

## Highlights of the discussion

### Communication, Power and Reform

5 November 2015



This brown bag is part of a knowledge-sharing series that the DER Project Communication group regularly conducts for operations staff. Project leaders share practical strategies on how communication strategies can be effectively designed and used to engage stakeholders, change behavior, and mitigate risks - for better project results.

#### Case for discussion:

KYZ Power Sector Rehabilitation Project (2012-2015, extended until 2019)

- Grant of US\$40 million and loan of US\$15 million

#### Speakers:

- Pei Ling Koh, Project Officer, Energy Specialist, CWEN
- Azamat Akeleev, Founding Director, Promotank, contractor for the project's communication component

*The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. 1 ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.*

### Communication context of the project:

- The Kyrgyz Republic meets more than 90 percent of its domestic energy needs from hydroelectric sources. Electricity tariffs are among the lowest in the world.
  - **2007-2008:** The energy crisis begins with a severe winter and low water levels in the hydropower stations causing blackouts and rationing.
    - Power and heat tariffs are increased by more than 100 percent
  - **2010:** Energy issues were among the major catalysts of the “Kyrgyz Revolution of 2010”
    - Tariffs went back to the original rates after the public unrest but the people’s attitude toward the energy sector remained negative due to:
      - Perceptions about mismanagement in the power sector
      - Stakeholders’ lack of awareness about the ongoing developments and reforms in the power sector
      - Prevailing Soviet-era belief that power, generated from hydroelectric sources, should be free
  - **2012:** KYZ Power Sector Rehabilitation Project is approved
- The Medium Tern Tariff Plan of 2014 planned for a phased increase in tariffs to respond to improve transparency in tariff setting methodology. Raising public awareness regarding effective tariff policies and the ongoing developments in the power sector is essential to implement the Plan.

### Setting up a Project Communication component:

- Given this context, the KGZ Power Sector Rehabilitation Project team recognized the major role of communication in energy sector reform. One of the project’s four components is to conduct a public information program on sector reforms with the following objectives:
  - Increase public awareness and address negative perspectives about power sector reform of the government
  - Educate the public about the benefits of an effective tariff policy and efficient energy usage
- During conceptualization, the project team met with local media outfits to assess the availability of potential contractors.
  - The project team decided that a local firm could best understand the sensitive socio-political context of the energy environment while also keeping the costs at a minimum.
- With the advice of OSFMD on procurement categorization, the project team decided to recruit a national firm using the consultant qualification selection method.
- US\$400,000 was budgeted based on earlier scoping of the Kyrgyz media environment and OSFMD’s advice on procurement categorization, and US\$160,000 was awarded to the winning contractor, Promotank.
- To oversee the public information program, a Working Group was set up led by representatives from the press unit and regulator from the Ministry of Energy and Industry (MOIE), the office of the Prime Minister, ADB and World Bank

### Developing the Communication Strategy:

- A baseline survey of consumers’ perceptions of the energy sector was conducted in 2014 before the communication strategy was developed. The results of the baseline survey informed the communication strategy:

- National TV was the main source of information (53%) followed by newspapers (16%); friends, relatives and neighbors (13%); radio and internet (9% each).
- Survey suggested that the public was not prepared for an increase in electricity tariffs. 60% strongly opposed it and a significant percentage felt that hydro-generated electricity should be free
- Almost half (44%) of respondents said “corrupted schemes” are the main factors that hinder the development of the energy sector followed by “depreciation of equipment” (24%) and “ineffective management” (23%)
- The communication strategy used the following approaches:
  - manage the public perception that the energy sector is corrupt and mismanaged
  - create a positive image of energy officials who are open to public dialogue
  - encourage public involvement in energy reform by providing information on household energy-efficient practices
  - use the Kyrgyz language
- To reach different audiences, the following multi-media channels were used:
  - **TV and radio** public service announcements and news stories covered corruption issues by presenting the “state of things in the energy sector” including disclosure of liabilities, losses and criminal cases against energy officials and employees with corruption complaints.
  - **Weekly live TV and radio guest appearances** by energy ministry officials fielded questions from the public. These were difficult to moderate but were effective in conveying the message that management is transparent, accessible and accountable to the public.
    - Prior to the campaign, intensive consultations with ministry officials were conducted to ensure their support and buy-in, and to prepare them for public dialogue
  - **Public hearings** particularly in districts and rural areas – focused on answering persistent public concerns about why tariffs need to increase, where international loans and aid money are directed, and the technical and financial state of the energy sector.
    - District leaders made it a practice to dialogue with groups that often lead protest actions in rural areas after public hearings to address their concerns before protests escalated
  - **Roundtables** engaged stakeholders in the industry (i.e., business leaders, academics, scientists, media, etc)
  - **Social media** focused on engaging the opinion makers particularly journalists and policy makers
  - **Communication paraphernalia** provided bite-sized information on the state of the energy sector, the benefits of tariffs and energy-efficient practices (also printed at the back of energy invoices and bills)
- The endline survey, conducted in 2015 after completion of the communication campaign, showed the following results based on the DMF indicators:
  - 20% increase in public awareness about power sector reform
  - 59% received information on the new tariff policy
- While opposition to the increased tariffs remains, the impact of the power reforms is recognized. Energy services are being more efficiently delivered. According to Azamat Akelev, the complementing communication campaign and wide stakeholder

consultations helped reduce public discontent and social tensions. The endline survey showed that:

- 47% of the population said they rarely (once a month) experienced a power outage; 26% had interrupted supply of electricity.

### **Communication lessons:**

- The project objective would not have been achieved without communication given the sensitivity of power reforms in the Kyrgyz Republic.
- The communication planning and implementation processes were meticulously followed in a structured and logical sequence:
  - 1) scoping of the communication contracting environment;
  - 2) baseline research
  - 3) consultations and coordination among stakeholders
  - 4) developing the communication strategy
  - 5) identifying channels that were linguistically and culturally appropriate to the socio-political conditions
  - 6) rolling out the activities in partnership with government, media outlets, etc.
  - 7) endline research
- The support of the EA for communication interventions is critical. The communication campaign was successful because of the leadership of a Ministry official who championed the implementation of the communication strategy.
- Choosing the right communication contractor is a key factor to successfully implement a campaign. For this project in particular, the socio-political context required a local contractor that is not only skilled in communication campaign design and implementation, but also have the right amount of influence and integrity, and the ability to build trust among different government entities and other stakeholders.
- Investing in project communication is cost-effective – the cost of communication activities was only 0.25 percent of total project cost.
- Communication strategies should be reviewed and sustained for the next power sector reform project.