of a pipeline of 130 enterprises for voucher auctions, the review of the auction center and recommendations for improvement, and the expansion of the public information campaign.

KHABAROVSK 

Sawyer Miller organized a "Privatization Days" event in which seminars, addressing such topics as "Shares: Questions and Answers" were offered to the general public. This event attracted over 1,000 people. In addition, privatization training seminars were organized for local officials in the early Spring 1993.

The International Finance Corporation provides pre-privatization support for small-scale enterprises.

KIROV 

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

KOMI REPUBLIC, (SYKTYVKAR) 

Bain and Company provides a "quick response" mobile technical assistance team to assist with the auction system. Two week regional support began in June 1993. Activities included: legal advice on investment tenders, development of pipeline, and providing recommendations on public information campaigns and bid reception network. A post privatization seminar was scheduled to be held on December 2 and 3, 1993.

Ian Freed Consulting is setting up the voucher clearing telecommunications system.

KRASNODAR 

Sawyer Miller organized a "Privatization Days" event in which seminars, such as "Shares: Questions and Answer" were offered to the general public. This event attracted over 1,000 persons.

Price Waterhouse has been providing legal and due diligence review of enterprises; assistance to local property funds in selection and preparation of bid collection centers; technical
training in GKI auction procedures; monitoring of bid collection and voucher auction processing; assistance with post-auction procedures and development of share registries; coordination of public relations; financial support for start-up of bid collection centers; assistance in cash auctions for self-financing of voucher auctions; and technical training in corporate governance and shareholder relations for enterprise management.

The International Finance Corporation assists in the privatization of the transport sector.

**KRASNOYARSK**

Bain and Company provides technical assistance in the form of a voucher auction team to assist with the action system.

The International Finance Corporation provides pre-privatization support for small-scale enterprises.

All-Russia Auction System (ARAS-PR)

**KURGAN**

Price Waterhouse advisors review regional voucher auction operations, identify appropriate improvements in regional voucher auctions, and assess the readiness for participation in nationwide voucher auctions (All-Russia Auction System (ARAS-PR)).

**KURSK**

Price Waterhouse advisors review regional voucher auction operations, identify appropriate improvements in regional voucher auctions, and assess the readiness for participation in nationwide voucher auctions.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

**LENINGRADSKAIA OBLAST’**

Bain & Company VASG began two week initial regional support in July 1993. Activities included: reduction of subcontracting costs, providing legal advice, and the determination of pipeline size.

**LIPETSK**

All-Russia Auction System (ARAS-PR)
LIPETSKAIA OBLAST'

Bain & Company VASG began three week regional support in July 1993. Activities included: public information and bid reception expansion recommendations drawn up in advance of auctioning of the two largest enterprises in the region. Political situation in the region has impeded progress, and Bain & Company is awaiting the outcome of a Presidential Commission investigating the region.

MAHARCHKALA

All-Russia Auction System (ARAS-PR)

MIKHAILOVKA (VOLGOGRADSKAIA OBLAST')

International Finance Corporation Small Scale Privatization

MOSCOW

The Harvard Institute for International Development (HIID) provides policy advice on regional voucher auctions and financial restructuring of firms. They offer legal assistance, provide a permanent Russian staff for the Privatization Center, and assist in the development of a national auction and message clearing system.

Price Waterhouse advisors designed and implement the management structure for the National Voucher Auction Center in Moscow. In addition they have been providing legal and due diligence review of enterprises; assistance to local property funds in selection and preparation of bid collection centers; technical training in GKI auction procedures; monitoring of bid collection and voucher auction processing; assistance with post-auction procedures and development of share registries; coordination of public relations; financial support for start-up of bid collection centers; assistance in cash auctions for self-financing of voucher auctions; technical training in corporate governance and shareholder relations for enterprise management; and development of a central audit function for monitoring the auction funds (All-Russia Auction System (ARAS-PR)).

Deloitte-Touche has developed the Moscow regional clearing depository center. Advisors are also implementing a capital markets pilot program specifically for development of share registry and transfer agency institutions.

KPMG Peat Marwick is implementing a capital markets pilot program for the development of share registry and transfer agency institutions.

Ian Freed Consulting has set up the voucher clearing telecommunications system.
McKinsey & Co. is active in developing a program of post-privatization assistance to large scale privatized enterprises, including Zil.

The International Executive Service Committee (IESC) implements defense conversion projects.

**MURMANSK**

Bain and Company has provided a "quick response" mobile technical assistance team to assist with the voucher auction system.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

U.S. Department of Transportation and several port consultants visited Murmansk to evaluate the potential for privatization of the port in this city.

**NAKHODKA**

International Finance Corporation Small Scale Privatization

**NALCHICK**

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

**NIZHNII NOVGOROD**

International Finance Corporation assists in the privatization of the public transportation system, supports the privatization of medium and large scale enterprises by means of assistance to the Regional Voucher Auctions, runs a state farm pilot program to develop more standardized approaches to land privatization, and works in the area of small scale privatization.

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

The International Executive Service Committee (IESC) implements defense conversion projects.

Deloitte Touche is setting up a regional clearing depository center.
Ian Freed Consulting has set up the voucher clearing telecommunications system.

**NOVGOROD**

Bain and Company provides post-privatization support for small-scale enterprises.

Boston Consulting Group is implementing a pilot program to be a model for rapid privatization of producers and retailers. The program is focusing on the wholesale, warehouse and distribution system for fruits and vegetables.

All-Russia Auction System (ARAS-PR)

**NOVOROSSIISK**

U.S. Department of Transportation and several port consultants visited Novorossiisk to evaluate the potential for privatization of the port in this city.

**NOVOSIBIRSK**

Deloitte-Touche developed the regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

The International Finance Corporation is implementing a state farm pilot program in an effort to develop standardized approaches to land privatization and supports the privatization of medium and large scale enterprises by means of assistance to the Regional Voucher Auctions.

All-Russia Auction System (ARAS-PR)

**NOYABRSK**

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

**OMSK**

Price Waterhouse advisors designed and implements the management structure for the Regional Voucher Auction. In addition they have been providing legal and due diligence review of enterprises; assistance to local property funds in selection and preparation of bid collection centers; technical training in GKI auction procedures; monitoring of bid collection and voucher auction processing; assistance with post-auction procedures and development of share registries; coordination of public relations; financial support for start-up of bid collection centers; assistance in cash auctions for self-financing of voucher auctions; technical training in corporate governance and shareholder relations for enterprise management; and
development of a central audit function for monitoring the auction funds (All-Russia Auction System (ARAS-PR)).

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

Deloitte Touche has developed a regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

OREL

All-Russia Auction System (ARAS-PR)

International Finance Corporation Small Scale Privatization

ORENBURG

Deloitte Touche will be developing a regional clearing depository center.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

ORENBURGSKAIA OBLAST'

Bain and Company provides a "quick response" mobile technical assistance team to assist with the auction system. Four week regional support began in June 1993. Activities included: expanding the bid reception center to include rural and outlying areas, terminating the practice of conducting mixed auctions, creating the initial pipeline, and targeting the public information campaigns.

ORSK

International Finance Corporation Small Scale Privatization

PENZA

The International Finance Corporation provides pre-privatization support for small-scale enterprises.

All-Russia Auction System (ARAS-PR)
PENZENSKAIA OBLAST'

Bain & Company VASG began regional support in September 1993. Activities included: conducting a training seminar for personnel of raion (regional) Funds and Committees to allow extension of the number of bid reception points, investigation of irregular valuation of fixed assets, and training on public information campaigns.

PERM

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

Deloitte-Touche developed the regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

The Boston Consulting Group is implementing a pilot program to be a model for rapid privatization of producers and retailers. The program is focusing on the wholesale, warehouse and distribution system for fruits and vegetables.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

PETROPAVLOVSK-KAMCHATSKII

International Finance Corporation provides pre-privatization support for small-scale enterprises.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

PETROZAVODSK

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

PSKOV

Bain and Company provides post-privatization support for small-scale enterprises.

All-Russia Auction System (ARAS-PR)
RYAZAN'

Bain and Company provides post-privatization support for small-scale enterprises.

ROSTOV-ON-DON

Deloitte-Touche developed the regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

All-Russia Auction System (ARAS-PR)

ROSTOVSKAIA OBLAST'

Bain & Company VASG began regional support in October 1993. The primary activity was the development of a voucher and cash auction pipeline.

SAMARA

Sawyer Miller organized a "Privatization Days" event in which seminars, such as "Shares: Questions and Answers" were offered to the general public. This event attracted over 1,000 persons.

All-Russia Auction System (ARAS-PR)

SAMARSKAIA OBLAST'

Bain & Company VASG began three weeks of regional support in September 1993. Activities included: the organization of a seminar on share registries, the resolution of some legal irregularities, and the development of a voucher and cash auction pipeline. A budget of R42MM has been developed by VASG and approved by the GKI.

SARANSK

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

SARATOV

Sawyer Miller organized a "Privatization Days" event in which seminars, such as "Shares: Questions and Answers" were offered to the general public. This event attracted over 1,000 persons. In addition, privatization training seminars were organized for local officials in the early Spring 1993.
Price Waterhouse has been providing legal and due diligence review of enterprises; assistance to local property funds in selection and preparation of bid collection centers; technical training in GKI auction procedures; monitoring of bid collection and voucher auction processing; assistance with post-auction procedures and development of share registries; coordination of public relations; financial support for start-up of bid collection centers; assistance in cash auctions for self-financing of voucher auctions; and technical training in corporate governance and shareholder relations for enterprise management (All-Russia Auction System (ARAS-PR)).

Deloitte-Touche is developing a regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

The International Executive Service Committee (IESC) implements defense conversion projects.

SARATOVSKAIA OBLAST

Bain & Company VASG began two week regional support in September 1993. Activities included: provision of training to the newly appointed committee, expansion of the public information campaign, and resolution of legal irregularities—especially reversing restrictions placed on participation of voucher investment funds from outside the region.

SMOLENSK

All-Russia Auction System (ARAS-PR)

SREDNAIA AKHTUBA (VOLGOGRADSKAIA OBLAST)

International Finance Corporation Small Scale Privatization

ST. PETERSBURG

Deloitte-Touche developed the regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

McKinsey & Co. is active in developing a program of post-privatization assistance to large scale privatized enterprises including Lomo.

Bain and Company provides a "quick response" mobile technical assistance team to assist with the auction system.
Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

The International Executive Service Committee (IESC) implements defense conversion projects.

STAVROPO~

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

Price Waterhouse advisors review regional voucher auction operations, identify appropriate improvements in regional voucher auctions, and assess the readiness for participation in nationwide voucher auctions (All-Russia Auction System (ARAS-PR)).

TAGANROG

International Finance Corporation provides pre-privatization support for small-scale enterprises.

TAMBOV

All-Russia Auction System (ARAS-PR).

TOMSK

The International Finance Corporation runs a state farm pilot program to develop more standardized approaches to land privatization, supports the privatization of medium and large scale enterprises by means of assistance to the Regional Voucher Auctions, and provides pre-privatization support for small-scale enterprises.

All-Russia Auction System (ARAS-PR)

TOMSK - 7

International Finance Corporation Small Scale Privatization

TULSKAIA OBLAST'

Bain & Company VASG began providing region support in October 1993. Activities included: organizing a seminar to expand bid reception network, establishing guidelines for bid collection compensation, developing a budget for the advertising campaign, and recommending improvements to the legal base.
TYUMEN

Price Waterhouse advisors review regional voucher auction operations, identify appropriate improvements in regional voucher auctions, and assess the readiness for participation in nationwide voucher auctions (All-Russia Auction System (ARAS-PR)).

Deloitte-Touche is developing a regional depository clearing center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

International Finance Corporation Small Scale Privatization

TVER

All-Russia Auction System (ARAS-PR)

ULIANOVSK

All-Russia Auction System (ARAS-PR)

VLADIMIR

Sawyer Miller organized a "Privatization Days" event in which seminars, such as "Shares: Questions and Answers" were offered to the general public. This event attracted over 1,000 persons. In addition, privatization training seminars were organized for local officials in the early Spring 1993.

International Finance Corporation assists in the privatization of the transport sector and small scale privatization.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

Deloitte-Touche is developing a regional depository clearing center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

VLADIVOSTOK

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

Deloitte-Touche developed the regional clearing depository center.
Ian Freed Consulting has set up the voucher clearing telecommunications system.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions (All-Russia Auction System (ARAS-PR)).

International Finance Corporation Small Scale Privatization

**VOLGOGRAD**

International Finance Corporation runs a state farm pilot program to develop more standardized approaches to land privatization and supports the privatization of medium and large scale enterprises by means of assistance to the Regional Voucher Auctions, and assists with the small scale privatization effort. The NGO CCI plans internship and mentorship activities.

Deloitte-Touche is developing a regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

All-Russia Auction System (ARAS-PR)

**VOLOGDA**

International Finance Corporation provides pre-privatization support for small-scale enterprises.

All-Russia Auction System (ARAS-PR)

**VOLZHSKII (VOLGOGRADSKAIA OBLAST')**

International Finance Corporation Small Scale Privatization

**VORONEZH**

Deloitte-Touche is developing a regional clearing depository center.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

International Finance Corporation Small Scale Privatization

All-Russia Auction System (ARAS-PR)
YAKUTSK (REPUBLIC OF YAKUTIA/SAKHA)

The International Finance Corporation runs a state farm pilot program in an effort to develop more standardized approaches to land privatization and supports the privatization of medium and large scale enterprises by means of assistance to the Regional Voucher Auctions and to the small scale privatization effort.

Price Waterhouse advisors review regional voucher auction operations, identify appropriate improvements in regional voucher auctions, and assess the readiness for participation in nationwide voucher auctions (All-Russia Auction System (ARAS-PR)).

YAROSLAVL'

Sawyer Miller conducted a privatization training seminar for local officials in the Spring of 1993.

International Finance Corporation provides pre-privatization support for small-scale enterprises.

Bain and Company provides post-privatization support for small-scale enterprises.

The Harvard Institute for International Development (HIID) technical advisors have worked with local authorities to organize their voucher auction program.

Ian Freed Consulting has set up the voucher clearing telecommunications system.

YOSHAKAR-OLA

All-Russia Auction System (ARAS-PR)

YUZHNO-SAKHALINSK

Sawyer Miller organized a "Privatization Days" event in which seminars, such as "Shares: Questions and Answers" were offered to the general public. This event attracted over 1,000 persons. In addition, privatization training seminars were organized for local officials in the early Spring 1993.

Price Waterhouse advisors review the capabilities for participating in nationwide auctions and adherence to standards for collection and processing of bids for nationwide auctions.