



Mid-Term Assessment of IREX Media Innovations Program
(USAID/Caucasus Mission's Cooperative Agreement No.114-A-00-02-00126-00)

by

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Based on Field Work Done April 19-May 3, 2004.

PREFACE

The USAID office in Tbilisi requested a mid term evaluation of the International Research and Exchanges Board's (IREX) Media Innovations Program for Georgia (MIPG) in April 2004. (USAID/Caucasus Mission's Cooperative Agreement No.114-A-00-02-00126-00). The mission selected one evaluator from USAID and one from IREX to work together, representing the perspectives of each organization and the interests of the program as a whole to analyze the progress of the media sector as it related to the IREX Media Innovations Program and its specific results to date in five areas:

- Support a legal and regulatory framework that encourages free speech and access to information.
- Assistance to media managers in making their businesses efficient, profit-seeking, and self-sustaining entities.
- Improvement of overall journalistic skills by encouraging quality reporting and ethical conduct to provide citizens with objective, balanced, fact-based information.
- Support to grow associations and institutions that function in the professional interests of an independent Georgian media.
- Assistance to Georgian media in providing full and accurate coverage of elections.

USAID/Caucasus asked the team to offer recommendations for the further implementation of the program considering possible consequences and effects of the "Rose Revolution" and post-election challenges facing Georgian media.

Fieldwork in Georgia was conducted from April 19 to May 3, 2004. The work included interviews in Tbilisi, Poti, the Guria region, Kutaisi and Sagarejo. An intense schedule allowed us to see a cross section of Georgian media in different regions of the country.

First we need to thank our translator Marika Asatiani for her professionalism and good humor working long days at a tiring job. We also want to thank IREX for its cooperation, especially Deputy Chief of Party Lika Chakhunashvili who was a delightful traveling companion and who handled the logistics and chief of party Bob Evans who was generous with the gift of his time and insights. Finally we want to thank our USAID traveling companions, Ketil Bakradze, our guide to Georgian culture as well as being the CTO for the project and Alex Gibradze, our USAID driver who wanted to make sure that we sampled the best of Georgian cuisine after long days of driving and interviews.

Acronyms and Abbreviations

ABA	American Bar Association
BBC	British Broadcasting Corporation
CA	Cooperative Agreement
CCFJ	Caucuses Center for Journalism
CIS	Commonwealth of Independent States
CMI	Caucasus Media Institute
CoE	Council of Europe
COP	Chief of Party
CSJ	Caucasus School of Journalism
CTO	Cognizant Technical Officer
DCOP	Deputy Chief of Party
DG	Democracy and Governance
FOIA	Freedom Of Information Act
FOI	Freedom Of Information
GLYA	Georgian Young Lawyers Association
GNAB	Georgian National Association of Broadcasters
GNCC	Georgian National Communications Commission
GRN	Georgian Radio Network
ICFJ	International Center For Journalists
IREX	International Research and Exchanges Board
IPM	Institute for Polling and Marketing
IR	Intermediate Result
IRI	International Republican Institute
IRIS	Institutional Reform and the Informal Sector
ISFED	International Society for Fair Elections and Democracy
IWPR	Institute of War and Peace Reporting
KPMG.	Klynveld, Peat, Marwick, & Goerdeler
MIP	Media Innovations Program
MIPG	Media Innovations Program, Georgia
MSI	Media Sustainability Index
NAB	National Association of Broadcasters
NDI	National Democratic Institute
NGO	Non-Government Organization
NXP	Non Expendable Property
OSCE	Organization for Security and Cooperation in Europe
OSF	Open Society Foundation

OSGF	Open Society Georgia Foundation
OSI	Open Society Institute
RFA	Request For Applications
TSU	Tbilisi State University
USAID	U.S. Agency for International Development
VAT	Value Added Tax

Mid-Term Assessment of IREX Media Innovations Program Executive Summary

Good journalists cannot write for long without decent pay. What they write is meaningless if it does not reach readers, listeners and viewers. If a good journalist is arrested, beaten or harassed after publishing something substantive there is a chilling impact on the whole journalism process. USAID worldwide experience with media strategies suggests that comprehensive media development programs have proven considerably more effective than more narrowly focused tactics. By “comprehensive” we mean programs that address the full range of needs to develop an enabling environment for free, professional media, including: media laws and media legal defense, business development, professional training, and industry association building.

Georgia following the Rose Revolution represents a particularly promising development opportunity – since Georgian media (with an extra push from the IREX and other donor-supported programs) seems poised to move far ahead of all eleven other C.I.S. media systems in terms of genuine market-oriented media sector development.

The Georgia Media Innovations Program provides a useful model of how an ambitious media development program should work. Its different elements work well together to create a whole that has created significant impacts and which, if pursued further, will develop the sector as a whole and a diverse array of individual media – step-by-step – toward greater professionalism, economic self-sustainability, and independence. The program is consumer oriented, with an emphasis on market research that directs media to meet the real needs of citizens rather than the perceived needs of elites. The program has been efficiently run. Due to a careful ramp-up strategy and considerable cost sharing, its activities provide good value for the dollar. And IREX has also served a coordinating function between donors and implementers.

USAID assigned the program five Intermediate Results (IRs). The program is judged by its performance in each of these result areas. Below is a brief review of each IR.

Support a legal and regulatory framework that encourages free speech and access to information. Important legislation is pending, especially broadcast licensing and conversion of state to public broadcasting. Sustained monitoring and lobbying will be required to assure drafts are not weakened in the legislative process. Two particular concerns are future advertising on public TV and the appointment process for an independent broadcast regulatory commission. Once laws pass, implementation will require constant monitoring and attention, including dissemination of legal interpretations and continued training for media managers, attorneys, government officials and judges.

An enabling legal environment is a key to the success of independent media. While some good laws, like freedom of information, are on the books, media professionals reported ongoing implementation problems. Media professionals indicated a high awareness of the legal situation in Georgia. We saw evidence to suggest that the legal

monitors prepared or funded by IREX, plus other IREX legal activities, had contributed significantly to this high level of legal awareness.

While USAID does not often work with public broadcasting, IREX and USAID should consider working with other implementers to facilitate the transition from state to public broadcasting -- assuming the new draft broadcasting law passes in its current form. For example, the Media Innovations Program might help the new public broadcasting entity develop a second channel based on the CSPAN model.

Assistance to media managers in making their businesses efficient, profit-seeking, and self-sustaining entities. The ultimate success of independent media will depend on these businesses' ability to pay for professional staff, distribution infrastructure, training for staff, and for attorneys to represent them in their day-to-day operations as well as in larger legal reform processes. The IREX approach has properly focused on creating markets that will be able to sustain all media. The TV ratings system has already had a significant influence in developing the TV market after being in place for just a few months. IREX's work in newspaper distribution should have similar impact, raising circulation sales as well as advertising revenues.

In the remaining year, IREX should:

- ✓ Work with advertising agencies to develop comprehensive media strategies that work for their clients, using a mix of TV, radio and print.
- ✓ Support commercial TV monitoring in the regions to supplement existing monitoring already conducted in Tbilisi by The Institute for Polling and Marketing (IPM).
- ✓ Continue training newspapers to use readership surveys currently in development.
- ✓ Work with radio on developing business through activities like remote broadcasts and auctions of bartered goods. IREX might also work with IPM to extend radio research to the regions if the additional cost is reasonable.
- ✓ Provide significant help to newspapers in setting up an auditable distribution network *if* the pending court ruling is in favor of the applicant who represents the interests of Tbilisi Press Club.
- ✓ Continue the program of comprehensive management training and consultation.

Journalists provide citizens with objective, balanced, and fact-based information:

IREX is working with other providers like ICFJ, IWPR, Eurasia Foundation, the Caucasus School of Journalism, and Caucasus Media Institute to provide journalism training. We found this training has had significant, positive impacts on media professionalism. One example is the improved use of photojournalism in the newspaper "24 Hours." Social reporting grants moved several outlets toward that type of journalism even after their grants ended.

IREX sponsored monitoring of grantees during the elections. In the final year of the cooperative agreement, IREX should work to develop some form of media content monitoring and reporting using systems developed by IPM for implementation in a future CA. Last, yet important, due to ambitious economic reforms now being attempted by the

GOG, Georgian media professionals repeatedly requested expanded training in the areas of business and economics reporting.

Supporting institutions function in the professional interests of independent media:

Supporting institutions are still fragile and need continued fostering. The GNAB is an uneasy alliance of radio, TV, and cable, with both public and private broadcasters. In the future these potentially conflicting interests may cause the organization to break into different caucuses, as has happened with the American NAB in its history. However, the IREX strategy of bringing all the organizations under one roof is important for the time being. The Association Free Press appears to have weak professional staff leadership, a deficiency that would need correcting before larger scale cooperative activities could be attempted. As an alternative, regional associations are beginning to provide leadership outside Tbilisi.

Three types of associations seem missing from the mix. We do not know, however, if it is within IREX's ability to deal with this in the time remaining in the CA:

- ✓ A group advocating for the rights of journalists, not their employers. In other words, a guild or union that deals with issues of pay and working conditions.
- ✓ A public media watchdog that can conduct and interpret media monitoring and call the media to task if it strays. The Media Council may serve this purpose.
- ✓ An independent news service that all local stations and newspapers can use to provide not only news, but also features like cross word puzzles and photos.

Georgian media provides full and accurate coverage of elections: We found consistent agreement that IREX-supported activities, especially debate training and the voter's guide, proved important to the election process. Since the Election Commission did not provide a guide, the IREX sponsored guide evidently filled an important function. A need for a voter's guide for municipal elections may also arise – especially if the government amends local government laws to give more power to local authorities, thus making local elections more important.

Conclusions: The Media Innovations Program has performed well. Its policy of conserving funds at the beginning of the project will now permit a ballooning spending at the end when funds can be targeted at key initiatives such as for a possible new newspaper distribution system, legal tests of new laws, and a final push in selected areas of training. Given solid accomplishments to date, yet with much remaining work to be done, we believe that Georgia would benefit greatly from a media program beyond the life of this current cooperative agreement, especially ongoing assistance covering the first two IRs in the areas of legal framework and business development. Several years will be needed before the media market is large enough to sustain the infrastructure of independent media; and past experience suggests that implementation of new laws will require monitoring and legal tests for at least five years beyond the laws' passage. That passage is only happening now, with the changed environment due to the Rose Revolution.

Notwithstanding our recommendation for continued USAID media assistance beyond the life of the current CA, IREX must begin to plan an exit strategy in its final year to make sure that significant activities are picked up by local agencies that can administer them in a new CA with support from USAID or, if necessary, try to function independent of USAID support under the contingency (NOT recommended by us) that the Mission ends support in this area. IREX has done much work already, preparing the Liberty Institute, GLYA and the GNAB to take on regulatory issues and with IPM to handle ratings. The further indigenization of the program components in the final year will be crucial. As part of the exit strategy IREX needs to put some more emphasis on training of trainers. IREX already uses local trainers for much of its work. It needs to prepare more local media trainers to teach at a higher level.

The exit strategy should include changes in reporting. Quarterly reporting should have anecdotal examples that exemplify the strengths and shortcomings of the program, a short strategic analysis of the progress on each IR to date showing how the different activities work together, and a tactical paragraph on how IREX will address each IR in the coming quarters leading toward the end of the CA. IREX may have to add staff to do proper reporting and documentation. This will not only guide USAID in decisions on future work but will leave more complete records for whomever takes over the program if the program is rebid.

On its side USAID should signal its intentions on whether it plans to continue media assistance, and how it will continue that support, either through extension of a CA, rebid, or through some other mechanism as soon as possible to enable a smooth transition to whatever the future will be.

The Media Innovations Program (MIPG) offers useful development experiences with considerable potential relevance to media assistance efforts in other countries. Documentation may help others in designing media programs for evolving democracies. Noteworthy MIPG activities include its introduction of a ratings system, close consulting with authorities to improve media laws and their enforcement, exploration of newspaper distribution options, work with photo- and investigative journalism, a phased training approach, and integration of different aspects (training, grants, contests) of the program into a whole. If well documented, the MIPG approach to growing markets using a combination of research, verification, training and consultation can provide a model for other programs.

Mid-Term Assessment of IREX Media Innovations Program
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The Media Innovations Program for Georgia has had a dramatic middle. When the program started in July, 2002 President Eduard Shevardnadze presided over a Georgia where corruption was rampant and where journalists were often harassed. Following elections in early November 2003 and the “Rose Revolution” on November 23, a reformist government led by Michael Saakashvili took power. The revolution was legitimized by two more elections, a presidential election in January and a parliamentary election in March, 2004.

Further tensions persisted through May since the autonomous region of Adjara, led by Aslan Abashidze, did not recognize Saakashvili. The new president pushed the issue; and in another demonstration of “people power” (and help from Russian brokering) Abashidze left Adjara for Moscow. But major challenges continue to face this small, emerging nation, including a regrettable resurgence of tensions in the region of South Ossetia in August. Nevertheless, according to Lika Chakhunashvili, IREX Deputy Chief of Party, the Rose Revolution and its aftermath will bring “the beginning of a lot of hard work” as Georgia goes through its second post-communist transition, toward (hopefully) pluralistic democracy with a free market.

The media played a large role in facilitating this resurgence of democratic change. Reporting of corruption and then reporting the parallel vote total on TV Rustavi 2 and other independent outlets made people first aware of the need for change and then that there was the opportunity to take it. On the streets, during the demonstrations that created the changes, people listened to their radios for the newest developments. According to a February 2004 poll commissioned by the International Republican Institute and USAID, the media is the most trusted institution in Georgia.

The historic events in Georgia have meant changes for the Media Innovations Program, which started quickly to adapt. The first year of the program built on the earlier work of ICFJ and Internews in training journalists. The Media Innovations Program (MIPG) expanded earlier media assistance efforts into a “fuller service” media development program -- focused not only on the professionalism and association development activities of the earlier programs, but also with heightened emphasis on improving the legal environment and the economic development of the media.

On first reading, the Media Innovations Program appears ambitious. Is so much activity possible in one program? We found the different elements of the program work well together to create a whole that has created significant impacts, which, if pursued further, will develop both the sector as a whole and a diverse array of individual media outlets – step-by-step – toward greater professionalism, economic self-sustainability, and independence.

USAID worldwide experience with media strategies suggests that comprehensive media sector development programs have proven considerably more effective than narrower,

more focused tactics. Georgia following the Rose Revolution represents a particularly promising development opportunity – since Georgian media (with an extra push from IREX and other donor supported programs) seems potentially poised to move quite far ahead of all eleven other C.I.S. media systems in terms of genuine market-oriented media sector development.

The Media Sustainability Index (MSI) is a tool used by USAID and IREX to measure overall progress by assisted countries towards independent, professional media systems. The Georgian MSI categories “plurality of news sources” and “supporting institutions” show that Georgian media are “approaching sustainability”-- just. In the other categories, “free speech,” “professionalism,” and “business management,” the Index gives Georgia “unsustainable” scores.

The MSI is not a precise tool, but can suggest basic trends. Our first impression was that these scores seemed unreasonably low. The situation in Georgia looks better to us than the Index indicates. Some of the low scores may have been because of the timing of the Index study, just after the Rose Revolution. At that time beatings of journalists and government harassment of media remained fresh in people’s minds, and draft laws improving freedom of the press had not been released for comment. No one was thinking of business during the immediate post revolution; and the press had been polarized by the elections, compromising its balance.

A good media development program aims its work at areas of weakness when and where implementers think the time is right to make a difference. In our opinion, the Media Innovations Program’s aim and timing seem on target (although refinements will remain ongoing under Georgia’s rapidly changing circumstances). In order to have any long-term progress in media development, a level legal playing field and guaranteed freedoms must be written in laws and enforced by the government. Media outlets also need the resources, gained through advertising income and circulation, to pay for training, news agencies, association dues, equipment and decent pay for journalists. IREX has properly targeted the two major weaknesses pointed out in the MSI: the legal environment and media business acumen.

The Rose Revolution gives Georgian media a window to improve their legal situation. That window may close as the parliament fragments into factions and parties reform, as is likely. Thus, a major push *now* for changes in laws would represent a sensible strategy, particularly in the areas of converting state broadcasting to public service media – and possibly also improving tax laws to enable greater media advertising.

According to the MSI, Georgian media lag seriously in the area of business management; and here a fundamental constraint until recently has been the absence of reliable ratings. IREX targeted this deficiency by supporting research (via IPM) that meets international standards and having the results audited so they will be believed. Other low MSI scores went to the lack of development of ad agencies. Good research, tied to training, will help ad agencies develop the level of professionalism and business savvy that Georgian media will need to survive and flourish. A new government pledged to transparency and to

fighting corruption should improve the business climate as well as a climate of press freedom, making the Media Innovations Program strategy timely.

A good media development program works on many fronts simultaneously. Each part pulls the others along. Associations push for better laws, targeted quality journalism at the local level gives local media outlets a product to sell to advertisers. It is always a balancing act to design and implement a media development program. Each area needs attention, and at different times the thrust has to concentrate on one or two directions without losing momentum in other directions. This often makes media development programs look scattered. But when they are well managed the different thrusts support each other. We found the IREX Media Innovations program was basically well directed, with different activities supporting each other. Internet connectivity grants aided media outlets in almost every other function needed to develop sustainable media, including lobbying, newsgathering and sales. Targeted news production develops audience that is more attractive to advertisers. And if there had not been a good outcome to the elections, the chance for improved media freedom and business development might not exist.

The program appears to be efficiently run, engaging a careful ramp-up strategy. IREX managers cautiously under-spent during the first half of the 3-year program period, testing different options, to enable a focus during the program's next eighteen months on proven activities that have already demonstrated the best prospects for major impact. The program husbanded resources through considerable cost sharing. We saw much evidence to suggest that this program provides good value for the dollar. In the second half of the program, IREX is well positioned to pursue larger media development opportunities.

The program is working toward five "Intermediate Results" (IRs) measured by specific indicators. In late April, 2004 a team of independent interviewers surveyed Georgian media outlets and NGOs to assess the program's progress. We had access to their unpublished draft indicators' report; and we also used information from prior program reporting as well as our own site visits and interviews. The goal of our paper is not to do a comprehensive review of indicators. Instead, we will attempt to answer the questions posed in the scope of work and provide a broader analysis of the Media Innovations Program. Because the program is so extensive, this report will hit the main highlights and will not attempt to discuss every aspect, grant or activity.

Progress by Intermediate Result in the Media Innovations Workplan:

IR 1, Support a legal and regulatory framework that encourages free speech and access to information. The new Georgian government presents a window of opportunity to create a legal environment in which independent media can operate and flourish. To create this environment several conditions have to be met.

- ✓ New legislation needs to be passed.
- ✓ That legislation needs to be implemented according to international standards.
- ✓ Media outlet managers and reporters need to be aware of the new media environment and their rights and responsibilities in that environment.

- ✓ Organizations must exist that will represent the media and the public interest in monitoring passage and implementation of legislation and regulations.
- ✓ The legal profession must be prepared to litigate on behalf of journalists and media outlets.

Legislation: Important legislation is pending; especially broadcast licensing and legislation converting state radio and TV to public broadcasting. Drafts changed during the period we were in Georgia. Sustained, diligent monitoring and lobbying will be required to assure drafts are not weakened in the legislative process. Two particular concerns are: (1) future advertising on public TV and (2) the appointment process for an independent broadcast regulatory commission and an independent board to oversee public broadcasting.

Each organization we met, including representatives of the Georgian National Association of Broadcasters (GNAB) and the Georgian National Communications Commission (GNCC) characterized IREX's role as very important in working toward reform of the broadcast laws. Irakli Sharabidze, Head of the Legal Department in Imedi TV, said, "IREX helped in drafting and informing us of European Standards ... IREX played an active and informed role." Levan Ramishvili, Chairman of the Liberty Institute, characterized IREX as a "Strategic Partner" along with Article XIX, IRIS and the ABA. There have been several successes in this sector in which IREX played a role.

- ✓ The Law of Telecommunications and Post was amended to make it more difficult for an interested individual to apply to the GNCC to demand that a broadcast license be revoked.
- ✓ Changes in the Criminal Code that would have toughened criminal libel were defeated. And in June 2004 the law on "Freedom of Speech and Expression" adopted by the Parliament abolished Criminal liability for defamation.
- ✓ A Mass Media Self-Regulation Code of Ethics was adopted and a Media Council will be formed to look at media infractions. This provides an alternative to proposed media laws.
- ✓ The print media lobbied successfully for a VAT exemption for printing and newsprint.

There are also changes in tax and commercial laws that will be necessary to make sure that a viable and vibrant independent media sector exists. Finally, there needs to be a review of anti monopoly and media ownership transparency laws before the legal system is where it should be for fully sustainable independent media.

Implementation: Devi Sturua, head of the IREX Media Innovations Legal Department, estimates that it will take about five years after passage for a new law to be properly implemented according to international standards. Judges and attorneys need to be made aware of the law and its implications, media advocacy groups need to monitor and pressure for its implementation, and litigation will be necessary to make sure laws are properly enforced. The IREX program is working to improve implementation in several ways.

- ✓ Legal Defense Grants: Laws have to be tested in court. IREX has been careful in picking those cases where legal defense grants are most merited. IREX rejected helping outlets that have violated tenants of journalistic professionalism or ethics -- and has received some criticism for avoiding such cases. But such triaging represents a wise policy, making sure laws are tested with the strongest cases.
- ✓ Consultation and Advice: While Georgia has a decent freedom of information act that sets specific time limits for government responses, officials are still slow to reply to requests. IREX, through its support of associations, training of journalists and direct consultation is helping media outlets get access to information.
- ✓ Working with officials: Chief of Party Robert Evans sits as a non-voting member on the GNCC. It was clear from our meetings with the Chairman and an attorney member of the commission that Evans has had a strong impact on the way they enforce regulations, including technical regulations, on broadcasters.

Awareness: Media Innovations has taken several concrete steps to make media outlets aware of their rights and responsibilities under the law. One first step was aiding many media outlets in getting Internet connectivity, which allows them to communicate with each other, their associations, and to get current updated information from IREX. IREX has published a Media Law Handbook that is written in an accessible Q&A style that non-lawyers can understand. IREX also publishes a regular Media Law Monitor that provides information on recent European Court decisions as well as local information. (To find those publications check <http://www.irex.ge/>.) Media professionals we met indicated a high awareness of the legal situation in Georgia. We asked people if they read the legal monitors funded by IREX and found they had. In fact we saw copies of the publications on several desks. The draft indicators survey taken by IREX in April, 2004, confirms a high awareness of media laws.

The Scope of Work asks specifically about raising awareness of intellectual property issues. Most media outlets we visited have awareness of intellectual property rights, although several radio stations report that they do not yet have a mechanism for paying royalties for music played on the radio. In the TV sector we found some confusion as to who owns rights to programs. One agency sold stations rights to programs that it did not own. This confusion is normal for this stage in media development. According to IREX's draft indicators survey several international news agencies complain about violation of their copyright to news film. When we mentioned this to some local station managers they cited "fair use" of news footage taken from Euronews or others as a protected activity. Some broadcasters do not have, or do not want to have, a clear understanding of this point. We found one other major area of intellectual property violation. Several broadcasting outlets are using pirated versions of editing, automation, or production software. We asked stations, on the condition of anonymity, if their software was licensed. Usually it was not.

IREX is working with the copyright holders to improve the situation. Giorgi Taktakishvili, who heads the legal department in the National Intellectual Property Center, "Sakpatenti", calls IREX its "strategic partner" in raising awareness of intellectual property issues.

Representation: This is a separate Intermediate Result, also addressed below. In brief, IREX is working to foster organizations to represent media owners and journalists. An IREX documents lists 14 media-related associations lobbying for changes in the law, and reported 19 out of 25 media outlets surveyed actively involved in lobbying.

The Legal Profession: The consensus of a group we met representing the Liberty Institute and Georgian Young Lawyers Association is that Georgia lacks a cadre of good media lawyers, and that most attorneys who practice media law do so as a “hobby.” While an IREX survey shows that more than half of the media outlets surveyed have legal help, at least on retainer, legal experts we spoke with say that many of them are learning media law as they go. IREX is engaging in several activities to improve this situation through co-sponsoring training, publication of the legal guidebook and a case law book, and the Media Law Monitor. There are indicators that IREX activities are beginning to show success with more attorneys practicing media law than in 2002. The attorneys we met with said that the Media Law Monitor, in particular, was a good tool in improving the quality of lawyers’ knowledge of media law and European Court rulings and characterized the situation as “better than Armenia or Azerbaijan.” A major problem is the economic condition of media outlets. Lawyers are drawn to specializations where they can make money. As the advertising market makes media outlets better able to afford to pay attorneys fees, the profession will grow. IREX’s success in the second IR, business development, will also importantly determine the success of this sub-indicator – the ability of media to secure their own legal defense.

Further Recommendations. Without a good legal environment, all other work done by media developers will be diminished. Media reform is usually among the first goals that new, ostensibly reformist, governments say they want to undertake, but temptations to control the press often overcome those initially declared good intentions. And once laws pass, implementation requires constant monitoring and attention, including training of judges. An enabling legal environment is a key to the success of independent media. The process of creating and maintaining a legal environment that fosters independent media will take a long time. We recommend that USAID prepare for maintaining the legal aspect of a media development program for at least five years beyond the current CA.

USAID does not typically work with state-owned or public broadcasting. However, the new draft law, which replaces state radio and TV with a completely new, mixed public service and commercial broadcasting regime, offers an unprecedented opportunity in Georgia for IREX and USAID. USAID should, under the current CA, encourage IREX to provide technical assistance to the new public broadcasting entity to facilitate the transition from state to public broadcasting -- assuming the law passes in its current form AND bans commercial advertising on public broadcasting. For example, the Media Innovations Program might help the new public broadcasting entity develop its plans for a second channel based on the CSPAN model.

IREX and USAID may want to consider increasing help to associations with intellectual property issues. Some of the pirated software radio stations are using can be made legal for very little cost. For instance, a stripped down version of “Cool Edit” retails at \$69. While this is not the \$400 16-track recording studio version, “Cool Edit Pro,” (recently rebranded as Adobe Audition) that stations currently have on their computers, the low cost version works well for local radio. In other country programs IREX has facilitated negotiation, through associations, of group licenses for software at reduced prices and helped with the cost of legalizing the software on a one-off deal. The same may hold for music or news footage licensing rights, where associations may be able to negotiate a token “forgiveness fee” that will allow radio stations to start fresh. These steps will also strengthen the associations by giving them a concrete service they can offer members.

IR 2, Assistance to media managers in making their businesses efficient, profit-seeking, and self-sustaining entities. The IREX approach has properly focused on creating markets that will be able to sustain all media. With the Rose Revolution and the new government’s stated desire to reduce corruption, the environment for market based business development should be stronger than at any previous time. IREX is engaging in several activities to improve the media business environment.

TV Ratings: The Media Innovations Program established a national TV ratings system, an important step toward developing a TV market. IREX hired IPM to implement the system, set rigorous requirements and standards necessary for implementation, and also hired KPMG to conduct the assessment and certification of the rating system. In late July, the KPMG final audit report concluded that IPM successfully developed and implemented a TV audience methodology that is accurate, reliable, adapted to Georgian conditions, and employing international best practices.

Early ratings show that TV stations such as Rustavi 2, which engage in independent investigative reporting, have strong audiences, while some of the oligarch-run stations do not have significant viewership despite large capital investments. The first data from the TV ratings national sample that we reviewed in April looked good, as did the control mechanisms used by IPM to make sure the data was sound. Our preliminary assessment suggested that the collection and processing of data met accepted international standards set by the European Society for Opinion and Marketing Research (ESOMAR). Subsequently the independent audit of the research provided a more authoritative seal of approval; and, also significantly, first indications suggest that the advertising community, particularly large international clients, are accepting and using the results. According to figures supplied to IREX three months after the assessment team left Georgia, major international advertisers have entered the market. As a result of these developments, IREX projects a 100% increase in advertising revenue during the next year

Stations are sometimes unwilling to accept results, especially if they are bad for a station that thinks it is doing well. However since the advertisers drive the market, acceptance by advertising agencies will pull stations along. One problem we explored was the lack of a good demographic, or census base, on which to base the sampling. Georgia has seen demographic changes, including an influx of refugees and increased urbanization. This is

similar to problems encountered by researchers in the Balkans. We questioned IPM on this issue and believe that IPM has been able to build a reliable database on which to draw a sample. Based on the audit, KPMG agrees.

The TV ratings are already affecting the way TV stations plan program flow and sell advertising. For example, TV 202 has created a spot showing a graph of its ratings against Rustavi 2. The ratings show that Rustavi 2 has significantly more viewers. Then the spot narrows the ratings down to 10 PM and to a target demographic, which shows TV 202 even with Rustavi 2. It then compares the price of a spot and asks the question, which is the better buy? At TV Mze the ratings laid on the desk of the Deputy General Director when we visited. We also saw charts, with data corresponding to the results of the surveys, hanging on the walls of the programming and sales offices -- evidently used for program planning and sales purposes. Survey results were also on desks at Ninth Wave TV in Poti. The IREX indicators survey confirms that most media outlets understand the importance of research in conducting their business.

IREX plans to make the ratings available to advertising agencies for free at the beginning to make sure that the agencies get a chance to use the results in media planning. The results will be presented through several sets of software. Some of the software will enable stations to easily create charts, graphs and visuals for sales presentations. The ad agencies will be able to get the software that makes media planning easy, calculating cost per thousand, cost per gross ratings point and cost per targeted ratings point. IREX is thinking of giving the stations grants, in the future, to pay for the research rather than funding IPM directly, and reducing those grants as the program progresses, making the stations shoulder a larger percentage of the cost of the ratings and getting them used to making research a normal part of their budgets. If the ratings are successful in generating revenue, the costs should be able to be absorbed by the media in about two years based on experience in other countries.

IPM steadily envisioned plans to build on the ratings system it has developed with IREX help and then move into people meters as demand for more timely data increases. Evidently, this transition will occur quite rapidly. In mid August, given excellent early progress with the ratings as well as a corresponding jump in media advertising revenues in Georgia in the spring of 2004, an agreement in principle was reached with AGB Neilson to invest \$650,000 in peplemeters and associated support. Thus, peplemeters should be installed and operating in Georgia in the first quarter of 2005 – an important step for the future development of the Georgian media advertising market.

The establishment of diary ratings first, followed by people meters, is a normal progression in market development. The other methodology that IPM and IREX could have used is Computer Assisted Technical Interface (CATI) telephone research, but that does not give accurate figures for weekly reach, which some large clients like Coke, use. CATI may be less reliable outside the capital where phone penetration is less reliable. We believe that IREX and IPM made the right decision starting with the diary methodology.

The ratings implementation in Georgia is a textbook case of how ratings should be done. While we will have recommendations on reporting in our final conclusions, we also recommend that IREX and USAID prepare a “case study” of the way ratings were implemented in Georgia to inform other media programs on how to effectively use ratings.

Newspaper Distribution: Newspaper circulation in Georgia is low, due partly to a poor distribution network, especially outside Tbilisi. The distribution network that exists is not auditable in a way that would convince international advertisers of the true circulation numbers of newspapers.

IREX has given the Tbilisi press club a legal defense grant to challenge the privatization of the national distribution network, which the press club claims was done illegally. If the suit is successful, newspapers may be able to found an association to take over the national distribution of the newspapers. The success of this plan, according to Malkhaz Ramishvili, a board member of Publishers Association Free Press, depends on the timing of the court ruling and other factors. During our meetings with other newspapers, we also heard the opinion that the state-owned national distribution system remains so highly inefficient that restructuring will prove a difficult task. Thus, although the prospective privatization of the state’s newspaper distribution system presents a potentially very interesting window for newspaper sector development, this project would also involve significant technical challenges – that would need to be monitored carefully by IREX.

Meanwhile, with assistance from the Open Society Institute, the newspaper *24 Hours*, together with some regional papers (particularly PS in Kutaisi), is setting up its own distribution network of kiosks in Tbilisi. *24 Hours* will set up kiosks to not only sell papers but to represent the owner’s other business interests, including selling mobile phone cards. Several newspapers have also set up their own distribution systems for their regions, including *Guria News* (see below.) IREX is concerned that these “stand alone” systems are not being planned with enough research on distribution needs.

Business Training: IREX has engaged in business and management training since the start of the program. Often this training, in conjunction with training offered by other implementers and donors, has helped media outlets become more self sufficient, but we observed an uneven distribution of business savvy among the media outlets we visited.

In the draft IREX indicators survey, 10 of the 15 media outlets surveyed claimed advertising as their main source of operating support. Those respondents claiming other main sources of operating income were often outlets owned by people with other interests than media as a business (like Mze and Imedi TV in Tbilisi.) However, we suspect that the number of outlets saying that they are primarily advertiser-supported is exaggerated because, when questioned in more detail, owners and managers said that their answers were based on cash flow and did not include things like funding depreciation or paying for new technology. If intellectual property rights were strictly enforced for TV programs, music and software we would find that figure even smaller. Further, outlets’

staff members subsidize many of these outlets by working for reduced pay or by receiving pay late.

But some outlets clearly “get it.” *Guria News* in Chokhatauri runs its own distribution network through which it sends newspapers to villages for sale. The salespeople act as agents for advertising, especially classified ads and birth and death announcements. The station has a policy that people must pay for ads, even if it is paying for an announcement with an egg or some cheese. The paper plans campaigns for advertisers and gives them a chance to test ad effectiveness with cut rates for first ad buys. The paper documents successes and uses that documentation to sell other advertisers. This weekly in a small rural community actually reports a circulation that is more than half of the circulation of the national daily *24 Hours* (Average circulation for *Guria News* is 4,500 compared to 7,000 for *24 Hours*). The paper has initiated features that target special readers, such as a youth supplement.

The paper’s managing editor, Ia Mamaladze, and editor, Gia Sikharulidze, attribute the paper’s success to the cocktail of training and aid given by IREX and the ICFJ. The training and grants worked together to move the enterprise forward. Aid included Internet connection, training in circulation, and training in news coverage.

Other newspapers do not seem to “get it” as well. Ia Bobkhidze, editor of the newspaper *Akhali Gazeti* in Kutaisi, seemed to be an excellent journalist who understood her readers and targeted a young and predominantly female readership with appropriate news stories; but she was disheartened at the prospect of making any money under her perceived local market conditions. Yet the paper serves a richer market than the *Guria News*. Kutaisi is the second market in Georgia. Regional papers in poorer markets in other parts of the CIS have thrived. This is a paper that needs a good business manager and marketing director. This is the case at several media outlets we visited. They are run by journalists and not by business people, and do not have the ongoing advice of business oriented people. The question is: would they take that advice if they had it?

Local TV stations face notable prospects for business growth. For example, TV Rustavi 2 provides top rated programs to local stations, while giving affiliated stations two hours a night in prime time for locally-produced programming. Local stations that are part of the Rustavi 2 network have a tremendous advantage that Rustavi 2 is not yet exploiting. The stations have local acceptance and some produce very good local news. They have the capability of giving local stories of national interest back to Rustavi 2. Rustavi 2 is also able to put together marketing packages aimed at a national audience with special target break out ads for local areas. Stations affiliated with Rustavi 2 are not burdened by the necessity to fill more than two hours a day themselves and have top rated lead-ins to local programs. If this advantage can be exploited, then local TV has a good chance of survival as a business.

Finally, there is radio. Radio should be a dynamic medium in Georgia. With frequent power outages it is more reliable than TV because listeners can use battery powered radios. Yet this medium is not yet poised to capitalize on its advantage. Looking at the

brochure printed by the Georgian Radio Network, it seems like each station thinks of itself more as a public radio station than a commercial enterprise. Each has a mission statement designed, it seems, to appeal to donors. Since the network claims to want to engage in joint marketing, this seems an odd priority for its main “hand out.” While some stations understand radio formatting as a way of attracting targeted listeners, others do not. Like the newspaper *Akhali Gazeti*, these stations have good news people and programmers but little business or sales savvy. One encouraging sign is Radio Green Wave, which started a Saturday Night program called “Rock and Football” that plays rock music and gives football results. This show has already appealed to sports fans, bookies and advertisers and has potential to become a national moneymaker for the Georgian Radio Network, potentially bringing more advertisers to radio. Radio stations generally demonstrated a poor understanding of such traditional radio income generation activities as remote broadcasts or special sales promotions that physically attract listeners to businesses.

Further Recommendations: Media Innovations is correct to place a major emphasis on developing the market. If media outlets have enough money, other things will follow, including money to pay media lawyers. Economic power will bring political clout, and the ability to invest in training and professional development. In the year and a half remaining, IREX should continue to stress its media business development activities.

- ✓ It must continue to work with Ad agencies to develop comprehensive media strategies that work for their clients, using a mix of TV, radio and print and working with groups of media outlets that can deliver both national audience and local breakout audiences (Rustavi 2, the Georgian Radio Network) to develop marketing plans to exploit these advantages.
- ✓ IPM has started monitoring TV stations in Tbilisi to make sure they are running ads that have been paid for. If IREX hopes to develop a market at local stations, it should consider support for commercial TV monitoring in the regions to give advertisers confidence that their ads are being run. IREX may want to work with IPM and a local NGO to set up the template for such monitoring during the remaining period of this CA to be implemented in subsequent programs.
- ✓ IPM is developing readership surveys. IREX and other implementers should plan training for newspapers to use these surveys to improve newspaper circulation, readership and ad sales.
- ✓ IREX should consider working with radio on developing business through activities like remote broadcasts and auctions of bartered goods. It should continue cooperation with IPM to extend radio research to the regions if the additional cost is reasonable.
- ✓ IREX should be ready to provide significant help to newspapers in setting up an auditable distribution network (if the pending court ruling is in favor of the applicant who represents the interests of Tbilisi Press Club) and help in establishing an Audit Bureau of Circulation.
- ✓ IREX should continue its program of comprehensive management training and consultations for media outlets as businesses.
- ✓ There are too many media outlets in Georgia. IREX has to be prepared to allow some outlets, even some of its partners, to fail. Further, IREX needs to use its role in coordinating media implementers to make sure that donors and implementers do not

start new media outlets where good ones with a chance of survival are struggling in a small market. IREX is working on this now, talking with another implementer that wants to start new newspapers that will compete with newspapers that are close to viability but will be harmed by new donor sponsored entries into the market.

IR 3, Journalists Provide Citizens with Objective, Balanced, and Fact-based Information:

Investigative Reporting: We found a fair amount of investigative reporting, led by TV Rustavi 2's program "60 Minutes" (although that program has suspended production for the moment). There is a school of investigative reporting supported by IREX and run by a member of the "60 Minutes" staff. Investigative work done by "60 Minutes" does not spill over to regular news programs. Akaki Gogichaishvili, a reporter for "60 Minutes," says that Rustavi 2 news did not follow up on the stories broken by his unit. Several professionals told us that the quality of investigative work was often sloppy, without proper attribution and did not often get to the root of the problem that prompted the story.

Gogichaishvili also confirmed what we found at other news outlets, there is little "enterprise" reporting in Georgia. Enterprise reporting occurs when a news organization looks at its audience, tries to determine what that audience wants to read about or see and then finds stories that fill that interest. It is often, but not always, social reporting. When it occurs, a shift happens and the news agenda ceases to be set either by politicians or by events (earthquakes etc.) and begins to be set by public opinion.

Social Reporting and Civic Journalism: Through IREX's social reporting grants and through the way it ran its pre-election training and newspaper supplement program we saw some good examples of social reporting developing, especially at the *Guria News* and *TV Tvali* in Sagarejo. Social reporting grants moved several outlets toward that type of journalism even after their grants ended. The Voter's Guide election supplements had an impact on continued social and niche reporting in media and was an impetus to other supplements and special editions that dealt with special issues. We found this particularly at local media outside Tbilisi. The supplement had special articles on women's candidates and participation in politics and on participation by youth in the elections. Aside from the two outlets mentioned above, *Ninth Wave TV* in Poti and both *Radio Dzveli Qalaki* (Old Town) and *Akhali Gazeti* in Kutaisi all reported increased social reporting due either to the social reporting grants or to training for the elections. The Draft Indicators survey shows that a significant number of reporters are doing "social" stories.

General Reporting Training: IREX is working with other providers like ICFJ, IWPR, Eurasia Foundation, the Caucasus School of Journalism, and Caucasus Media Institute to provide journalism training. We found this training has had significant and positive impacts on media professionalism. One example is the improved use of photojournalism in the newspaper *24 Hours*. As a result of training by IREX for photojournalists, and companion training for editors, *24 Hours* made over its front page, used more photos and set up a photo archive. The *Guria News* also claims to have an archive of over 200

photos as a result of the photojournalism training. It is collecting and preserving historic photos from the region that it used to illustrate some of its news stories.

Media Ethics: An IREX survey shows that most news outlets surveyed know of the national media code and that many subscribe to it. Several outlets have their own codes of ethics. A code of ethics can help foster good journalism practice, but only if it is monitored and violations publicized. The Media Council will do this in extreme cases of violation, but other mechanisms may be needed to further encourage ethical reporting.

IREX sponsored media monitoring of grantees during the elections. The final published report proved useful and points to common problems faced by newspapers in reporting in Georgia. Some form of media content monitoring and reporting might help ensure a commitment to ethical reporting. IPM has developed a system of quantitative media monitoring, which identifies the topics of stories. NDI has also developed a method of qualitative monitoring, used in Slovakia that could be used in conjunction with the quantitative monitoring software used by IPM. Developing the Georgia template for media monitoring and reporting is an option for the final year of the CA. Full monitoring could be implemented in a subsequent CA. Such data would enliven the IREX-supported journal for media professionals, entitled *The Mediator*, and give its writers concrete information for articles dealing with the specifics of Georgian journalism.

Local TV Reporting: We watched the local news at three local TV stations (as well as production on Tbilisi TV.) We found much of it good, especially at *9th Wave* in Poti and *TV Tvali* in Sagarejo. IREX was able to build on earlier work by Internews. However, IREX may need to help stations set standards. At least one TV station, *TV Guria*, had Super VHS equipment and not digital equipment. While some stations are appropriately sized and efficient in their local productions, some are not. IREX may want to consider designing a Healthy Station Template that outlines staffing, organization and equipment standards that local stations need to subscribe to (not immediately attain) before it gives local stations further support.

Curriculum Development: We visited the Caucasus School of Journalism and Media Management and met with representatives of Tbilisi State University and the University of Language and Culture. Both run journalism departments. We also met with many reporters who had been through various journalism faculties. The Caucasus School has an exciting curriculum but trains only 12 Georgian journalists a year. The universities are almost completely theoretical in their approach and do not teach practical journalism. Most of the reporters we encountered said that they learned more in their first year as a reporter than at the faculty. Fortunately, many students begin working as journalists while students. We would never suggest that reform of the university system lies within the scope or the ability of IREX Media Innovations, but IREX is providing some help in translating selected texts that the universities can use. IREX received heated criticism at one meeting for not producing more original Georgian textbooks; but IREX claims that the proposals it got to produce textbooks were not acceptable, using examples that were badly outdated. IREX is translating American journalism texts. The universities need Internet access, computers and photocopying machines to provide current examples and

articles to students. IREX may be in a position to help, but this is not its primary mission under this CA. We are not convinced that universities would actually change curricula or adequately provide for student access to educational materials or equipment if provided by IREX. A better idea may be to help fund an off campus media center, run by a reliable NGO, that would give students computer and Internet access.

Life-long learning for journalists is important, and graduate level work that will give certificates to experienced people who want to enter journalism may be a better investment of limited resources than supporting the existing university system. The Caucasus School does that already. IREX runs a complete menu of media training activities in its facility. IREX has helped develop a cadre of local trainers. It may be time to send some of them for short courses in pedagogical technique offered at various places in the region. The BBC and Central European University both have excellent courses for training trainers.

IREX needs to begin to look at possible local institutions or trade associations that can take over this training when it leaves, and what legacy those institutions may need (for instance production equipment that can be used for training and can earn the institution money to help pay for the continuation of training.) However, the best guarantee that training will continue after donor aid ends is the development of healthy media outlets, earning money and able to afford training for staff. Training institutions will become more economically self-sustainable to the extent that better paid staff can afford to take training to improve their employment positions – and incentives for training increase because even better paid jobs are available to better trained professionals.

Business and Economic Reporting: Due to the ambitious economic reforms now being attempted by the Saakashvili administration, Georgian media professionals repeatedly expressed their desire for expanded training in business and economic reporting. Better trained journalists (or, alternatively, the training of economists to write in journalistic language accessible to the general public) would contribute to better informed public debates leading up to key economic policy decisions to be taken by the new, reformed-minded government. Economic reforms will be a difficult challenge, and a complex story that will require very professional coverage and analysis by the media for at least the next several years. Particular attention might also be devoted to the specialized technical assistance needs of the business press.

Recommendations: Many organizations work in this area, and IREX cannot be responsible for moving the whole field of professionalism forward; but IREX, in conjunction with others, has the potential to make an impact. Here are some ideas for future work in the professional development field.

- ✓ Qualitative and quantitative media monitoring and reporting to track changes and be used in training.
- ✓ A healthy station template that gives stations a model for staffing, organization and equipment.

- ✓ More training in enterprise reporting, reporting that drives rather than follows the news agenda, and reporting that appeals to the interest of the media outlet's target audience.
- ✓ Training for selected trainers in pedagogical techniques.
- ✓ Sponsorship of a local TV festival that includes a professional competition among stations in different categories (with small awards for such areas as best camera work, best news anchor, best news program overall, etc.) and that also offers master classes by leading professionals.
- ✓ Increased business and economics reporting training.
- ✓ As part of its exit strategy, Media Innovations needs to begin to foster the organizations that will take over the training function when it leaves.
- ✓ Motivating young people to become journalists is an important goal. One idea that may be worth considering is a media related summer camp or summer school for high school journalists and university students that gives them an intensive look at careers in media and gives them an idea of journalistic ethics.

IR 4, Supporting Institutions Function in the Professional Interests of Independent Media: Supporting institutions remain fragile and need continued fostering.

The GNAB is an uneasy alliance of radio, television, and cable, with both public and private broadcasters. In the future the conflicting interests of cable and broadcast, radio or TV, public or private may cause the organization to break into different caucuses. This has happened with the American NAB in its history. The IREX strategy of bringing all the organizations under one roof is important for the time being. However, we did encounter a lot of resentment against public broadcasting being represented in the organization. Right now they have a common interest, but IREX needs to monitor this situation and use its good offices to try to smooth over problems in this important formative period.

Ultimately lobbying will not be enough to hold the GNAB together. As an industry association, GNAB will need to begin to offer a broader menu of services that will both support it and provide tangible evidence to members that membership is important. These additional functions might include a mix of: information services, linkages to other foreign and international broadcast associations, training and other technical services, and perhaps sponsoring an annual awards competition and ceremony for excellence in various aspects of broadcasting. These new functions will become more necessary if (as we hope) Georgia continues to move successfully toward a legal enabling environment for free media. In other countries, training, trade shows, technical services, group buys, copyright representation and festivals have filled some of this need.

The Association Free Press appears to have weak professional staff leadership and is a concern. Many of the papers in the association are not viable but operate as appendages of other businesses.

Regional Associations are beginning to provide leadership outside Tbilisi and, more importantly, some services that will build loyalty. The association in Kutaisi provides English language instruction; and the one in Guria, Internet training and access.

What is missing?

- ✓ A group advocating for the rights of journalists, not their employers. In other words, a guild or union that deals with issues of pay and working conditions. Ultimately this type of association of working journalists is necessary for a fully sustainable media regime. Other organizations, like the International Federation of Journalists, are well suited to help start such an organization. If the IFJ comes to Georgia, IREX should play its customary supporting role.
- ✓ A public media watchdog that can conduct and interpret media monitoring -- and call the media to task if it strays. The Media Council may serve this purpose, however, in countries like Slovakia, a public interest group has done this. In some countries it has been a committee of university students. Media Monitoring and the publishing of results could provide the impetus for this.
- ✓ An independent news service that all local stations and newspapers can use to provide not only news but also features like cross word puzzles and photos. We understand that there are several news services now, but none with a “critical mass” to be effective. This may be a project more appropriate for a media development program that follows Media Innovations.

Recommendation: Media Innovations needs to work with the existing organizations to help them develop a menu of services that will serve members and keep them in the organization when the immediate perceived political threat is over. This can be part of its “exit strategy” in handing off services provided directly by Media Innovations as the program begins to plan it close down.

IR 5, Georgian media provides full and accurate coverage of elections: We found consistent agreement that IREX-supported activities, especially debate training and the voter’s guide, were important to the election process. The evidence we observed indicated that these activities contributed to a fairer and more open election process.

Voter’s guide: Tamar Zhvania of ISFED noted, given the failure by the State Election Commission to produce a voters’ guide, that the IREX-sponsored guide filled an important void. Several newspapers told us that the guide provided much important information to voters; and we even heard that many voters took the guide to the polls with them to make sure that they did not make any mistakes. Professionals we met gave the guide very high marks for its content and professionalism; and, after reading some sample translations of stories in the guides, we are inclined to concur. Further, the guide provided excellent experience for journalists working with foreign professionals for the production of the first guide, and showed journalists how to cover an election from the perspective of interest groups like youth and women. The second guide was produced completely by local journalists, suggesting a successful transfer of international professional practices to Georgia.

Election Debates: We constantly heard that the election debate training helped stations not only cover the elections, but had a lasting impact afterward. TV Guria has a talk and discussion program inspired by the debates, and TV 202 after the elections decided to keep a nightly debate format, which became one of the station's top performing programs (although both IREX and TV 202 report that they had a difficult relationship during the debates.) Overall, the IREX draft indicators survey shows that a total of 52 of the debates (on TV 202 and Radio 101) were targeted at youth and 432 (including replays) were targeted at women.

Recommendations: According to Media Innovations staff, the extra workload from the election related activities took a toll on staff members. When more "add on" activities are included into the core program at the request of USAID, IREX should consider staffing up at least temporarily to handle the increased pace of work. In the future Media Innovations may find itself involved in additional election related activities.

- ✓ Civil Society representatives said that if the new draft law on local government is passed, giving local government more competencies, then IREX should consider producing a voter's guide to municipal elections and also provide materials explaining the increased role that local government will play in citizen's lives.
- ✓ Assuming an increase in local government's role as a result of the new draft legislation, USAID and IREX may want to help support debates at local outlets on local issues running up to the elections. Moreover, given the likelihood of decentralization, those IREX training activities -- which continue to encourage local news reporting and media discussion forums (for citizens to participate in local decision-making) -- will remain timely.
- ✓ When local elections are held, IREX should consider election training and support programs for local media covering these elections.

GENERAL CONCLUSIONS:

The Media Innovations Program has laid a good groundwork for the future development of Georgia's independent media. Notwithstanding some difficult challenges ahead, we are beginning to see results in several areas. Some of these results can be best illustrated by stories of individual media outlets we observed, including:

- ✓ The successes of *Guria News* in integrating training and consultation to produce a regional paper in an economically depressed area. This newspaper plays a key information role in its community and is also moving toward profitability;
- ✓ How TV 202 has turned the idea of political debates (which it originally resisted) into a regular program that leads in ratings among its target group in its time slot, and how 202 used those ratings to produce promotional spots to sell ads; and
- ✓ The way the newspaper *24 Hours* used photojournalism training to remake its image and established a photo archive.

We observed many other positive examples. IREX needs to tell these stories because they illustrate program successes and show how multiple activities often feed into

creating a result greater than the sum of its parts. Reporting could be further improved with analysis and anecdotes that show how IREX's phased training strategy operates. In several programs (e.g., investigative journalism and photojournalism) IREX begins with a large group of journalists for training, then offers advanced training to the best from that large group, following that training with grants that have specific deliverables and ends with evaluation and consultation. This phased training approach creates results that push the development of independent media in Georgia (and also illustrates an approach that might serve as a useful example for other CIS countries).

We heard some criticism of IREX for not supporting general operating grants or "big" grants. Media Innovations is trying to avoid a culture of dependence, the entitlement mentality that we have seen in other places. We believe that IREX's targeted strategy in Georgia of small grants, tied to training and deliverables, represents a correct approach, especially during the initial half of the project period. At the same time, the program should also (in consultation with USAID) take on large strategic challenges when the opportunity presents itself. Examples include broadcast ratings and possibly such other projects as newspaper distribution, facilitation of loans for printing presses, broadcast facility or network expansion, or other media capital expansion projects. However, as much as possible, the strategy (which IREX and other donors evidently share) should be one that progressively moves away from grants and toward projects – guided by seasoned business plans and financed by capital investments or commercial loans.

PROGRAM MANAGEMENT:

The scope of work asked us to look at the program to see how well it is managed and to come up with some recommendations.

Rich McClear privately interviewed members of the Media Innovations staff on Monday, May 3 and both Mr. Koenig and Mr. McClear spent considerable time with the COP and DCOP of the program as well as the CTO at IREX. We have the following observations.

Staffing: The program may be somewhat too ambitious for the current staff level. During the elections the staff, especially the training and grants staff, were overworked and some ramping up for the additional IR would have helped. Currently most staff members feel that they can handle the workload, with one exception, research and reporting. Every department felt that reporting was difficult and time consuming. People in training said that they lacked enough time to write up the success stories they gathered. Others believe that they do not have the time to coordinate with other departments to write up how different aspects of the program work together. We recommend the addition of two or two and a half staff to be able to pull together reporting. Such reporting should include.

- ✓ A regular review of the media situation in Georgia, what has changed, progress or setbacks. A local journalist who knows the media scene may be hired, part-time, to produce this every quarter or at six month intervals.

- ✓ Collecting and writing up case studies of media outlets that have received help under several IRs to show how activities worked together (and/or conflicted.)
- ✓ Analyzing the ratings trends in the market and collecting advertising data to show progress or lack of progress.
- ✓ Analyzing media monitoring results, if Media Innovation decides to engage in monitoring.
- ✓ Taking the burden of regular reporting off of the COP and DCOP to allow them to be more productive in the field.

Reporting is a burden for the existing Media Innovations staff. During the fast-paced start-up period (plus a revolution and several elections), quarterly reporting proved useful to keep up with rapidly changing circumstances; but now, as MIPG (and Georgia as a whole) hopefully settle into greater programmatic (and political) stability, USAID should consider six-month reporting rather than quarterly. Six months gives time to analyze trends rather than reporting laundry lists.

We found that the program had too many indicators to properly track. Some indicators, like the number of associations representing media outlets are questionable and might be dropped. For example, fewer, larger and more powerful associations may be better at this point in the development of Georgian independent media than many smaller and weaker associations. But the indicator is the number of associations -- not the breadth or quality of those associations. Media work worldwide has standard indicators that make sense. They are used by newspapers, broadcasters, trade guilds and media associations and media watchdog groups worldwide. They include:

- ✓ Legislative Score Card. IREX and USAID should develop a list of legislation that is needed and then design a matrix on a spreadsheet. Legislation drafted, legislation introduced, drafts meet international standards, laws passed, laws go into effect, and comments on implementation (court rulings, filings under FOI, etc.)
- ✓ Harassment Index. Numbers of reporters sued, arrested, beaten, harassed.
- ✓ Advertising Bottom Line. Has the advertising market grown or shrunk? What is the estimated percentage of each sector: (Radio, TV, Print, Outdoor)?
- ✓ Ratings. Do programs we support have ratings? Which sections of newspapers are read, as documented by research.
- ✓ Auditable Circulation of Newspapers.
- ✓ Results of Quantitative Media Monitoring. The number of stories on social issues, women's issues, youth issues, the economy, the environment on outlets we support. And are the outlets IREX supports balanced?
- ✓ Pay and conditions of journalists. Is pay going up? Do workers have contracts? Do strong associations represent them?

The reporting we got before this assessment looked almost like a laundry list. It listed events, activities and grants but did not give us, all activities taken together, a real picture of the program. A person not familiar with media development would be confused. A report provided by Media Innovations after we arrived, entitled "Overview of Activities through mid-term Assessment," was better. It tied more activities together and recounted more stories, yet still did not sum up an overarching picture of how activities worked

together as a whole to address systematically the IRs. Reports need to be illustrated with more anecdotes or case studies of projects that work. Projects that failed to work or that succeeded in unanticipated ways (e.g., TV 202) might also be explored as case studies.

Quarterly (or six month) reporting should contain a short strategic analysis of the media scene and the progress on each IR to date showing how the different activities work together. A tactical paragraph is needed on how Media Innovations will address each IR in the coming quarters, leading toward the end of the CA. And more anecdotes or case studies should be included, providing tangible examples of where the overall program is working well (and/or where problems have arisen). This will not only guide USAID in decisions on future work but will leave more complete records for whomever takes over the program if it is rebid.

Cooperation: Tata Makhatadze from the Caucasus Media Institute said: “If not IREX, I don’t know what cooperation would take place, IREX is the leader.” Another implementer said, “Whenever you see the “M” word (Media) IREX is there.” IREX Media Innovations has been able to elicit cooperation from almost every media implementer (although relations with Internews are rocky). We heard words and phrases like “partner”, “significant contribution,” “working in parallel with,” and “strategic partner” from other implementers or donors. Because of this reputation for cooperation IREX has been able to amass considerable cost share. This has allowed it to husband its resources for the final push, now that political conditions have improved.

An example of this cost share is support of Ninth Wave TV in Poti. The station wanted to increase power to cover Adjara during the crisis. IREX could supply the money for the antenna but not the transmitter. It partnered with Soros to be able to put together a complete package. Cooperation with the Eurasia Foundation was crucial in getting the critical mass for the pre-election programs.

IREX has been able to prevent programs from duplicating each other or from weakening each other by taking on the roll of coordinator. Sometimes different implementers want to support competing media in the same market. Sometimes this is ok because the market will bear or because the target is different, but sometimes the new entry will ultimately mean failure for both. IREX has demonstrated a coordinating ability that stops the harmful type of donor-sponsored competition from happening.

IREX sponsored a “donor’s” meeting. It was intended to be a “one off.” There we found some interest in making these meetings more regular. One suggestion was monthly.

One area in which IREX received criticism from grantees was the complexity of its grant applications and reporting. Some of this complexity is required by USAID but more than one recipient expressed distress at the paperwork load. The problems with reporting may be due to IREX’s demand for receivables documented. IREX should look at its application and reporting requirements to see if they can be streamlined. IREX also may want to coordinate with other implementers to create a single application form or

application boilerplate that media outlets can use on repeated applications or applications to different implementers.

Exit Strategy. The Media Innovations program has less than a year to run and must look toward an exit strategy. Due to a careful ramp-up, this program appears to be well positioned for a strong finish in its (currently scheduled) final year. Media Innovations will be spending more in its closing 14 months on making sure ratings are established, along with advertising agency development, legal implementation, training, and possible improvements in newspaper distribution.

However, IREX managers need to look towards the conclusion of the program. We believe that USAID will need to keep a media program active in Georgia for some years to come; but, if past experience is a guide, IREX will not know the duration and extent of future programs and may not know who the implementer will be. Therefore IREX must begin to prepare an exit strategy now. This must include.

- ✓ Excellent reporting: IREX will need to make sure its successes and shortcomings are well documented for whom ever takes over, whether it is another implementer or another IREX program, perhaps headed by another IREX chief of party.
- ✓ Training of Trainers: Media Innovations uses many foreign and local trainers. It needs to make sure local trainers are up to date on pedagogical techniques so they can take over the training.
- ✓ Finding Homes: MIPG has many partners. During the period before this media assistance program is ended, IREX should try to find homes for MIPG's many initiatives, preparing partners to continue the work. The Liberty Institute and GLYA will take over work in the legal area, but continuing the training conducted by the Media Innovations Program in-house may be a problem. IREX needs to find and designate organizations willing to take on the trainers and that will become the recipients of curricula, syllabi and course outlines as well as records of the training. In the last six months IREX may want to hand-over, through contracts, the administration of the training unless it gets strong signals that it will continue to implement a media development program.
- ✓ The Georgia Media Innovations program has developed some approaches unique in the CIS. As the Cooperative Agreement winds down there is a good deal that other programs can learn from Georgia. IREX and USAID should make an effort to export some of the techniques and trainers in the program to neighboring countries. Georgian institutions doing training in other countries can be an extra mechanism for making those Georgian institutions more self-supporting. (When USAID closed its mission in Slovakia, several NGOs fostered by the DG program sold their expertise to other countries, including Belarus, the Ukraine, Serbia, Montenegro and Croatia. This gave them income to continue activities like media monitoring, training, and legal reporting and monitoring in Slovakia.) Program closeout will take a great deal of effort. IREX will need to bring in extra help with special skills in finance, local taxes, assignment of Non Extendable Property (NXP) and other issues. Closing a program requires different skills from running a program. USAID and IREX should

not necessarily expect a good Chief of Party at running a program to be a good COP at closing one.

Future: We believe that a media development program will be necessary in Georgia well past the currently agreed end of this Cooperative Agreement.

- ✓ We agree with the assessment of the IREX attorney that five years will be necessary to oversee the successful implementation of the broadcast and media laws. A legal program should be in place for that long.
- ✓ Past experience suggests that the market will need about two years to assume the costs and responsibility for research once the rating system is developed, tested, and disseminated. That timeline suggests that a program will be needed to help with the research for almost a year after the close of the current CA, longer if the program moves into radio and newspaper research.
- ✓ The IREX training department believes that it needs three more years, or almost two more years beyond the termination of the CA, to complete the menu of training it is contemplating.
- ✓ Even when the IREX training menu is complete, a strong and sustainable media system needs continuing training for professionals to upgrade skills and to teach new technologies and techniques. Training needs an economic base. In the long term, for training to continue, there has to be enough money both in the pockets of media outlets and journalists to pay for the continued training and strong institutions to continue the needed professional practices. This overall process will take at least another three years beyond the termination of the CA, and likely longer.
- ✓ The same holds for supporting institutions. The GNAB must grow beyond its lobbying efforts to provide a menu of services to members to keep them as dues paying members. The ability of members to support the GNAB and other associations will depend on the economic viability of the media. In the next year IREX can help the non-profit associations develop that menu, but it will take a few more years of aid beyond the end of the CA to get media outlets to the financial position where they can fully pay for non-profit, supportive associations needed for a healthy independent media industry.
- ✓ The country has not yet embarked on a serious attempt to reform higher education in journalism. In the short time we were in Georgia, we found evidence of a Jurassic system of university education in media that is not even addressed in this CA and will take attention well beyond the CA.
- ✓ USAID should look at capitalization and investment in the media in designing successor programs to Media Innovations. Any new program should include an element that either fosters international investment in Georgian independent media or that includes a loan program, with loans based on sound business principles that will enable media outlets through the first round of re-capitalization of depreciated equipment or for advancement into new technologies without having to rely on banks controlled by “The Oligarchs.” One problem we have observed is that media outlets are beginning to become self sustainable on a cash flow basis, but are developing a backlog of unfunded depreciation and deferred maintenance that they have to address in the intermediate future. The commercial investment capacity of Georgia may not develop quickly enough to meet this need. This could endanger the sustainability of

media outlets fostered by Media Innovations and the media development programs that preceded it.

We believe that there will need to be a substantial media development program for Georgia for at least three years beyond the current CA.

If the program is rebid and the new agreement goes to a different organization, the transition between the two programs will be important to the success of the new program. The transition between IREX and Internews was not smooth largely because of the lack of information transfer between Internews and IREX. If there is a new bid, the bid should go out early enough that a decision can be made and the current program will know if it is extended at least a quarter before it is due to expire, preferably six months. In the past some programs have not known if they were to be extended until less than a week before the end of the CA or contract. This means that the implementer has to lay off people, good people leave because they do not know if the program is to continue and media partners start treating the implementer like a “lame duck” becoming late on reports and deliverables. Currently there are programs where the CA runs out in two months and the implementer does not know if the program will continue, be rebid, or fold.

USAID needs to make decisions on the future of media assistance in Georgia now and prepare to issue RFAs within six months to allow the IREX Media Innovations Program to know if it is terminating all media assistance, preparing for a rebid, or transferring the program to a new agreement either implemented by IREX or someone else. USAID in Tbilisi must have the type of analytical and tactical reports that will allow it to serve as the institutional memory if there is a new program. This will avoid some of the problems encountered in the transition to the IREX Media Innovations Program.

**Interviews for the Mid-term Evaluation of the Media Innovations Program
(April 19-May 3, 2004)
Evaluators Mark Koenig and Rich McClear**

Management and staff of TV Companies:

TV Tvali, Sagarejo

1. Gia Kevlshvili, Project Director;
2. Mikheil Kvlividze, Executive Director;
3. Ivane Tolomashvili, Producer;
4. Giorgi Natidze, Video Engineer;
5. Slava Kvlividze, Cameramen;
6. David Mamulashvili, Cameramen;
7. Ramaz Barikhashvili, Editor;
8. Maiko Kevlishvili, Casting director;
9. Nia Kurtishvili, reporter;
10. Nino Samkurashvili, reporter;
11. Nino Gvagvalia, reporter.

Contact address: 19, Kakheti Road, Sagaredjo

TV Ninth Wave, Poti

1. Mamuka Todua, Director;
2. Gela Jvania, Marketing Director.

Contact address: 22 Rekvava Str., Poti; Tel/Fax: (8293) 2 41 14; Tel: (8293) 2 02 04 or 2 11 15

TV Guria, Ozurgeti

1. Teimuraz Tsertsvadze, General Director;
2. Mirza Mikatadze, reporter;
3. Nana Tavdumadze, reporter;
4. Lia Megreladze, reporter.

Contact address: 120 Agmashenebeli Ave, Ozurgeti, Tel: (8296) 6 38 30; Fax: (8296) 6 56 72

TV Imedi, Tbilisi

Irakli Sharabidze, Head of Legal Department

Rustavi 2, Tbilisi

1. Vakho Komakhidze, Investigative Reporter
2. Jano Zhvania, Regional Director

TV 202, Tbilisi

1. Shalva Ramishvili, Casting Director;
2. Keti Kereselidze, Director;
3. Vazha Kiladze, Former President.

Contact address: 144 Tsereteli Avenue, Tbilisi

State TV and Radio Corporation

Zaza Shengelia, Director

Management and staff of radio companies

Radio Green Wave, Tbilisi

1. Maka Jakhua, President
2. Eka Machavariani, Project Coordinator
3. Leo Jibladze, Advertiser and Marketing Manager

Radio “Harmonia”, Poti

1. Goderdzi Kartvelishvili, Director
2. Tea Absaridze, Director of News Department

Contact address: 22 Rekvava Str., Poti; Tel: (8293) 2 02 04 or 2 11 15; Fax: (8293) 2 41 14

Radio Dzveli Qalaqi/Old Town, Kutaisi

1. Irakli Machitadze, Director;
2. Ketii Berdzenishvili, Director of news department;
3. Ia Iashvili, reporter.

Contact address: Press House, 37 Rustaveli Ave, 4th floor, Kutaisi, Tel: (8 231) 76417, Fax: (8231) 43375

Management and staff of newspapers:

Newspaper 24 Saati, Tbilisi

1. Paata Veshapidze, Managing Editor;
2. Mamuka Pachuashvili, Editor in Chief;
3. Levan Kherkheulidze, photo reporter,
4. Beso Gulashvili, photo reporter;
5. Iuri Lobodin, photo reporter.

Tel: 20 24 24; 20 00 24

Newspaper Batumelebi, Batumi

Mzia Amaghlobeli, Marketing Director

Contact address: 16 Kutaisi Str, Batumi

Tel: (88 222) 7 45 12

Martali Tribuna, Poti

Esma Khurashvili, Editor

Contact address: 47 Agmashenebeli Str., Poti

Newspaper Poti, Poti

1. Shorena Gabunia, reporter;
2. Inga Shubitidze, reporter.

Contact address: 26 May Str., 7, Third Floor

Newspaper Guria News, Chokhatauri

1. Ia Mamaladze, Founder and Manager;
2. Gia Sikharulidze, Editor;
3. Temur Marshanishvili, the Head of Ozurgeti bureau

Newspaper P.S., Kutaisi

1. Nato Gubeladze, Director and Founder
2. Nanuli Ckhvediani, Editor
3. Magda Chinijishvili, reporter
4. Natia Bilikhodze, reporter
5. Nino Janelidze, reporter
6. Lela Tolordava, reporter
7. Goga Mindeli, reporter
8. Mikheil Jorjoaliani, reporter
9. Gia Gubeladze, Deputy Director
10. Shorena Lotidze, Designer,

Newspaper Akhali Gazeti

1. Ia Bobokhidze, Editor
2. Maia Metskhvarishvili, reporter.

Contact address: 6 Tbilisi Street, Kutaisi; Tel: (8231) 4 38 67 ; E-mail: m.a.m.@posta.ge, www.akhaliغازeti.ge

Associations of Journalists

Association of Independent Journalists of Guria

1. Giorgi Merkviladze, member
2. Tsitsino Kupradze, member
3. Rusudan Ratiani, member

Contact address: 25 Dumbadze Street, Chokhatauri

Independent Union of Journalists, Kutaisi

1. Ia Iashvili, member
2. Nato Gubeladze, president
3. Nanuli Ckhvediani, member
4. Magda Chinijishvili, member
5. Natia Bilikhodze, member
6. Nino Janelidze, member
7. Lela Tolordava, member
8. Goga Mindeli, member
9. Mikheil Jorjoaliani, member
10. Gia Gubeladze, member
11. Shorena Lotidze, member

12. Soso Asatiani, English language consultant working with the Union in the frames of IREX funded project

13. Nana Kutchukhidze, English language teacher, who taught English to the members of the Union in the frames of IREX funded project

Contact address: 37 Rustaveli Ave, Press House, Kutaisi; Tel: (8 231) 144546, Fax: (8231) 48225.

Trade associations

Samtskhe-Javakheti Media Development Association:

1. Tristan Tsutskiridze, Chairmen
2. Zurab Chilingarashvili, Deputy Chairmen

Georgian national association of Broadcasters, GNAB

1. Tamar Tsilosani, Executive Director;
2. David Zilpimiani, Chairman, Pirveli Stereo

Georgian Radio Network, GRN

1. Maka Jakhua, President;
2. Ramin Meladze, Executive Director, radio Green Wave;
3. Irakli Machitadze, Board member, radio “Dzveli Qalaqi”
4. Ramaz Samkharadze, Board member, radio “Hereti”

Publishers Association Free Press

1. Soso Simonishvili, Executive Director;
2. Malkhaz Ramishvili, Board member.

NGO community

1. Levan Ramishvili, Director, Liberty Institute
2. Malkhaz Ghughunishvili, Lawyer, GYLA
3. Irakli Kotetishvili, Legal advisor, Liberty Institute
4. Irakli Tsertsvadze, OSGF, Director of Media Program
5. Tamar Zhvania, Public Relations manager, ISFED
6. Margarita Akhvlediani, Caucasus Regional coordinator, IWPR
7. Sebastian Smith, Caucasus trainer, editor, IWPR
8. Marina Renau, country coordinator, Media Diversity Institute, MDI
9. Tata Makhatadze, country coordinator, Caucasus Media Institute
10. Ketil Khutsishvili, Country Director, the Eurasia Foundation
11. Anna Zhvania, Program Officer, the Eurasia Foundation

State agencies

Sakpatenti

Giorgi Taktakishvili, Head of Legal Department

Georgian National Communications Commission

1. Dato Pataraiia, Member
2. Vato Abashidze, Chairmen

Tel: 92 16 67

Photojournalists:

1. Gogi Tsagareli
2. Guram Tsibakhashvili,
3. Natela Grigalashvili,
4. Goga Chanadiri.

Experts

1. Dato Paichadze, reporter, Radio Liberty
2. Ia Antadze, Radio Liberty

Journalism Schools

Caucasus School of Journalism and Media Management

1. Jodi McPhillips, Knight fellow, ICFJ;
2. Dave Bloss, Academic Director, former Knight fellow, ICFJ;
3. Maiko Mikashavidze, Dean.

Ivane Javakhishvili Tbilisi State University

1. Marina Vekua, Dean,
2. Irina Ghvineria, Deputy Dean;
3. Niko Leonidze, the Head of TV and Radio Journalism Department.

University Of Language and Culture,

Rezo Surguladze, Chairman, Journalism Department

School of Investigative Journalism

1. Akaki Gogichaishvili, the founder and trainer;
2. Nino Khajomia, Investigative Journalist, trainer;
3. Nato Gubeladze, student
4. Natia Bilikhodze, student;
5. Giorgi Shaishmelashevili, student;
6. Otar Shalikashvili, student;
7. Shalva Lomidze, student.

Research Organizations

IPM

1. Teona Mikadze, Director of IPM Media;

2. Gocha Tsitikitishvili Director of IPM
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