



# **PUBLIC BROADCASTER**

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## INTRODUCTION

It has been several years that Transparency International Georgia has been monitoring the performance of the Public Broadcaster and the transparency of its activities, the inclusion of good governance principles in its work, and the dutiful exercise of its roles and functions as defined by the law.

The purpose of this report is to analyze and assess the performance of the Public Broadcaster, singling out institutional problems and proposing tailored recommendations and solutions.

The 2016 [interim Public Broadcaster Monitoring report](#) touched upon the challenges due to the reorganization process, communications problems between the staff and the management, the lack of human resources management policy, neglect of the employees towards ongoing processes within the Broadcaster and the environment that the work environment is unfair.

Following the publication of the interim report, the Public Broadcaster appointed a new General Director. Therefore, this report assesses the performance and challenges faced by the Broadcaster under a new management.

## MAIN FINDINGS

- Public trust towards the Public Broadcaster is very low, especially at the background of the latest changes of editorial policy, human resources policy and the lack of transparency in public procurement tenders;
- Under the new management, suspicions have grown about the possible influence on the Public Broadcaster by individuals associated with the Georgian Government and former Prime-Minister Bidzina Ivanishvili;
- Employees of the “GDS” have been hired by the Public Broadcaster, both on managerial and journalist positions;
- The reorganization process in the Public Broadcaster is vague and insufficiently transparent;
- The Public Broadcaster may be in violation of fulfilling the programme priorities as defined by law<sup>1</sup>;
- The Board of Trustees does not fulfill its duties and doesn't respond dutifully to the processes within the Broadcaster;
- The amendments to the Law of Georgian on Broadcasting adopted with the I hearing reduces the level of transparency of the Broadcaster, as well as damages the advertisement market;
- For years there have been discussions about attestation and personnel optimization within the Broadcaster, nevertheless, the action plan and implementation date are unknown to date. The staff list is still not approved in the Broadcaster.

## INTRODUCTION

The role and importance of the Public Broadcaster is crucial given that the media environment in Georgia is [polarized](#). Unfortunately, several attempts or “reforms” carried out by various heads of the Broadcaster have failed to meet the mission outlined in the law. As such, we can state that since its establishment the Broadcaster has been in a permanent state of crisis.

Throughout the years, there has been active criticism related to the affiliation of the Broadcaster with the Government of Georgia. Notably, [the Broadcaster has never had a Director](#) who would have served the entire 6-year term defined by the law. It is possible that the Directors resigned from their positions due to political reasons. The last Director to resign was Giorgi Baratashvili, who unexpectedly declared after the 2016 Parliamentary Elections that he'd be stepping down.

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1 Article 20 of Law of Georgian on Public Broadcasting

Director General	Period of term of office	Reason for leaving position
Tamar Kintsurashvili	2005-2008	Resignation
Levan Kubaneishvili	2008-2009	Resignation
Giorgi Chanturia	2009-2012	Resignation
Giorgi Baratashvili	December 2012 – March 2013	Fired by the Board of Trustees
Giorgi Bakradze (acting Director)	March 2013 – April 2013	The court restored Baratashvili to the position
Tamaz Tkemaladze (acting Director)	April – September 2013	Fired by the Board of Trustees
Giorgi Baratashvili	December 2013 – November 2016	Resigned
Vasil Maghlaperidze	January 2017 – To date	---

Political influence isn't the only source of concern for the Broadcaster. There are also issues related to low ratings, financial loans, outdated equipment, unprofessional and demotivated staff.

## NEW DIRECTOR

The Board of Trustees elected Vasil Maghlaperidze as the new Director of the Broadcaster in January 2017. Throughout the past couple of years, Maghlaperidze has worked in GDS TV, owned by the family of the former Prime-Minister Bidzina Ivanishvili, and as a producer and deputy director of TV9.

A number of questionable and inconsistent [decisions](#) were made under the new management. This included the initiation of a draft law that reduces the Broadcaster's level of transparency, has a negative impact on the advertisement market and increases the powers of the Director. The fulfillment of the action plan through one-year suspension of programs was actively criticized by the civil society. For example, the contract with "Radio Liberty" was terminated and therefore the "Red Zone" and "Interview" TV programs were taken off the air. Competitions were announced to fill in for the abolished programs but the management turned down the winning applications under a vague pretext. The staff hiring process and the selection of the new building raises questions about the transparency and consistency of the new management.

## REGRESSIVE LEGISLATIVE AMENDMENTS

On June 22, 2017, a parliamentary group initiated amendments to the Law of Georgian on the Public Broadcaster. Prior to the initiation, a [working group](#) was created in the Parliament. TI Georgia was a member of this working group. Throughout 5 months, there hasn't been a single notice for a scheduled meeting. Therefore, the non-governmental organizations had practically not taken participation in the drafting of the legislative initiative. After 6 months, on June 17, a meeting was scheduled where the draft

law would be presented. The bill was critically [assessed](#) by the civil society. The draft law significantly reduces the Broadcaster's level of transparency and negatively impacts on the advertisement market. The noteworthy changes stipulated by the draft law are the following:

## ***EXCEPTIONS FOR THE PUBLIC PROCUREMENT RULE***

According to the amendments, the Broadcaster will no longer acquire products from external studios on the basis of a tender. The purpose of electronic procurement is rational budget spending, creating a nondiscriminatory and just environment for all bidders and the guarantee of transparency of the process. Therefore, exempting the Broadcaster's acquisitions from the Law of Georgia on Procurements will have a negative impact on the transparency of the Broadcaster and be a potential risk for corruption. According to the management of the Broadcaster, they will hold contests instead of tenders. However, the law does not regulate how these contests will be held; neither does it regulate the composition of the Contest Commission and other matters.

## ***FINANCING OF STARTUPS***

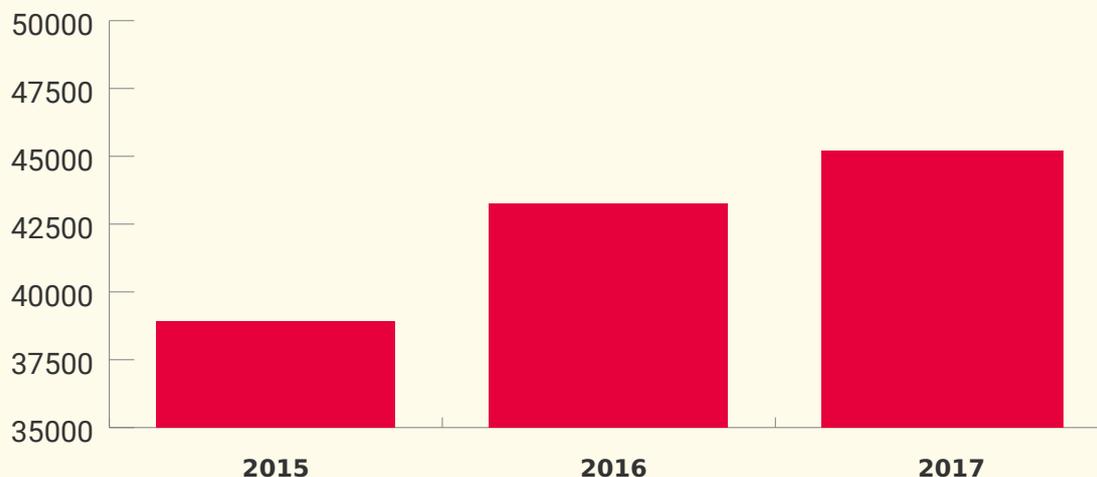
According to the initiated draft law, for the purposes of developing the Broadcaster environment, the Public Broadcaster will have the authority to finance the start-up companies, as well as innovative development of television, radio and online products. The draft law doesn't define the financing aspects, and what exactly an innovative product is or who gets to define whether it's innovative or not. Therefore, this provision can result in opaque budget expenses, as well as in creating risks for corruption agreements.

## ***COMMERCIALS AND SPONSORSHIP***

The proposed amendments to the regulation of commercials and sponsorship opposes the fundamental idea of the Public Broadcaster being entirely free from both political and commercial interests.

According to the proposed amendments, the time allocated for commercials is to be doubled. Moreover, the scope of sponsorships for the Broadcaster will also increase. Since the Broadcaster is funded by the budget and has a guaranteed source of income, there is a risk that it may further damage the advertisement market through dumping pricing. The [report](#) published in 2014 reviews the practice of dumping pricing by the Public Broadcaster for its sponsorship packages. Private broadcasters have also [voiced their criticism](#) for the proposed amendments.

## Budget of the Public Broadcaster



Source: Information published on the website of the Public Broadcaster

Notably, the initiators of the draft law recalled TXE initiatives related to classifying public information and staying out of the scope of the Budget Code. This decision should be positively assessed. However, the final draft law still contains a provision that stipulates that the Broadcaster's balance from the previous year will automatically be added to the next year's budget. As of today, the draft law has been adopted at its first hearing.

## VAGUE COMPETITIONS FOR THE SELECTION OF NEW PROGRAMS

The new Director of the Public Broadcaster has made a number of "loud" statements prior to the announcement of the plan for the selection of new programmes. Initially, all programs except for news program "Moambe" were to be cancelled for a period of one year, while another action plan envisaged leaving only programs with high ratings on the air. The final decision was made on July and it envisaged cancelling all but news programs. In parallel to this decision, a competition was announced for new programs that would begin airing from the start of the new television season.

Nine projects were [selected](#) as part of the competition, out of which only 4 were new, while others were just updated versions of the old programs. After several months, the management of the Broadcaster turned down [without due justification](#) two of the four new projects. [According](#) to the authors of the two projects, they had already commenced work on the programs. Moreover, the Director had met them in person and that the Public Broadcaster itself participated in the drafting of several [themes](#) for the programs.

Moreover, a competition was announced for shooting of TV series particularly the detective and melodrama ones. In spite of the fact that work had already been started on the melodrama TV series "Livlivi" that won the competition<sup>2</sup>, the process came to a halt. At the [sitting](#) of the Board of Trustees,

<sup>2</sup> The second quarterly report indicates that "Livlivi" is in the preparatory phase)

Vasil Maglaperidze explained that the Tv serie was cancelled because it did not meet the concept of the Public Broadcaster.

Finally, the new television season (in September) consisted only by the news program “Moambe” and pre-electoral project “Local Government 2017”.

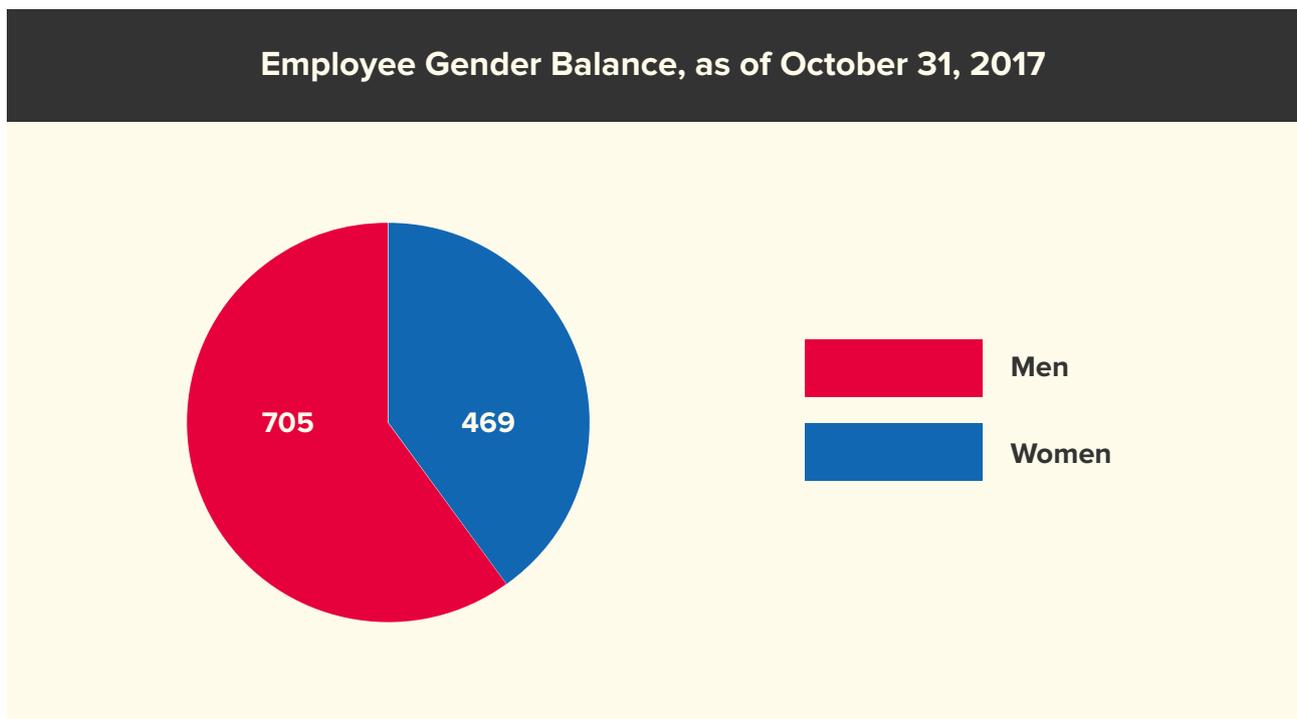
At the time when the airing date of programmess that won the competition remained unknown, a new program, “[Iluzioni](#)”, aired on the Broadcaster. Notably, this project wasn’t selected as part of the competition. Moreover, one of the anchorpersons of the show was part of a project application “[Myths and Stereotypes](#)” that wasn’t selected during the competition.

The unsubstantiated and vague decisions made by the Broadcaster make void the purpose of holding competitions, creating an illusion of “transparency”.

## HUMAN RESOURCES POLICY IN THE BROADCASTER

There has been discussion about the “inflated amount of staff” at the Broadcaster for years. Unfortunately, none of the management has been able to find an effective solution to this issue.

According to data retrieved on October 31, 2017, the Public Broadcaster employs 1174 persons. The gender balance is as follows:



Hiring employees without a vacancy competition happens frequently at the Broadcaster. Moreover, there is number of cases when the [former employees](#) of the TV GDS owned by the son of the former Prime-Minister Bidzina Ivanishvili’s GDS TV being hired at the Broadcaster. This happened after programs were cancelled at the GDS and after it was [acquired by IMEDI TV](#).

Notably, Tamta Kubaneishvili, the wife of Sozar Subari, the Minister for Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia, is one of the former employees of GDS to start work at the Broadcaster. She is now the Producer for one of the main political talk-shows

(“Actual Topic with Maka Tsintsadze”) on the channel. It remains questionable how the programs can remain critical and objective towards the government, especially when the Producer is responsible for bringing in guests to the programs and even participating in the preparation of questions.

Even statistical data points to the lack of transparency in the hiring of new staff at the Broadcaster:



*October 23, 2017 data, which was provided by the Public Broadcaster*

## REORGANIZATION

Reorganization and optimization of the staff have been frequently discussed at the Broadcaster. Last year the Broadcaster planned to hold attestation for its employees and signed a GEL 4850 [contract](#) with the Georgian Institute of Public Affairs (GIPA). The contract envisaged defining the criteria for assessing the performance of the journalists, producers, operators and editors, as well as defining the salary structure.

Vasil Maghlaperidze made an [announcement](#) on the optimization of the staff as soon as he was elected as the Director. However, in an [interview](#) with TI Georgia, Giorgi Gvimradze, the Head of the News and Current Affairs Department, stated that the attestation wasn't planned, instead the Broadcaster would implement a periodic system for the assessment of its employees, which would define ranks, remuneration, strategy for staff development and other issues. Moreover, Gvimradze stated that the assessment would likely take place before May. However, in September, TI Georgia was informed that the process had still not begun and that preparatory work was still in progress<sup>3</sup>.

<sup>3</sup> Response received by the Public Broadcaster on September 8, 2017

## CONSULTANTS OF THE PUBLIC BROADCASTER

Finding the public information on the consultants working at the Public Service Broadcaster remains problematic. As of August 15, 2017, the Public Broadcaster employs 9 consultants, 3 out of which have an open-ended contract. The monthly remuneration for the consultants amount to GEL 25,550 in total<sup>4</sup>. Notably, 4 consultants were hired following the election of Vasil Maghlaperidze as the Director. There is no description of duties for either the new or old consultants. In the beginning of 2017, TI Georgia requested the public information on the identity of the consultants; however the Broadcaster deemed the information as personal data and denied the request. This decision is currently being appealed by TI Georgia at court.

## SUSPICIOUS PROCUREMENTS

### A. Questions about procurements

Public criticism has been made towards the procurements held by the Broadcaster. One of such procurements was a GEL 484,000 [procurement](#) for creating and supporting the TV series made by [Goga Khaindrava's](#) company. Goga Khaindrava is closely associated with Ivanishvili, whose firm was ordered to create the TV series "Herokratia" about the former President of Georgia which was showed during the 2016 pre-electoral period. The initial idea to shoot this move belongs to [Bidzina Ivanishvili](#).

Another suspicious procurement was the acquisition of 500 sq.m of property in Batumi by the Broadcaster for the Adjara Studio. The Broadcaster does not specify the amount it had paid for the property, but according to the [protocol](#) of the acquisition of the real estate, the amount supposedly amounted to around USD 100,000. It is unclear how much the construction/maintenance of the studio will cost, as well as why the Broadcaster requires a new studio in Adjara, especially given that they only have 1 journalist and 1 operator in the Adjara region. According to their initial action plan, the Broadcaster plans on opening 9 [regional offices](#).

### B. "Gift" from Bera Ivanishvili

In October 2017, "Silk Factory Studio" secured procurement on studio lighting in a competition announced by the Broadcaster. Notably, the "Silk Factory Studio" is owned by Bera Ivanishvili, who is Bidzina Ivanishvili's son, while the director of the company is Goga Khaindrova, who is a close associate of Bidzina Ivanishvili. Only 1 company participated in the tender competition. According to the tender, the Broadcaster had to pay GEL 346,000 to the company.

Following vocal criticism from the civil society, Bera Ivanishvili issued a [statement](#) that he wasn't aware of the tender and that he was to "gift" the equipment to the First Channel of the public broadcaster. After this statement, the Broadcaster [cancelled](#) the procurement process and accepted the gift on the basis of the decision made by the [management](#) and the [Board of Trustees](#). At the sitting of the Board of Trustees, one of its members Marina Muskhelishvili came forward with an [initiative](#) to air the concert of Bera Ivanishvili on the channel as a gesture of gratitude for the gift.

The decision for accepting Bera Ivanishvili's gift was made on November 9. Following a week after, the news anchor of ["Weekly Interview"](#) asked Vasil Maghlaperidze if the lighting in their studio was made by the equipment provided by Bera Ivanishvili. Maghlaperidze factually confirmed this by saying: "Partly, as far as I know. How it is allocated technically, let's do not go into details and I am not going to do that ...Maybe some parts of the equipment is used here in this studio, but we have another studio where a part of the equipment may have been put to use."

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4 Response received by the Public Broadcaster on August 30, 2017

However, the Public Broadcaster [notified](#) us on November 27 that “the agreement to hand over the lighting equipment as a gift was not concluded”.

Thus the lighting equipment was not legally handed over even by November 27, while the studio allegedly already had it and was using it on November 10. Therefore, we can assume that the discussions held by the Board of Trustees were only formal and that the transfer of ownership of the lighting equipment was decided beforehand.

## NEW BUILDING FOR THE BROADCASTER

For several months the Broadcaster had changed its decisions on the construction of a new integrated news room. Due to this, the process took a long time and the ineffective management of the Broadcaster became apparent.

In 2016, an architectural project was created by the order of the Broadcaster. The project cost amounted to GEL 39,000.<sup>5</sup> The procurement for the construction of this project was announced on October 11, 2016 and the winning company was selected. However, the [tender](#) was cancelled under the pretext of talks with the government.

Unfortunately, the forthcoming inconsistent and mutually exclusive decisions made by the Broadcaster raised questions about the decision to pay GEL 39,000 for the architectural project. According to the decision made by the new management, a new tender was announced on the reconstruction of the 3<sup>rd</sup> building and the construction of a news room nearby. Ltd “Tbilikalakproject” was selected [as a winner](#). The total cost for the creation of the project amount one mln GEL

Nevertheless, the fate of the building is still not clear. According to new information by the Broadcaster, the Ministry of Economy offered them a land plot on Politkovskaya Street where they could construct a new building. To cover the expenses, the Broadcaster would sell their building located on Kostava Street. At this moment, the [discussions](#) on this are taking place and no additional information is available.

## THE SECOND CHANNEL

Amendments envisaged changes to the Public Broadcaster’s Second Channel as well, where all programs and projects, except for live coverage from the Parliamentary plenary sessions, were cancelled. At this moment, the Public Broadcaster’s Radio is aired at the channel. The fate of the channel remains unclear. According to one version, it may be replaced by a sports channel. But this information has not been confirmed as the Public Broadcaster has declined to comment on their plans, stating that their plans do not fall under the category of public information.

## RADIO

At this point, the least changes were made to the Radio. However, in a letter sent to TI Georgia, the Broadcaster noted that it is working on updating/forming a unified network for Radio 1.<sup>6</sup>

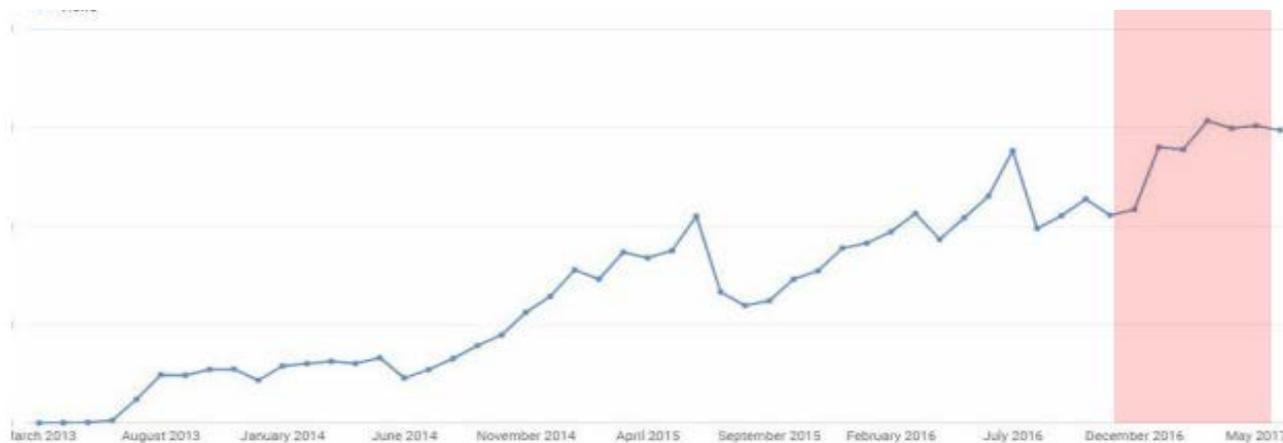
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5 Letter received by the Public Broadcaster on 23.10.2017

6 Response received by the Public Broadcaster on October 23, 2017

## WEBSITE

The statistics around the website of the Broadcaster are of noteworthy importance. A new website was created and it already positions itself as the source of information on the market.



The image shows the growth of usage of the new website.

Source: 2017 2<sup>nd</sup> Quarter [Report](#) of the Public Broadcaster

## INEFFECTIVE BOARD OF TRUSTEES

The Board of Trustees is composed of 9 members or trustees. The functions of the Board are as following: election of the Director General, adoption of the budget and its oversight, identification of program priorities and oversight over its implementation.

Unfortunately, the majority of the Board of Trustees does not adequately respond to the processes taking place in the Broadcaster. The very fact that Vasil Maghlaperidze was elected as the Director General raises questions about the independence of the Board and the role and influence of the former Prime-Minister's association with the elected Director General.

### a. Fulfillment of programme priorities

The Board of Trustees remained silent and did not take any actions even when for months the Broadcaster aired no programs but “Moambe” and the electoral project “Local Government 2017” during the pre-electoral period, which could have been regarded as a violation of the requirements set out by the [Law of Georgia on the Public Broadcaster](#)<sup>7</sup>. This law defines the obligation of the Board of Trustees to fulfill the [programme priorities](#) of the Broadcaster. The programme priorities include informative shows and news, as well as political-analytical shows and journalistic investigations, and cultural and educational shows.

The management of the Broadcasted [stated](#) that they are not violating the programme priorities since the Broadcaster does not include only the First Channel, but the radio and website as well, which are actively disseminating information are falling under the programme priorities.

<sup>7</sup> Article 7.7(a) of the Law of Georgia on the Public Broadcaster

Notably, the ratings of the Public Radio are not measured like the TV programs, and in Georgia, especially in regions, access to internet is lackluster in comparison to access to the TV. Moreover, most people are regarded as TV users which is also confirmed by the [Document on Priorities](#) issued by the Public Broadcaster. Therefore, TI Georgia believes that the Radio and web platform cannot replace the TV in its function of delivering the programme priorities.

## b. Exit poll

In 2016, the Board of Trustees discussed the possibility of holding an exit poll for the Parliamentary Elections along with three private TV companies – Imedi TV, GDS and Maestro TV. In spite of the [statements](#) made by the employees and non-governmental organizations that this process would raise questions about the integrity of the Broadcaster, the Board of Trustees still approved their decision. Notably, the results of the exit poll significantly differed from the final results announced by the Central Election Commission. The Chairperson of the Board of Trustees, Grigol Gogelia, stated that given the final results of the election the broadcaster did not plan to pay the TNS for their service. Nevertheless, upon the decision of the Board of Trustees, the Broadcaster still [paid](#) EUR 76,000 to the company for holding the exit poll.

## RECOMMENDATIONS:

- The Parliament of Georgia should hold public discussions related to the processes taking place in the Public Broadcaster, as well as how effectively the Broadcaster manages to meet the obligations defined by the law;
- The management of the Public Broadcaster and the Board of Trustees should take active steps to increase the public trust towards the Broadcaster. This can be achieved by informing the society about ongoing processes within the Broadcaster, increasing transparency and pursuing an editorial policy which is accountable, objective, independent and pluralistic.
- The Board of Trustees should adequately respond to the non-fulfillment of the programme priorities by the Broadcaster;
- It is critically important for the reorganization and staff restructuring process to be concluded, so that the functioning of the Broadcaster is made more effective and transparent
- The Parliament of Georgia should not support the amendments to the Law of Georgia on Public Broadcaster, the adoption of which will significantly reduce the transparency and openness of the Broadcaster, as well as raising possibility of creating risks for corruption and damaging the advertisement market.