

PRE-ELECTION MEDIA ENVIRONMENT

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INTRODUCTION

With the support of the National Endowment for Democracy, NED, the Media Development Foundation (MDF) publishes periodic reports on media freedom in Georgia. This report overviews pre-election media environment for the period of 2016.

Reports rest on the analysis of documents, official information requested from public entities and media reports.

This report consists of six chapters covering the following topics: the first chapter overviews legislative amendments proposed in 2016; the second is dedicated to the financial and business environment; followed by media ownership cases; fourth chapter concerns staff changes and closure of the TV programs in 2016; fact of violations of journalists rights are reviewed in the fifth charter, while final part of the report is dedicated to the election related issues.

MAIN FINDINGS

Following trends were revealed in the period January 1 – September 23, 2016:

Legislative environment

- The first half of 2016 saw media-related legislative changes to two laws. 1) The Election Code was amended to increase the number of qualified electoral subjects eligible for free advertising time in pre-election period; 2) the Law on Broadcasting was amended to a) require from national and local general broadcasters to air programs in the state language; b) set a minimal length of digital broadcasting (12 hours); and c) clarify the rule of applying sanctions by the Georgian National Communications Commission.

Financial and business environment

- Georgian TV channels reported an accumulated GEL 41.7 million of revenues during six months of 2016 (January–June) that is by GEL 1.7 million less than in the same period of 2015.
- Rustavi 2 remains the TV channel with the highest reported income. Its total revenues declined during the first six months of 2016 and revenues of Maestro TV increased compared to the same period of 2015.
- Out of those eight broadcasters, who remain in the lead in terms of financial revenues, Obieqtivi is the only TV channel, where a share of donations makes a significant part of revenues (2016: 33.1%; 2015: 53.6%). In January-June 2016, revenues of Obieqtivi TV, which is affiliated with opposition Alliance of Patriots party, increased by 43%.
- The highest increase of revenues was observed on Pirveli TV (78.8%), which was recently joined by the journalists sacked from Imedi and Maestro TV channels.
- Like TV channels, revenues of radio broadcasters also declined in January-June 2016 (by GEL 98 531.77).
- The monopoly which existed in advertisement sales until 2013 has been replaced by duopoly in 2016.
- In 2016, a new TV viewership measurement company entered the market. Several broadcasters question the transparency of company's funding, linking it to the former Prime Minister Bidzina Ivanishvili. Doubts were raised that budget organizations – the Georgian Public Broadcaster and

the Georgian National Communications Commission – drew up their tender requirements so that to fit into with TMI conditions.

- During 8 months of 2016 (January 1 – August 30), contracts concluded by budgetary organizations with online media on providing information and advertising services increased by 45%. In most cases, the content financed in online and print media is not separated from editorial materials. Some contracts signed with regional televisions represent the formalization of interference in editorial independence.

Media Ownership

- Disputes related to media ownership, which continued into 2016, smacked of the attempt to redistribute media market in the run up to the parliamentary elections.
- The absenteeism of several judges from a number of court hearings rendered the Constitutional Court ineffective to resolve the claim of Rustavi 2 regarding the constitutionality of the legal ground of the dispute which was underway in a common court.
- Since the cassation of Rustavi 2 was admitted by the Supreme Court, the enforcement of a lower court ruling in favor of the change in ownership became impossible before elections.
- After the configuration of shareholders of Maestro TV company changed, a court terminated the TV channel's bankruptcy proceedings and Maestro solved its financial problems with the financial assistance received from individuals in the management of a rival company - Imedi TV.

Closure of TV programs and Staff Changes

- In 2016, 30 journalists were fired, among them 28 by TV Maestro, 1 by Public Broadcaster and 1 by Imedi TV.
- The Director General of Maestro TV and the Head of the Newsroom of Imedi TV were replaced.
- 3 TV programs were closed on Maestro TV and 2 anchors left the Imedi TV, 1 anchor of political talk-show moved to work on the web addition of Imedi TV channel.
- Former anchors of Imedi TV's channel and dismissed staff from Maestro TV channel moved to work for TV Pirveli Channel. TV Pirveli which is a new player on the media market was founded in 2014 as the sports channel and since 2015 offered to its audience public-political programs.

Alleged facts of violation of journalists' rights

- In 2016 (January 1 – September 15) two cases of blackmailing of journalists with releasing secretly recorded videos of private lives, one instance of leaked secret recordings, two cases of assaulting against journalists and 8 cases of interference in professional activities of journalists were reported.
- One of the incidents of interference in professional activities of journalists was connected to the physical attack of opposition party members during local by-elections in the village of Kortskheli, Zugdidi Municipality on May 22.
- Besides the assault against the journalists of Tabula, the results of investigation on other cases are unknown to the public.
- In one case of interference in professional activities of journalist representative of government resigned.

Election campaign media spending

- In a period between June 8 and August 30, out of total GEL 8 813 597 spent on election campaign, 78% was spent by Georgian Dream. The greatest amount was spent on outdoor advertising. Among Georgian TV stations, Imedi TV received the greatest amount of paid political ads (GEL 1 134 907), of which the service worth GEL 1 million was purchased by Georgian Dream.
- If among televisions Georgian Dream placed ads only on Imedi TV, quite a diversified approach was observed in online editions and newspapers. Georgian Dream purchased most advertising and information services from online (221 479) and print (73 955) editions united in Palitra Holding.

Possible use of administrative resources

- The content of the online media funded from the budget is not monitored on a legal basis in the pre-election period, as the legislation only implies such rule for printed editions. One of the cases revealed an inadequate attitude of the Central Election Committee (CEC) towards the usage of administrative resources in online media.

The role of Communications Commission in pre-election process

- The Election Code requires from the Georgian National Communications Commission (GNCC) to monitor the compliance of media with the norms established by the law and to react to violations thereof in pre-election periods. Since the beginning of the pre-election period through 26 September, the Commission did not react to any of the violations of requirements set in the law for the coverage of public opinion polls.
- GNCC drew up an act on administrative offence against Rustavi 2 and TV Pirveli for airing an advertisement without translation into sign language.
- The Commission did not agree to the opinion of nongovernmental organizations concerning a political nature of an announcement of a program on GDS TV company.

Restriction of content of political advertisements in pre-election period

- Although the legislation imposes responsibility for the content of advertisement on an advertiser, not a media outlet, Rustavi 2 took off the air a Turkophobic election video of the Alliance of Patriots whilst the Georgian Public Broadcaster took off the air an election video of the Centrists, which undermined the sovereignty of the state.

Exit polls on GPB jointly with three private television stations

- The decision of the Georgian Public Broadcaster to conduct exit polls on elections day in team up with three private television stations was criticized by two members of the Board of Trustees, the President of Georgia and civil society organizations.

TV owners included in the list of Alliance of Patriots

- Three persons with shares in broadcasting companies were included in the list of election bloc Davit Tarkhan-Mouravi, Irma Inashvili – Alliance of Patriots – United Opposition: Nato Chkeidze (30% share of Iberia TV); Zaza Okruashvil (70% of Iberia’s shares); Davit Zilpimiani (22% of shares of Stereo I and 50% of shares of Stereo +).

Complaints of Qualified Electoral Subjects on Equal Opportunities of being aired

- Two qualified electoral subjects – United National Movement (UNM) and Labor Party of Georgia - expressed complaints concerning equal opportunities of being aired during the pre-election period.

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1. LEGISLATIVE ENVIRONMENT

Summary: The first half of 2016 saw media-related legislative changes to two laws. 1) The Election Code was amended to increase the number of qualified electoral subjects eligible for free advertising time in pre-election period; 2) the Law on Broadcasting was amended to a) require from national and local general broadcasters to air programs in the state language; b) set a minimal length of digital broadcasting (12 hours); and c) clarify the rule of applying sanctions by the Georgian National Communications Commission.

1.1. AMENDMENT CONCERNING THE USE OF FREE ADVERTISING TIME BY QUALIFIED ELECTORAL SUBJECTS.

On 22 June 2016, the Parliament of Georgia adopted the amendment to the Election Code, which set a new rule of distribution of free advertising airtime among qualified electoral subjects in pre-election period. According to the explanatory note, the amendment pursued the aim of broadening the circle of those subjects that are eligible to use free advertising airtime in the run up to elections. The amendment affects the subjects united in an election bloc. According to the non-parliamentary opposition, this move is detrimental to them because the amendment resulted in the decreased of the airtime allocated to qualified electoral subjects.

a) Broadening of the circle of subjects eligible to free advertising airtime. According to the Election Code, the obligation to allocate equal free advertising airtime during election campaign applies only to qualified electoral subjects.¹ Exception is Georgian Public Broadcaster (GPB) who is obliged to allocate free advertising airtime for nonqualified electoral subjects 50 days prior to elections. Moreover, the Election Code grants the discretion to broadcasters to recognize as qualified electoral subjects those political parties which, according to the public opinion polls conducted throughout the territory of Georgia, have gained the support of at least 4% of voters in at least 5 public opinion polls conducted during the election year or in the public opinion poll conducted a month before the election.²

According to the wording of the provision, effective prior to the 2016 amendment, a qualified subject was only that political party or election bloc which received at least 4% of votes in the parliamentary election and 3% of votes in the local election. In case of electoral bloc, a status of qualified subject was granted to the political party which was number one by the numerical order in the bloc. The new amendment decreased the threshold of 4% in the parliamentary election to 3% and granted the status of qualified subject to all political parties united in a bloc. Consequently, instead of previously eligible five qualified subjects,³ the free advertising airtime for the 2016 parliamentary election is allocated to additional six subjects⁴, in other words, it is distributed among 11 qualified subjects, in total.

¹ Article 3 of Election Code of Georgia.

² Article 51(8) of Election Code of Georgia.

³ 1. Election bloc Georgian Dream, 2. Election bloc United National Movement, 3. The Alliance of Patriots, 4. United Democratic movement, 5. The Labor Party.

⁴ 1. The Republican Party, 2. Free Democrats, 3. National Forum, 4. Conservative Party, 5. Industry Will Save Georgia, 6. Christian-Democratic Party of Georgia.

b) Decrease in the length of free advertising airtime for qualified electoral subjects. While as of 2015, the free advertising airtime was distributed among five subjects, in 2016, almost identical amount of time defined by the law is distributed among 11 subjects. As the Table 1 below shows, this obligation mainly applies to three types of broadcasters. They are the public and community broadcasters, the general national broadcasters and those broadcasters which have the obligation to allocate free advertising airtime for 30 days prior to the date of elections if they air paid political advertisement of those electoral subjects that are eligible for additional budget funding for TV advertisements in the year of general elections to parliament and local self-government bodies.

Table 1. Length of free advertising airtime by broadcasters in 2015 and 2016

Broadcasters	2015		2016	
	Number of qualified subjects	Free advertising airtime for a subject in a week	Number of qualified subjects	Free advertising airtime for a subject in a week
<i>Public Broadcaster, Ajara TV and Radio of Public Broadcaster, community broadcaster</i>	5	60 sec in 1hr	11	27 sec in 1 hr
<i>General national broadcaster</i>	5	At least 90 sec in 3hrs	11	40,9 sec in 3hrs
<i>Other broadcasters</i>	5	Maximum 90 sec in 3hrs	11	Maximum 90 sec in 3hrs

c) Decision of the Constitutional Court. The amendment to the Election Code in 2016, related to free advertising airtime, was preceded by the decision of the Constitutional Court of Georgia on 23 May 2016,⁵ in which the Constitutional Court deliberated on the constitutionality of Article 51 of the Election Code and noted that the effective rule that excludes political parties in an electoral bloc save the number one party from being eligible for free advertising airtime violates the right of equality of electoral subjects and conflicts with the Constitution of Georgia. According to the Constitutional Court, the abovementioned norm provided for unjustified differentiation against those political subjects who were united in electoral blocs in the parliamentary and local self-government elections conducted under the proportional rule and received substantial support though, by numerical order, were not number one political parties in those blocs.

1.2. AMENDMENTS TO THE LAW ON BROADCASTING

a) The obligation to produce programs in the state language for general national and local broadcasters. On 27 April 2016, the Law on Broadcasting was amended by the parliament to regulate the issues of broadcasting in the state language.

⁵ Citizens' political associations "Free Georgia" and "New Rights" vs Parliament of Georgia. <http://www.constcourt.ge/ge/legal-acts/judgments/moqalaqeta-politikuri-gaertianebebi-tavisufali-saqartvelo-da-axali-memardjveneebi-saqartvelos-parlamentis-winaagmdeg2.page>

Article 38¹ introduced two obligations: 1) Authorized general national broadcaster are required to air programs in the state language of Georgia except for the cases defined by the legislation of Georgia and/or by the Communications Commission; 2. Authorized general local broadcasters are required to air news and social and political programs in their programming, including during the prime time, in the state language, which means that a local TV channel that broadcasted in any other language now has an additional obligation to broadcast news and social and political programs in the state language too. As regards the exceptions set in paragraph 1 of the article towards general national broadcasters, such legislative exceptions relate to, for example, airing foreign film with subtitles in the state language. As for the exceptions determined by the Communications Commission, the rule for such exceptions must be drawn up and approved under an ordinance by the Commission until 1 November, i.e. the date of enactment of this amendment. The new norm does not apply to those broadcasters which broadcast via cable, satellite, Internet or other means.

b) Setting a minimum duration of digital broadcasting. On 27 April, yet another amendment was introduced into the Law on Broadcasting, which determined a minimum duration of digital broadcasting. According to Article 38 (7,b) this duration comprises 12 hours. As the explanatory note to the amendment stated, the aim of the amendment was to ensure maximum use of frequency and maximum protection of consumer rights. Yet another reason of the amendment, cited in the explanatory note, related to establishing the numerical order in digital multiplex and connecting to the multiplex.

The initial wording of the amendment envisaged 15 hours of minimal duration of broadcasting, however, the final wording set this duration at 12 hours in order to spare broadcasters from additional financial obligations.

The abovementioned legislative change entered into force on 1 August 2016.

c) The rule of applying sanctions by the National Communications Commission. An amendment to the Law on Broadcasting, adopted on 27 April, also clarified the rule of applying sanctions by the Communications Commission.⁶ As a result of this amendment, the Commission is required to review a matter and if the violation by a broadcaster is established, Commission shall issue a written notice to it. Moreover, the mentioned article was added a provision that in case of violating the Georgian legislation or failure to fulfill a decision of the Commission as well as terms of license/authorization, the purpose of imposing a sanction by the Commission on the broadcaster shall be the elimination or the prevention of the violation. The Commission shall define a reasonable period of time for the broadcaster to eliminate or prevent the violation.

⁶ Article 71(1) of the Law of Georgia on Broadcasting.

2. FINANCIAL AND BUSINESS ENVIRONMENT

2.1. REPORTED REVENUES OF BROADCAST MEDIA

Summary: According to the financial report posted on the website of Georgian National Communications Commission (GNCC), Georgian TV channels reported an accumulated GEL 41.7 million of revenues during six months of 2016 (1 January– 30 June) that is by GEL 1.7 million less than in the same period of 2015. Rustavi 2 remains the TV channel with the highest reported income. Its total revenues declined during the first six months of 2016 and revenues of Maestro TV increased compared to the same period of 2015. Out of those eight broadcasters, who remain in the lead in terms of financial revenues, Obieqtivi is the only TV channel, where a share of donations makes a significant part of revenues (2016: 33.1%; 2015: 53.6%). In January-June 2016, revenues of Obieqtivi TV, which is affiliated with opposition Alliance of Patriots party, increased by 43%. The highest increase of revenues was observed on Pirveli TV (78.8%), which was recently joined by the journalists sacked from Imedi and Maestro TV channels. Like TV channels, revenues of radio broadcasters also declined in January-June 2016 (by GEL 98 531.77).

Television. According to the data of Georgian National Communications Commission (GNCC)⁷, in the first and second quarters of 2016 (January-June) Georgian TV channels reported an accumulated GEL 41.7mln of revenues. During the same period of 2015, GEL 43.4 mln was reported that was by GEL 1.7 mln more.

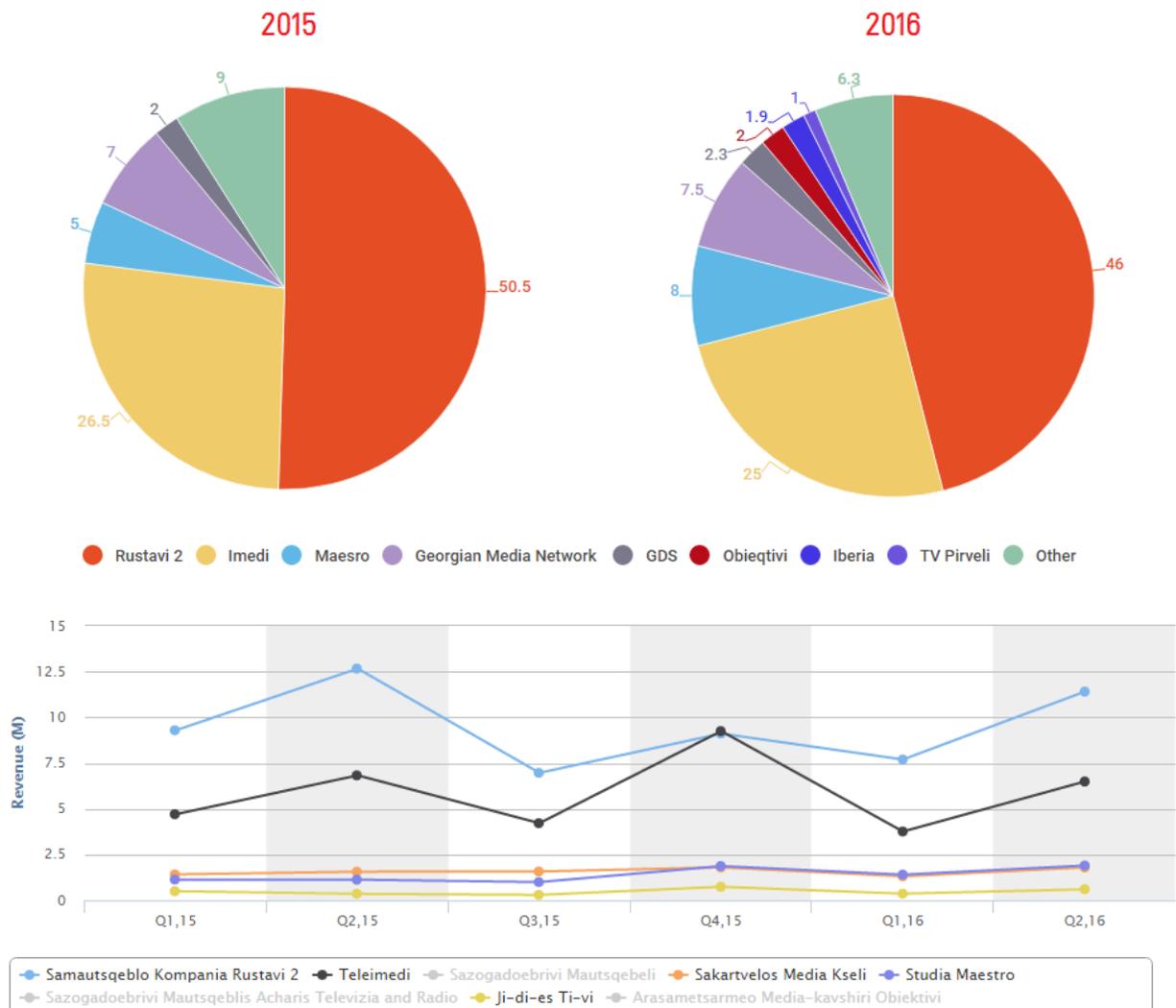
Although revenues of Rustavi 2 TV declined by GEL 2.8 mln y/y in January-June 2016 (January-June 2015 – 50.5%; January-June 2016 – 49%), it still dominates on media market. Imedi TV falls behind Rustavi 2 with 21%. A share of Imedi TV, the second largest TV station, in total revenues declined by GEL 1.3 mln (January-June 2015 – 26.5%; January-June 2016 – 25%).

Maestro TV received more revenues in the first six months of 2016 compared to the same period of 2015. In particular, its revenues increased by GEL 1 million (3%) as a result of which the TV channel took the third place on the market (8%). Revenues of Georgian Media Network⁸ increased slightly (0.5%) basically at the expense of sale of content (January-June 2016 – 7.5%; January-June 2015 – 7%). Revenues of GDS increased only by GEL 112 557, 64 (0.3%; January-June 2016 – 2.3%; January-June 2015 – 2%). In case of both Maestro TV (GEL 3 mln) and GDS (GEL 657 831.78), TV advertising was the main source of revenues.

⁷ Last access August 29, 2016

⁸ Georgian Media Network is a subsidiary of Silknet and its founders are Global Media Group Ltd (15%) and JSC Silknet (85%). Silknet purchased six TV channels of the company GMG with the right to air programs.

Chart 2.1.1. Revenues of Televisions for Six Months of 2015 and 2016



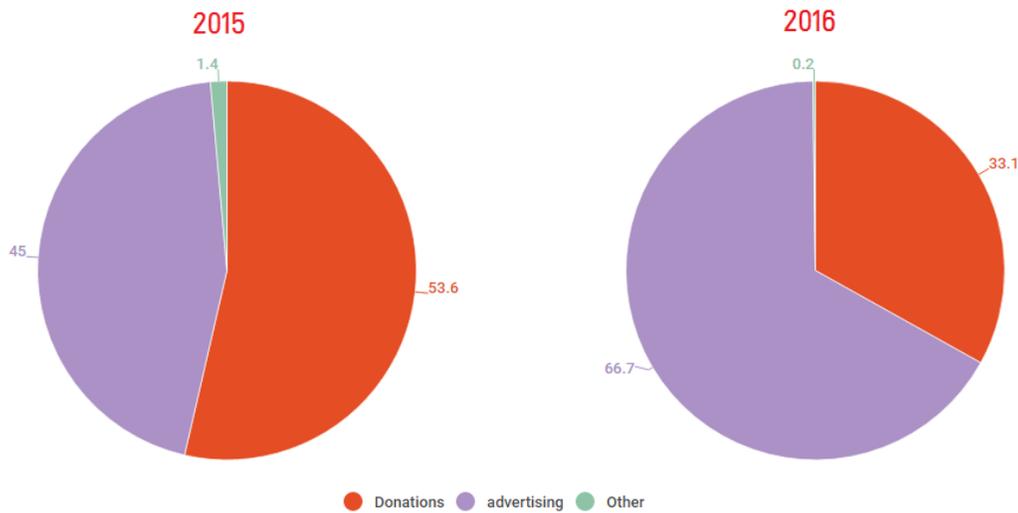
As Chart 2.1.1 shows, in 2016 relatively small TV channels gained foothold on the market as separate subjects. These TV channels are: Iberia TV – 2.6%; Media Union Obieqtivi – 1.7%; Pirveli TV – 1.1%. Total revenues of other televisions, also involving regional media, amount to 6.3%. Sharp increase in advertising revenues of Pirveli TV (78.8%) may be connected with the launch of political programs on the channel (January-June 2015 – GEL 25 926.68; January-June 2016 – GEL 352 980.53).

Table 2.1.1. Increase in TV Revenues

Televitions	2015	2016	Growth
Pirveli TV	93 308,04	438 312,44	78,7%
Iberia TV	286 846,83	799 155,91	64,1%
Media Union Obieqtivi	463 899,27	813 968	43%

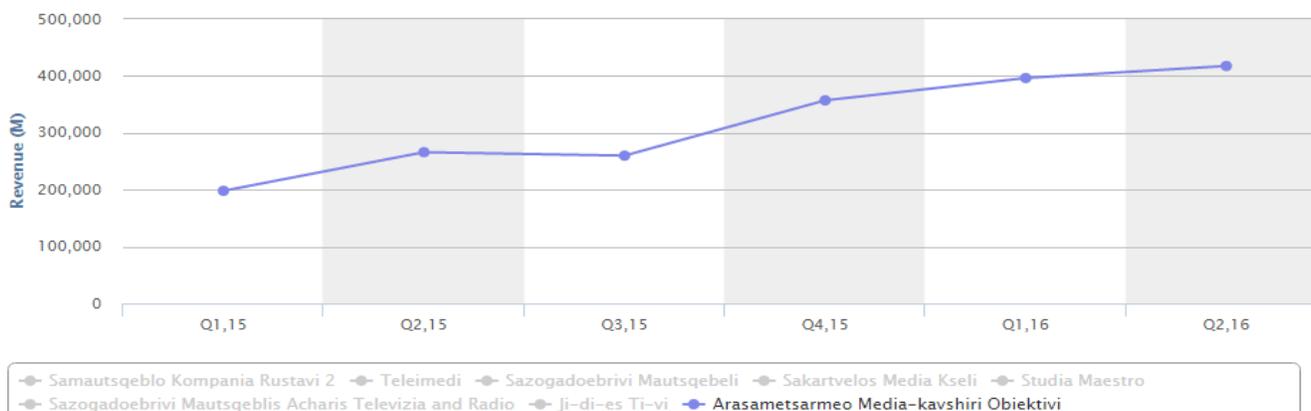
Obieqtivi TV donations. Commercials, sponsorship and sale of airtime are the main sources of revenues for televisions. Among those eight TV channels with the highest reported revenues, which are shown on Chart 2.1.2, Media Union Obieqtivi is the only television, where a significant share of revenues comes from donations (33.1%). Donations received by the TV channel for the first six months of 2015 amounted to 53.6%, while in the same period of 2016 equaled to 33.1%. 5.4% out of 331.1% was donated by the owner of Obieqtivi TV and 27.7% - by other unidentified persons.

Chart 2.1.2. Sources of Incomes of Media Union Obieqtivi during Six Months of 2015 and 2016



It should also be noted that total revenues of Obieqtivi TV channel increased 1.7-fold and equaled to GEL 813 968 in 2016 (1 January – 30 June) compared with the same period of 2015, while a share of donations declined by 20.5% and advertising revenues doubled. Increase of advertisement revenues in 2016 can be explained by the upcoming parliamentary elections and inflow of political ads on the market. Media Union Obieqtivi is affiliated with opposition Alliance of Patriots party⁹. According to the financial declaration submitted to the State Audit Service in a period between June 8 – August 9, Alliance of Patriots placed most ads (worth GEL 120 000) just on Obieqtivi TV (see details at 39).

Chart 2.1.3. Dynamics of Growth of Obieqtivi’s Revenues in January-June 2015 and 2016



⁹ <http://mediameter.ge/en/media-profiles/obiectivi>

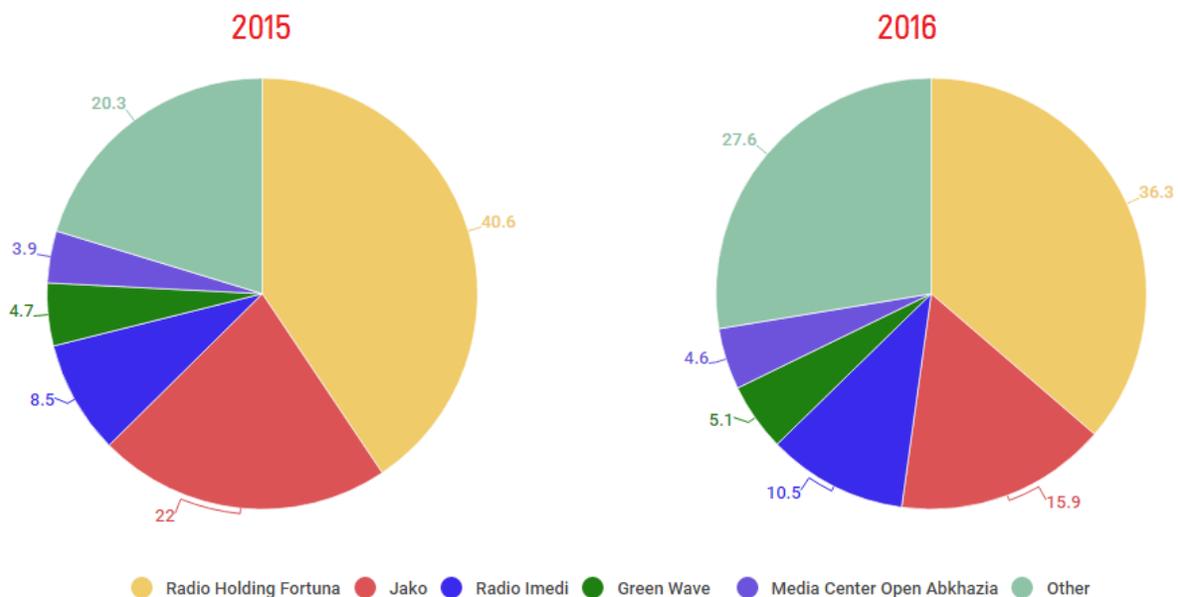
Media Union Obieqtivi	2015	2016
Advertising	208 363 GEL	542 944 GEL
Donations	248 945 GEL	269 637 GEL
Other	6 591.27 GEL	1 387 GEL
Sum	463 899.27 GEL	813 968 GEL

Radio broadcasters. Revenues of radio stations decreased by GEL 98 531.77 in January-June 2016 and amounted to GEL 5 829 152.44. During the same period of 2015, revenues amounted to GEL 5927684.21.

Like in 2015, Radio Holding Fortuna still dominated on the market during the first six months of 2016 with revenues amounting to GEL 2 113 545. However, the station’s revenues decreased by 4.3% (1 January- 30 June 2015 – 40.6%; 1 January- 30 June 2016 – 36.3%). Fortuna is followed by Cortess-Gidago (Radio Jako) with GEL 925125.07; it should be noted that the latter received most revenues from sale of content (86.3%).

In the first half of 2016, revenues of the following three radio stations increased compared to the same period of 2015: Radio Imedi – 2% (GEL 613 185); Media Center Open Abkhazia – 0.7% (GEL 44060.75) and Green Wave – 0.4% (GEL 297 415.2).

Chart 2.1.4. Revenues of Radio Stations for Six Months of 2015 and 2016



Obligation to file a financial declaration. By decision of GNCC dated February 11, 2016, an obligation was imposed on Georgian Public Broadcaster (GPB) and Adjarian Public Broadcaster to submit statistical reports on revenues to the commission¹⁰.

¹⁰ <http://gncc.ge/ge/legal-acts/commission/solutions/2016-95-19.page>
⁵ <http://gncc.ge/ge/legal-acts/commission/solutions/2011-144-22.page>

Prior to this decision, only authorized/license holding entities operating in the sphere of electronic communications, as well as broadcast license holders had an obligation to submit statistical reports to the commission¹¹. By the February 11, 2016 decision of GNCC, the obligation to file financial reports was also imposed on all broadcasters, including on Georgian Public Broadcaster and Adjarian Public Broadcaster, which are not authorized/license holding entities.

2.2. REDISTRIBUTION OF ADVERTISING MARKET

Summary: The monopoly which existed in advertisement sales until 2013 has been replaced by duopoly in 2016.

The largest share of advertising revenues is distributed between two main actors – Rustavi 2 and Imedi.

According to media reports,¹² Imedi TV company purchased 100% of advertising airtime on Maestro TV channel for the period of one year and paid 4 million USD for this deal. Maestro TV company confirmed the deal. Imedi sells the advertising airtime on GDS and TV11 too.

Another company, Inetrmedia, sells the advertising airtime on Rustavi 2, Marao and Comedy Channel and partially on Kavkasia and TV Pirveli.

According to the study of Transparency International Georgia,¹³ the monopoly that existed earlier has been replaced by duopoly in which a client seeking a service provider to have it conduct an advertising campaign countrywide, finds it de facto difficult to bypass Imedi or Intermedia.

Over the period between 2010 and 2013, advertising time on Rustavi 2, Imedi and several other channels was exclusively sold by General Media.

2.3. IMPACT OF NEW TV VIEWERSHIP MEASURING COMPANY ON MEDIA MARKET

Summary: In 2016, a new TV viewership measurement company entered the market. Several broadcasters question the transparency of company's funding, linking it to the former Prime Minister Bidzina Ivanishvili. Doubts were raised that budget organizations – the Georgian Public Broadcaster and the Georgian National Communications Commission – drew up their tender requirements so that to fit into with TMI conditions.

In 2016, a new TV viewership measurement company, Tri-Media Intelligence (TMI) LLC entered the TV rating market. TMI is an official licensee of the international company Kantar Media.

The entry of a new player of the market led to the migration of TV channels between the two viewership measurement companies. Another company operating on the market, TVMR Georgia,

¹² <http://ww.bpn.ge/finansebi/19134-qimedmaq-qmaestrosq-sareklamo-dro-iyida.html?lang=ka-GE>

¹³ Georgia's Advertising Market (2016). <http://www.transparency.ge/en/post/general-announcement/advertising-market-report-2016>

which is an official licensee of the international company Nielsen, continued to provide its service to seven TV companies in 2016: Rustavi 2, Comedy Channel, Marao, Tabula TV, TV Pirveli, Kavkasia and Music Box.¹⁴ As for advertising companies, Inter Media Plus and 16 advertising agencies also carried on receiving the service of TVMR Georgia.

The information about TMI clients was impossible to obtain from the official website because as of 23 September 2016, the website was inoperative.¹⁵ According to June data of the Transparency International Georgia,¹⁶ TMI provides its service to 15 TV channels, including Imedi, GDS, Maestro, Georgian Public Broadcaster (1st Channel, 2nd Channel, Ajara TV), Palitra news, Obieqtivi, Silk, Starvision, and Enki-Benki as well as up to 10 advertising agents.

The tenders which were announced by two budget-funded organizations, the Georgian Public Broadcaster (GPB) and the Georgian National Communications Commission (GNCC), for the purchase of viewership measurement service and were won by TMI was questioned by TVMRI management for the following reasons:

- In contrary to previous years, the GPB amended the requirements in the tender announced in 2015 for the purchase of the measurement service for 2016. In particular, the requirement for the number of people meters was increased by 21.21% and the purchase price was raised by 30.43%. While before that, the GPB required audit opinions from the companies applying for the tender, this requirement was no longer set in the tender announced in 2015. Instead, the tender set a new requirement of technological nature: to have time-shifted (rewind) viewership measured, something which exactly fitted into the capacity of the new company TMI.
- TVMR questioned the tender announced by the GNCC as well, doubting the fictional nature of its conduct since the dispute council, on the one hand, disqualified TMI for a low price (1,000 GEL) while on the other hand, disqualified TVMR because the price of contract with the other company was twice as high (12 5000 GEL) as the tender proposal. At the end of the day, the tender was won by TMI.¹⁷

TMI: TMI was registered on 13 October 2014. Co-owners of the company with 50%-50% shares are Merab Pachulia and Gi- orgi Tevdorashvili. Merab Pachulia, for his part, owns 70% of shares in the Georgian Opinion Research Business International, GORBI, a public opinion and market research firm. Several media outlets have raised questions regarding the transparency of funding of Tri Media Intelli- gence and saw links between the company and the former Prime Minister, Bidzina Ivanishvili¹⁸. Questions are also raised about the conflict of interests of a co-founder Giorgi

¹⁴ http://www.tvmr.ge/en-len/tv_channels

¹⁵ <http://tmi.ge/>; last attempt to access the site was made on 23 September 2016.

¹⁶ <http://www.transparency.ge/en/post/general-announcement/advertising-market-report-2016>

¹⁷ <http://www.tvmr.ge/ka#ka/news/50>

¹⁸ New Company to Enter TV Rating Market in 2016, The Media Development Foundation, 7 December 2015 .

Nino Jangirashvili, the director of TV Kavkasia: "The old company, TVMR, has been biased, unqualified and problematic for years. This new company, as I understand, belongs to Bidzina [Ivanishvili, the ex-prime minister of Georgia]. Therefore, I do not trust their measurements. Both companies entered the market incorrectly; none of them was invited by industrial committee – be it TVMR in the past or Kantar Media now. They 'invested money themselves' and began to measure the television audience."

<http://mediameter.ge/en/research/new-company-enter-tv-rating-market-2016>

Tevdorashvili who owns shares in companies falling within the Palitra Holding (IPN – 12%, Elva.ge – 25%, Biblus – 10%). The Palitra Holding includes Palitranews TV company (Palitra TV LLC) which gives rise to the conflict of interest. Giorgi Tevdorashvili denies the conflict of interest claiming that he does not own shares in the TV channel.

TVMR Georgia: TVMR Georgia was established in 2004 and since 2005, it has been measuring television audience in Georgia. The director of TVMR Georgia is Nino Gogoladze whilst the owner of 100% of shares of the company is the Commandite Society TVMR registered in the United Kingdom of Great Britain and Northern Ireland.

TVMR Georgia LLC and Gocha Tskitishvili, for their part, own 50%-50% of shares in IPM Monitoring LLC. Nino Gogoladze is the director of this company too. Gocha Tskitishvili also owns 100% of the shares of Media Monitoring LLC.

In February 2014, the Revenue Service of the Finance Ministry of Georgia launched the inspection of TVMR Georgia and demanded that the company disclose the names of those 330 households and their addresses where people meters were installed. TVMR Georgia refused to provide the data on the ground that the information was confidential and its disclosure would undermine trustworthiness and damage the ranking of the rating company. Following this refusal, the Revenue Service started the audit of TVMR Georgia's assets. On 20 March 2014, TVMR Georgia suspended its operation claiming that the audit was interfering with the operation of the company. Nongovernmental organizations assessed this fact as an attempt to redistribute the advertisement market. This fact even made it into the US Department of State's Country Report on Human Rights Practices for 2014.

2.4. PRACTICE OF ALLOCATING BUDGETARY RESOURCES AMONG MEDIA

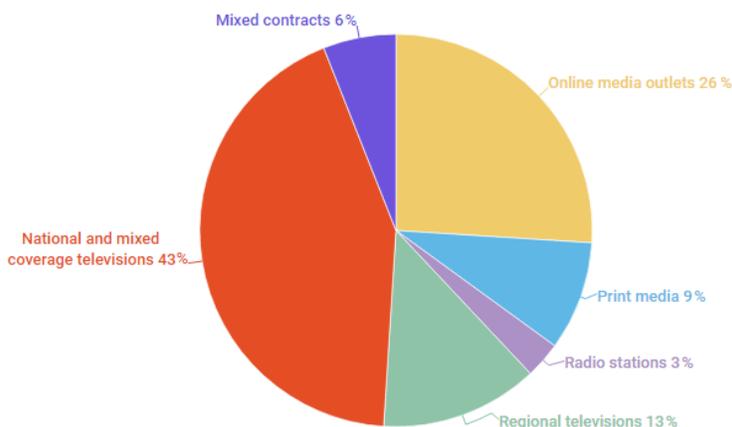
SUMMARY. During 8 months of 2016 (January 1 – August 30), contracts concluded by budgetary organizations with online media on providing information and advertising services increased by 45%. In most cases, the content financed in online and print media is not separated from editorial materials. Some contracts signed with regional televisions represent the formalization of interference in editorial independence.

Uniform Data. According to the data for 8 months in 2016 (January 1 – August 30)¹⁹, budgetary organizations signed contracts worth GEL 4 883 201 with media outlets on providing advertising and information services. 43% (GEL 2 080 721) of the mentioned amount was distributed among national and mixed²⁰ coverage televisions, 13% (GEL 662 323) among regional televisions, 26% (GEL 1 282 370) – online media, 9 % (GEL 442 092) – print media, 3 % (GEL 137 008) – radio, 6 % (GEL 278 686) was distributed by mixed contracts, which unite various types of media outlets. Since certain contracts do not make it possible to identify what types of media received funding, we separated the data into a category “mixed contracts.”

¹⁹ Presented data is a conditional figure as some legal entities subordinate to the ministries, as well as separate agencies with public authorities established by the state are reluctant to publicize information.

²⁰ Mixed coverage broadcasters unite those televisions, which cover various regions after digitalization.

Chart 2.4.1. Distribution of budget contracts by types of media outlets, 2016 (January 1 – August 30)

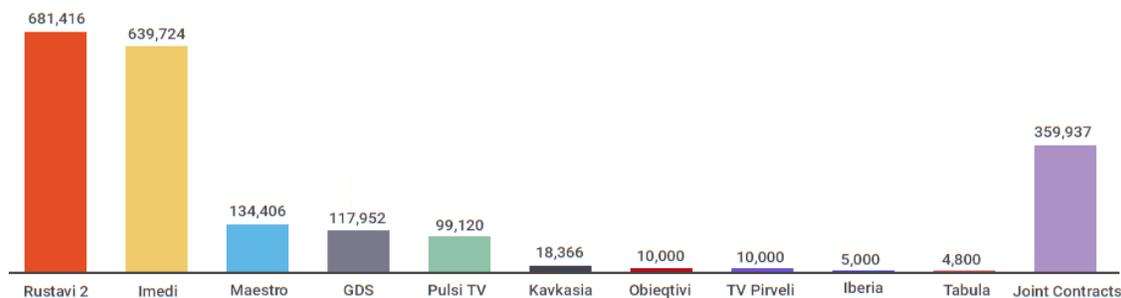


Compared with the same period of 2015, during eight months of 2016, the total value of contracts signed with online media increased significantly (by 45%). (January 1 – August 30, 2016: GEL 1 284 170; 2015: GEL 883 566); With regard to radios, the increase is comparatively less – approx. 3% (January 1- August 30, 2016: GEL 133 283; 2015: GEL 137 008).

Broadcasters. During 8 months of 2016, budgetary organizations signed contracts with televisions amounting to GEL 2 743 045. National and mixed coverage TV channels account for the largest share - GEL 2 080 722; regional TV channels received GEL 662 323.

National and Mixed Coverage Televisions. Rustavi 2 TV accounts for the largest share of television advertisements – GEL 681 416 that is slightly more than the share of Imedi TV - GEL 639 724. Budgetary advertisements were distributed among other TV companies as follows: Maestro – GEL 134 406; GDS – GEL 117 952; Pulse TV – GEL 99 120; Kavkasia- GEL 18 366; Obieqtivi - 10 000; Pirveli TV – GEL 10 000; Iberia TV – GEL 5 000; Tabula TV – GEL 4 800. The agreement signed between TBC TV Ltd and the Ministry of Justice (purchase of services from Rustavi 2, Imedi, Maestro and GDS worth GEL 359 937) did not make it possible to identify the amount of money distributed among these media outlets; hence, the purchase fell into the category “joint contracts”.

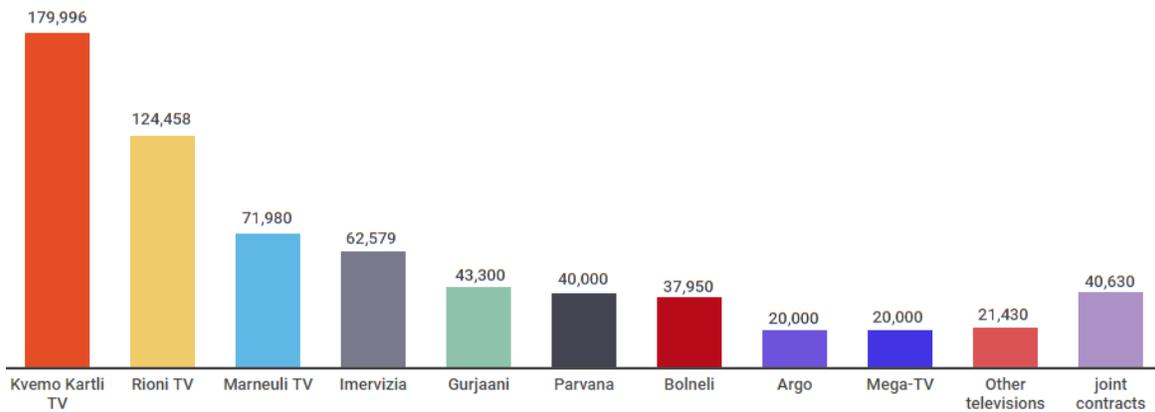
Chart 2.4.2 Distribution of budgetary advertisements among national and mixed coverage televisions, 2016 (January 1 - August 30)



Regional televisions. According to the advertising and information contracts signed with regional televisions, local municipalities and units subordinated to them account for 97%. Like in 2015, among

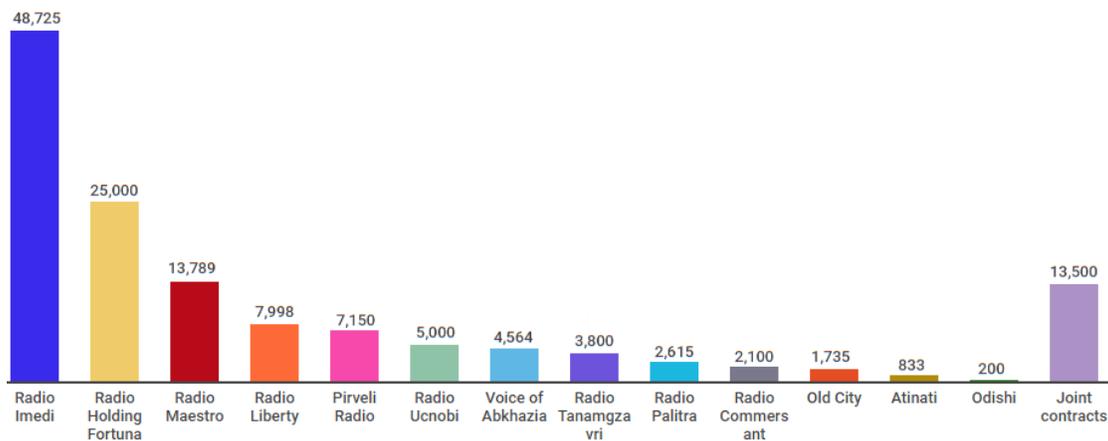
regional televisions the largest share was again received by Kvemo Kartli TV (GEL 179 996); the latter received 100% of its revenues from the budget in 2015 meaning that it was in fact subsidized. Kvemo Kartli TV is followed by Rioni TV (Imereti) (GEL 124 458) and Marneuli TV (GEL 71 980), whose budgetary advertisement has increased significantly compared to 2015 (2015: GEL 31 725). As for other regional televisions, the situation looks as follows: Imervizia – GEL 62 579; Gurjaani – GEL 43 300; Parvana – GEL 40 000; Bolneli – 37 950; Argo and Mega TV received similar amounts – GEL 20 000. Other televisions (“Jikha”, “Kolkheti 89”, “Odishi”, “Egrisi”, “Metskhre Talgha” ,”Borjomi”) provided advertising services worth GEL 61 430. Under joint contracts, the service worth GEL 40 630 was provided.

Chart 2.4.3. Distribution of budgetary advertisements among regional televisions, 2016 (January 1 – August 30)



Radio stations. Among radio stations, a budgetary contract with the highest value was signed with Radio Imedi (GEL 48 725). Radio Imedi is followed by Radio Holding Fortuna (Fortuna, Fortuna +, Ar Daidardo, Auto Radio) – GEL 25 000, Radio Maestro – GEL 13 789, Radio Liberty – GEL 7 998, Pirveli Radio – GEL 7 150, Radio Ucnobi – GEL 5 000, Voice of Abkhazia – GEL 4 564, Radio Tanamgzavri (Ltd. Momkhmarebelta Sakuradgebod) – GEL 3 800, Radio Palitra – GEL 2 615, Radio Commersant – GEL 2 100, Radio Old City – GEL 1 735, Radio Atinati – GEL 833, Radio Odishi – GEL 200; under joint contracts, the service worth GEL 13 500 was simultaneously purchased from several radios.

Chart 2.5.4. Distribution of budgetary advertisements among radios, 2016 (January 1–August 30)



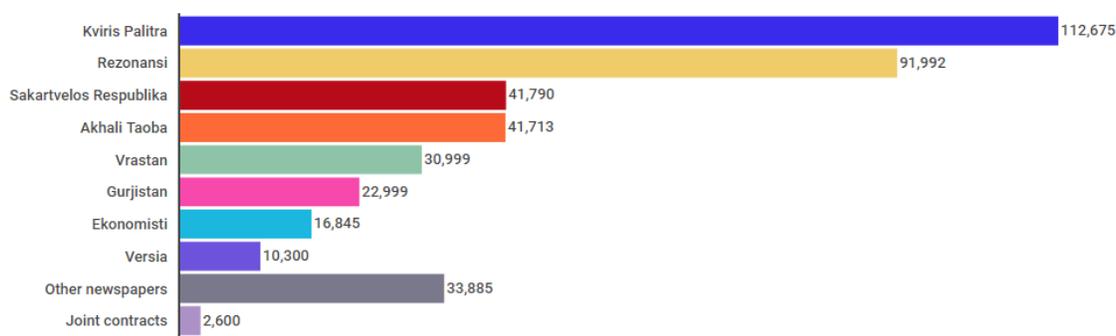
Terms of contracts signed with regional broadcasters. Contracts signed between the administrative bodies and regional broadcasters included the terms representing the interference with editorial independence. Table 2.4.1 describes several examples.

Table 2.4.1. Stories and programs sponsored by administrative bodies

Administrative body	Television	Service
Chkhorotskhu Municipality	Kolkheti 89	Disseminating information about various projects of state or local importance, construction or other works financed by the budget or other means, as well as statements and information provided by the municipality and local council.
Zugdidi Municipality	Odishi	Coverage of information about the projects implemented or planned by a purchaser; preparing and airing relevant stories.
Khoni Municipality	Mega-TV	Coverage of sessions, preparing stories about planned and implemented projects.
Zestaponi Municipality	Argo	Preparing and airing the stories about the projects planned by the municipality; live broadcast; speeches, interviews.
Kutaisi City Municipality	Rioni	Preparing and airing at least 90-minute programs four times a month during six months; inviting citizens; preparing stories about the problems of citizens; rerunning the programs on the next day; announcement about a program; archiving a video recording.
Rustavi City Municipality	Kvemo Kartli TV	Preparing and airing the stories about the activities of the Mayor and Sakrebulo.

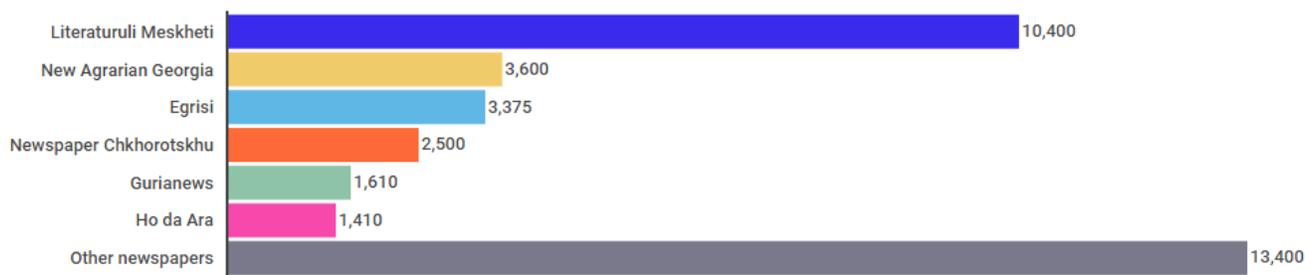
Print Media. The largest funding allocated to print media – GEL 112 675 comes to the newspaper “Kviris Palitra”, followed by “Rezonansi” GEL 91 992, Sakartvelos Respublika newspaper – GEL 41 790, Akhali Taoba – GEL 41 713, Vrastan – GEL 30 999, Gurjistan - GEL 22 999, Ekonomisti – GEL 16 845, Versia – GEL 10 300. Joint contracts signed with several media outlets worth GEL 2 600. The category “Other” combines the newspapers (Fokusi, Prime Time, Magazine of the Georgian Railway, Georgia Today, Msoplio 2016) which received contracts worth less than GEL 9 000. In total, contracts signed with them amounted to GEL 33 885.

Chart 2.4.5. Distribution of budgetary advertisements among newspapers, 2016 (January 1 - August 30)



As for regional print media, the contract worth GEL 10 400 was signed with Literaturuli Meskheti, which is followed by Egrisi (GEL 3 375), New Agrarian Georgia (GEL 3 600), newspaper Chkhorotskhu (GEL 2 500), Gurianews (GEL 1 610), Ho da Ara (GEL 1 410). In total, contracts worth GEL 13 400 were signed with other newspapers.

Chart 2.4.6. Distribution of budgetary advertisements among regional newspapers, 2016 (January 1 – August 30)



Terms of contracts with newspapers. It should be noted that if in some contracts signed with TV media, audience coverage (TV ratings) is a precondition, the situation is quite different in case of print media, where contracts mostly do not contain a provision on newspaper circulation and dissemination areas. It should also be noted that print media is of non-transparent nature and as a rule, it does not make any indication about circulation. In addition, unlike broadcasters, print media is not legally obliged to file a declaration on its financial revenues. Procurements of budgetary organizations are the only source, where the information about print media revenues can be obtained from.

Besides placement of advertisement banners, contractual terms also envisage placement of advertising materials, which are not clearly separated from editorial materials and are misleading. Sometimes, such materials are directed against political opponents or critically disposed media. For example:

On April 9, 2016, newspaper Sakartvelos Respublika published an interview²¹ with the members of the Abkhazian Government and Supreme Council titled “Does the Abkhazian legitimate government have millions which are beyond any control.” The newspaper also placed on its front page and in the article the annotation of the material “Yet another discharge of venom by liar Rustavi 2... a mix of harmful and hostile slaps”.

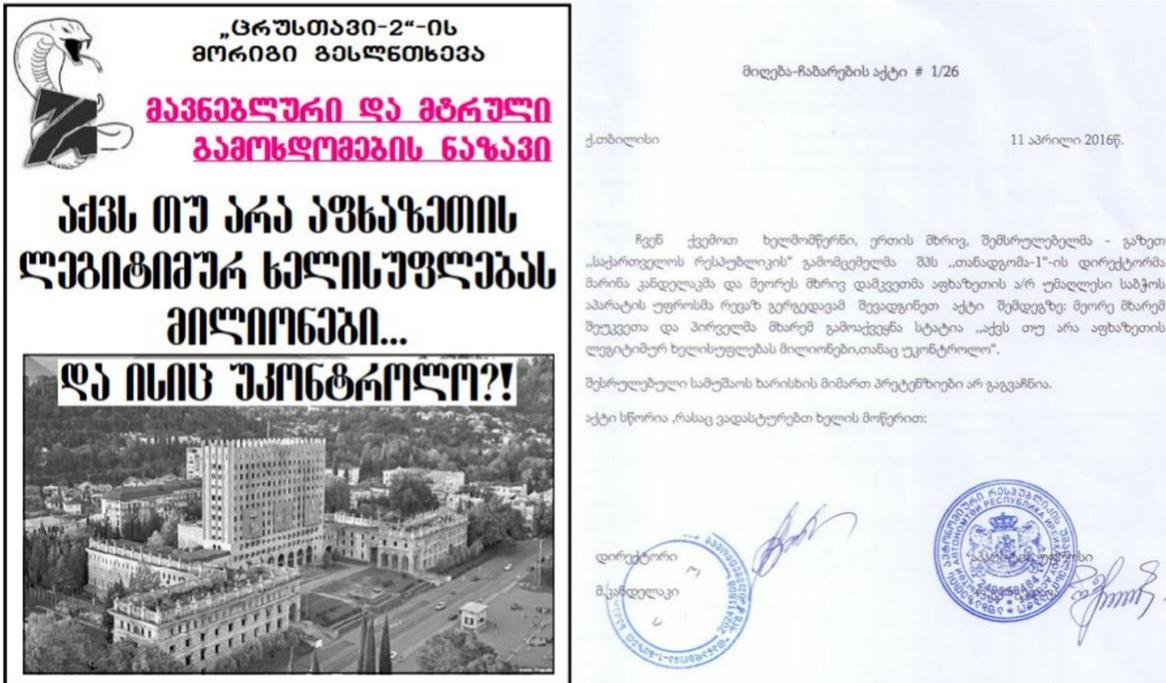
The interview involved denial of information covered by the programs Business Kurieri and P.S. aired on Rustavi 2 TV and it was funded by the Supreme Council of Abkhazian Autonomous Republic. GEL 625 was allocated from the budget for this purpose. The publication did not indicate that it had advertising content. But the acceptance act signed by the Supreme Council of Abkhazian Autonomous Republic and the newspaper on April 11, 2016 makes it clear that the above mentioned article was financed by the budgetary organization and the client “had no complaints over the quality of the material.” According to the document, GEL 625 was paid for publishing the material.

In 2016, Sakartvelos Respublika signed a contract worth GEL 1 225 with the Supreme Council of Abkhazian Autonomous Republic. As of September 7, total value of contracts signed between other

²¹ <http://sakresp.ge/wp-content/uploads/2016/04/7958-04-09-Nom-66.pdf>

budgetary organizations and the newspaper amounts to GEL 41 790; in 2015 this figure amounted to GEL 85 916. In 2013-2014 the newspaper’s budgetary revenues amounted to GEL 63 923. It should be noted that various public agencies of Abkhazian Autonomous Republic also concluded contracts during past years.

Earlier research of the Media Development Foundation²² notes that the newspaper was famous for its homophobic, xenophobic and anti-Western editorial policy.



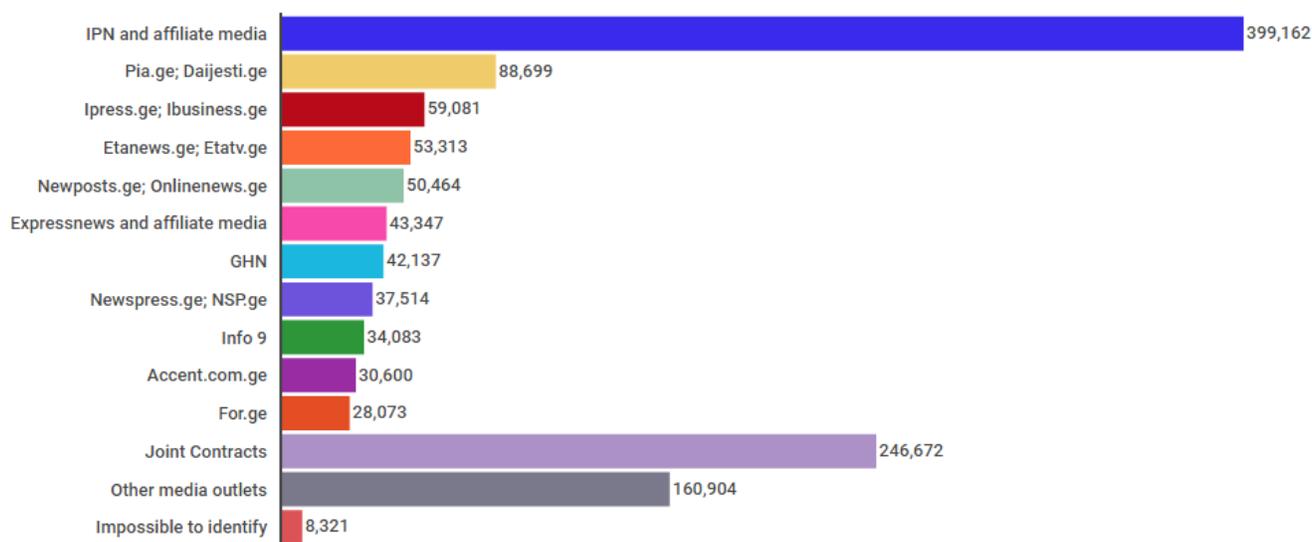
Online Media. The largest funding in terms of budget contracts was allocated to the Palitra Media Holding (IPN, PalitraTV.ge, Kvirispalitra.ge, Bpn.ge, Ambebi.ge, Gemrieli.ge) – GEL 399 162, which is followed by PIA and affiliate website (Daijesti.ge) – GEL 88 699, Ipress.ge and Ibusiness.ge – GEL 59 081, Etanews.ge and Etatv.ge – GEL 53 313; Newposts.ge and Onlinenews.ge - GEL 50 464; Expressnews and affiliate media outlets (argumenti.ge; economic.ge; 1news.ge) – GEL 43 347, GHN – GEL 42 137; Newspress.ge and NSP.ge – GEL 37 51; Info 9 – GEL 34 083; Accent.com.ge – GEL 30 600; For.ge – GEL 28 073.

A part of budgetary organizations cooperates with news agencies through intermediaries that further complicates the process of searching for comprehensive information in the database of the procurement services about placing information in particular media outlet. In 2016 such contracts worth GEL 246 672 (this amount includes monitoring service as well) were concluded with IPM Research, Clip Art and GEPR, but only Clip Art did not provide information to MDF about those news agencies, where it was placing information provided by budgetary organizations.

Contracts worth a total of GEL 160 904 were concluded with other media outlets with total budgetary contracts worth less than 25 000. It was impossible to identify concrete media outlets in the contracts worth GEL 8 321.

²²<http://mediameter.ge/en/research/public-funds-media-promoting-hate-speech-and-anti-western-sentiments>

Chart 2.4.7. Distribution of budgetary advertisements and the service for releasing information among online media, 2016 (January 1 – August 30)



Terms of contracts with online media. Some terms of contracts concluded between budgetary organizations and online editions represent interference with editorial independence. It involves coverage of client’s activities at the latter’s request, taking interviews, as well as prioritization of covered materials that is an autonomous discretion of the editorial board:

- Preparing or covering information about the purchaser (IPN; PIA; Info 9; GHN; Medianews; Ipress.ge; Kvira.ge; Expressnews; Newposts.ge);
- Preparing interviews and comments and posting them on the website (IPN. Info9; For.ge; Kvira.ge; Newposts.ge; Etanews.ge; Newspress.ge; NSP.ge);
- Dissemination of provided information in the first category news; dissemination of provided photos in the category “Photo of the Day” (GHN; Newposts.ge);
- Under the contract signed with the Defense Ministry, news agencies Expressnews and PIA are obliged: to recheck the accuracy of information related to the defense sphere before releasing it;
- Conducting interviews (IPN; Info 9; Newspress.ge; NSP.ge; News.ge).

Forms of providing financed materials. The interim report of pre-election monitoring conducted by the Media Development Foundation²³ makes it clear that online editions do not indicate at the materials financed by budgetary organizations that these are advertising materials and they do not separate them from editorial content. The only exception is Interpressnews, which although not regularly, but still attaches NS symbol marking a funded material.

For example, on July 7 information was published on the website of the Tbilisi Sakrebulo, according to which Beka Natsvlishvili, Georgian Dream’s majoritarian MP from Krtsanisi single-mandate constituency, and the head of the same municipality met with local population and inspected

²³<http://mediameter.ge/en/research/pre-election-media-monitoring-1-april-31-july-2016-interim-report>

rehabilitation works on water supply and sanitation system²⁴. Six news agencies involving Interpressnews, Info 9, Kvira, Medianews, Reitingi.ge and For.ge published this information with a title identical to the material posted on the Sakrebulo’s website. The Sakrebulo uses the package of services of all the six news agencies. Out of these news agencies, only Interpressnews used NS symbol (news from subscriber).

	IPN	INFO 9	Kvira	Medianews	Reitingi.ge	For.ge
Contract signed	✓	✓	✓	✓	✓	✓
NS Symbol used	✓					
Text is identical	Slight modification	✓	✓	Slight modification	✓	✓

Similar practice of publishing budget-funded articles in the pre-election period can be described as the use of administrative resources that will be discussed by us separately (see page 41).

²⁴<http://bit.ly/2cTQQIM>

3. MEDIA OWNERSHIP

Summary: Disputes related to media ownership, which continued into 2016, smacked of the attempt to redistribute media market in the run up to the parliamentary elections: 1) the absenteeism of several judges from a number of court hearings rendered the Constitutional Court ineffective to resolve the claim of Rustavi 2 regarding the constitutionality of the legal ground of the dispute which was underway in a common court. Since the cassation of Rustavi 2 was admitted by the Supreme Court, the enforcement of a lower court ruling in favor of the change in ownership became impossible before elections. 2) After the configuration of shareholders of Maestro TV company changed, a court terminated the TV channel's bankruptcy proceedings and Maestro solved its financial problems with the financial assistance received from individuals in the management of a rival company - Imedi TV.

3.1. CASE OF RUSTAVI 2

On 10 July 2016, the court of appeal did not overturn the ruling of city court on the transfer of 60% of shares in Rustavi 2 to Kibar Khalvashi and remaining 40% of shares to the company owned by Kibar Khalvashi. On 4 September, new circumstances of the case emerged when Irakli Okruashvili, the former Defense Minister in the United National Movement government, published a document dated 4 February 2010,²⁵ showing that Kibar Khlvashi was, in fact, a figurehead representing Irakli Okruashvili's interests in Rustavi 2. Despite the fears of Rustavi 2 that the Supreme Court would not consider the company's cassation appeal, on 9 September 2016, the judges of the Supreme Chamber in the composition of Eka Gasitashvili, Besarion Alavidze and Paata Katamadze, deemed the appeal admissible thereby leaving the issue of change in Rustavi 2's ownership open until the 8 October parliamentary elections.

Several problems were revealed in the legal process:

Illegal interference of the court in the editorial independence of Rustavi 2. In its decision on 5 November 2015, the court of first instance overstepped the limits of property dispute and interfered into the editorial policy of the media outlet by discussing the standards of impartiality and fairness in its reasoning; these editorial standards were not a subject of the dispute and even more so, according to the Georgian legislation, they are not subject to considerations by courts.

The decision says the following:

"During the coverage of information related to the issues of public interest, the method of objective and fair reporting should be used. Under the management of the Defendant (Broadcasting Company Rustavi 2 Ltd., Partners), this issue is questionable. Neglect of the indicated purposes consequentially jeopardizes the fundamental purpose of media in a democratic society."

²⁵ Rustavi 2, Kurieri, 4 September 2016. <http://rustavi2.com/ka/news/55750>

The criticism of the editorial policy of Rustavi 2 in the ruling by the judge Tamaz Urtmelidze echoed with the statements made by the ruling political party and the former Prime Minister of Georgia,²⁶ in which they constantly voiced their dissatisfaction with the editorial policy of the TV company.

Attempts of recusal of judges. During the hearing of the case, Rustavi 2 asked for the recusal of several judges, citing the pressure exerted on them by the government as a ground. One of such motions for recusal related to criminal proceedings instituted in January 2014 against the mother of judge Tamaz Urtmelidze, who was suspected in injuring her son-in-law. According to Rustavi 2, the investigation into this case resumed in October 2015 and could be applied as a lever to pressure the judge.²⁷ The second motion for recusal related to judge Natia Gujabidze of the Court of Appeal, who, according to the TV company, paid the rent from the budget for an apartment in Tbilisi which was owned by her mother. As the TV company claimed, this act amounting to the embezzlement of budget monies was left without a legal response and could be used as a lever against the judge. Neither of these motions of recusal were satisfied.

The issue of admissibility of evidence. The court of appeal declared the agreements on sale and purchase of shares between the parties null and void on the basis of the conclusion drawn up by Levan Samkharauli National Forensics Bureau which established the disproportionality of the purchase price. During a hearing at the Tbilisi City Court, a representative of the Bureau confirmed that instead of requested eight documents which were needed to establish a market price of shares in Rustavi 2, Kibar Khalvashi provided the Bureau with only two documents – the charter of the company and the balance of assets and liabilities. Therefore, Rustavi 2 questioned the validity of the expertise.

At the same time, the court did not accept the expert opinion drawn up by the international auditor Grand Thornton, which Rustavi 2 submitted, and cited the lack of data to be indicated on it as required by the law. According to Grand Thornton's opinion, which the court of appeal deemed inadmissible, the Samkharauli expertise opinion was not conducted in compliance with the international valuation standard IVS. It is worth noting that Grant Thornton ranks the sixth²⁸ among top 100 financial firms in the 2015 special report published by Inside Public International and is also on the list of companies allowed to issue expert and audit opinions, which was compiled by and approved under the ordinance of the government of Georgia.²⁹

²⁶ Bidzina Ivanishvili: "UNM's propaganda machine of lies, Rustavi 2 TV, is unfortunately dominating in the media space; other media outlets are also backing it, making it very difficult for the population to understand what is going on. I think that this project and 2030's daily programs will make it possible to provide balanced analysis and correct accents, which is so needed for the society... the population should have a clear understanding about the elections, whom they can support and so on. Media analysis plays a huge role in it. And this project [2030 TV program] just aims at offering a qualified analysis to the population that will help them make a good choice during the elections". Media.ge, 16 March, 2015. <http://www.media.ge/ge/portal/news/303517/> Kakha Kaladze: "It is very bad that Rustavi 2 TV still continues its nine-year shameful activity and propaganda of dirtiness. It should be ended once and forever in this country and we promise the population of our country that it will definitely come to an end". <http://rustavi2.com/ka/news/23857>

²⁷ <http://www.tabula.ge/ge/story/100414-rustavi-2-is-mosamartle-urtmelidzis-dedas-sidzis-najaxit-dachrashi-adanashauleben>

²⁸ http://insidepublicaccounting.com/wp-content/uploads/2015/07/IPA-100_2015_WEB.pdf

²⁹ The ordinance of the government of Georgia #360 on the approval of the list of persons and state entities conducting audit of financial accounts of enterprises or/and issuing expert and audit opinions.

Paralyzing the Constitutional Court. In parallel with the dispute in common courts, Rustavi 2 filed a claim with the Constitutional Court against the constitutionality of articles 54 and 55 of the Civil Code, concerning immoral transactions. However, the case which the collegium of constitutional judges was to deliver its ruling on, was sent, on the basis of the motion which judge Merab Turava made in accordance with the legislative amendment adopted by the parliament, to the plenum of the court to consider it anew. A sitting of the Constitutional Court, which was to consider the complaint of Rustavi 2 as well as other complaints filed by the oppositional political parties – the Free Democrats and the United National Movement, was postponed several times for the absenteeism of judges. Meanwhile, the Chairman of the Constitutional Court, on the one hand, made a statement about facts of pressure on several judges and on the other hand, several judges made a statement about being pressure by the Chairman and several judges as well as about violations of procedures.

Changes in the ownership of Rustavi 2. Rustavi 2 TV was founded by Erosi Kitsmarishvili, Jarji Akimidze and Davit Dvali in 1994. Since November 2012, the TV channel has been owned by brothers, Giorgi and Levan Karamanishvili. Levan Karamanishvili owns 22% of shares while Giorgi Karamanishvili 18% of shares in the TV company. As many as 51% of shares in Rustavi 2 TV belongs to TV Company Georgia in which Levan Karamanishvili has 60% of shares and Giorgi Karamanishvili has the remaining 40%. The remaining 9% of shares in Rustavi 2 is owned by Nino Nijaradze. One of the owners of the TV channel, Levan Karamanishvili was also a co-owner of shares in a mobile operator Beeline.

According to the study of Transparency International Georgia,³⁰ the ownership of Rustavi 2 was changed 20 times over the period between 2004 and 2012. Kibar Khlvashi owned the shares in the company between 2004 and 2006. In that period, Kibar Khalvashi was a person from a close circle of the then Defense Minister Irakli Okruashvili.

3.2. CASE OF MAESTRO

A dispute concerning financial and ownership issues, which started between the founders of Maestro and the management in 2015, resulted in the change of ownership in 2016. According to changes recorded in the Public Registry on 2 February 2016, Giorgi Gachechiladze, with 55% of the shares, became the majority shareholder of Studia Maestro after he purchased shares from two co-owners of Maestro – Giorgi Ebralidze and Levan Chikvaidze, with each owning 15% of shares. The owners of remaining 45% shares are Mamuka Glonti (15%), Ekaterine Akobia (5%) and since 15 April 2016, Media Finance Group B.V. (25%), the Netherlands. This company, which is registered in the Netherlands, belongs to Maka Asatiani who sold her own shares to it.

The ownership dispute was preceded by the bankruptcy procedure of the company, which was terminated under the Tbilisi city court ruling of 15 March 2016. After a while, Giorgi Gachechiladze said that he received a promise of solving financial problems from Irakli Rukhadze.³¹ A defense lawyer of Gachechiladze, Irakli Kordzakhia, also said that Irakli Rukhadze lent the sum for the

³⁰ "The TV station of 'victorious people': The story of Rustavi 2;" 2 August 2013. Transparency International Georgia. <http://www.transparency.ge/en/node/3266>

³¹ Liberali, 2 February, 2016. <http://liberali.ge/news/view/20570/gachechiladze-maestro-rom-gadamerchina-patarkatsishvilebis-oj>

purchase of the shares to Giorgi Gachechiladze. Irakli Rukhadze is the head of international capital management company Salford Georgia and the manager of Imedi TV company.

Before the change in ownership of Maestro TV, the editorial policy of the channel was criticized for following the agenda of Rustavi 2 by Giorgi Gachechiladze³² as well as the former Prime Minister Bidzina Ivanishvili³³. However, at pre-election meetings with the regional media in 2016, Bidzina Ivanishvili expressed his satisfaction with Maestro, declaring:

“At the end of the day, Maestro managed to get free; as regards Kavkasia TV channel, looking at it from today’s perspective, it has even stopped pretending, but rather strengthens my old remarks.”³⁴

A claim on shares in Maestro TV was also put forward by the former Defense Minister Irakli Okruashvili on 31 August 2016. Talking on Maestro TV, he said that 12.5% of the shares in Maestro informally belonged to him and that he intends to launch a legal dispute over them in the future.

³² Giorgi Gachechiladze: “I have an absolutely different imagination about Maestro’s TV programs; however, it is “an imitation” of Rustavi 2 TV and Imedi TV”, IPN, 22 September, 2015 <http://bit.ly/1ogOEYx>

³³ Bidzina Ivanishvili: “For me, the situation is more difficult on other TV channels, such as Channel One, Maestro or Imedi, because willy-nilly, deliberately or not, they repeat and disseminate the news raised by Rustavi 2... I named three TV channels and unfortunately, they do not seem to be independent, to conduct research, analysis and not to repeat what has been “pushed forward” by Rustavi 2.” Kviris Palitra, 15 September, 2014 <http://bit.ly/1SPOCV6>

³⁴ <https://on.ge/story/3629>

4. CLOSURE OF TV PROGRAMS AND STAFF CHANGES

Summary. In 2016, 30 journalists were fired, among them 28 by TV Maestro, 1 by Public Broadcaster and 1 by Imedi TV. The Director General of Maestro TV and the Head of the Newsroom of Imedi TV were replaced. 3 TV programs were closed on Maestro TV and 2 anchors left the Imedi TV, 1 anchor of political talk-show moved to work on the web addition of the channel. Former anchors of Imedi TV and dismissed staff from Maestro moved to work for TV Pirveli. TV Pirveli which is a new player on the media market was founded in 2014 as the sports channel and since 2015 offered to its audience public-political programs.

DISMISSAL OF THE ANCHOR OF POLITICAL TALK-SHOW ON PUBLIC BROADCASTER. On February 26, Public Broadcaster fired journalist Eka Mishveladze. Mishveladze was informed about the decision by official letter. According to the letter, after the closure of public-political talk-show “First Studio”, the Executive Council did not approve the project of the TV program presented by the journalist, which became the reason of her dismissal.

Eka Mishveladze’s talk-show “First studio” has been closed since September 4, 2016. Basa Janikashvili, advisor to the Director General of the Public Broadcaster announced that the reason of the closure was the marriage of Eka Mishveladze and one of the leaders of Free Democrats, Aleksis petriashvili. Later, the management explained this decision with format changes and replacement by new program. On September 8, 2015 Eka Mishveladze made a statement that secret surveillance was being conducted against her.

STAFF CHANGES AT MAESTRO TV. On February 4, the director general of TV Maestro Baia Gadabadze was replaced by Levan Gachechiladze, brother of Giorgi Gachechiladze. These changes were preceded by the dispute on the configuration of shares between owners. Zurab Nakeuri replaced Gachechiladze on the position of general director of TV Maestro later. Levan Gachechiladze participated in 2008 presidential elections and was the main competitor of the acting president, Mikheil Saakashvili.

CLOSURE OF TV PROGRAMS ON MAESTRO TV. From June 1, 2016 Zurab Nakeuri, director of Maestro TV, terminated an employment contract with Giorgi Isakadze, author and manager of TV shows – Business Contact; Sakmiani Dila and Analytics. Maestro TV cited differences between Isakadze and the TV management as the reason behind his dismissal.

On June 2, Maestro TV suspended employment contracts with four journalists of Business Contact and Sakmiani Dila – Tamuna Kemertelidze, Telara Gelantia, Elene Kvanchilashvili and Beka Batsikadze. In this case, participation in a rival Rustavi 2 TV’s talk show Archevani was cited as the reason. Archevani TV program was dedicated to the Rustavi 2 TV ownership dispute and most of the invited guests expressed the solidarity towards the TV channel. In a couple of hours after this decision, the Channel’s management suspended employment contracts with 28 employees of the same programs, and according to the order made on June 6, suspended contracts with them unilaterally. Journalists and Producers are protecting labor rights in court. “Business Contract” is aired July 11 on “TV Pirveli”. The TV program offers viewers the information as well as analysis about business and economics.

THE ACCUSATION OF PRESSURE AGAINST TV IMEDI MANAGEMENT BY FORMER JOURNALIST. On April 22, Shalva Ramishvili, former host of a talk show “Politics” on Imedi TV connected his dismissal on April 5, to the channel’s director general - Giorgi Bakhtadze’s interference in his editorial independence and exerting pressure on him. According to the journalist, the issue was connected to the participation of Judge Levan Murusidze in his talk show “Politics” aired in December 2015 and selecting respondents for this program.

Ramishvili made public Viber messages dated December 17-18, 2015. The director general of Imedi TV confirmed the authenticity of the messages but explained that these messages reflected usual editorial work over selection of guests. As for the reason of suspending employment relations with Ramishvili, he cited the host’s unethical behavior.

Shalva Ramishvili applied to the Prosecutor’s Office of Georgia and requested to launch the investigation of the fact. Chief prosecutor, Irakli Shotadze stated that on the basis of the journalist’s appeal, all those persons featuring in Ramishvili’s allegations would be interrogated in order to ascertain the accuracy of facts. The results of investigation are not publicly available yet.

STAFF CHANGES AT IMEDI TV. On June 23, 2016 staff changes were made to the the newsroom of Imedi TV. Maia Tabagari, the head of newsroom, was replaced by journalist Nana Lezhava. Tabagari became the consultant to the director general.

Imedi TV journalist issued a statement regarding the replacement of the head of the newsroom. According to them, replacement of the head of newsroom in the pre-election period would cast doubt on the reputation and reliability of the TV channel and its employees, as well as the quality of freedom of speech.

At various times Nana Lezhava was Rustavi 2 TV reporter, one of the founders of the Movement for United Georgia political party, founder of GNS studio and anchor of TV3 news program.

On July 27, in a few days after the replacement of the head of the newsroom, Diana Trapaidze, the anchor of “Qronika Studio” left the TV channel. Since September, Trapaidze is the anchor the talk-show on TV Pirveli. On August 12, the anchor of the political talk-show “Politics” Teona Gegelia stated that she will no longer lead the talk-show and continue her work on the web-site of the TV channel.

Staff changes to the the newsroom was preceded by the appointment of Irakli Rukhadze as the the chairman of the TV channel’s Supervisory Board. For her part, in order to avoid conflict of interests, Rukhadze’s mother Natela Sakhokia left her position as the member of the Georgian Public Broadcaster’s Board of Trustees.

Rukhadze’s name was also involved in the issue of changing hands at Maestro TV. A 55% owner of Maestro TV, Giorgi Gachechiladze publicly stated that in order to solve Maestro’s financial problems he contacted the Patarkatsishvili family and his friend, Irakli Rukhadze who pledged to assist him. Irakli Rukhadze is the chief executive of Salford Georgia and remains affiliated with the Patarkatsishvili family. He is even believed to be an informal manager of Imedi TV. TV anchor, Inga Grigolia hints at Rukhadze’s decision when talking about the closure of her program on Imedi TV. Currently, Inga Grigolia runs her program at TV Pirveli.

5. ALLEGED CASES OF VIOLATION OF JOURNALISTS' RIGHTS

Summary: In 2016 (January 1 – September 15) two cases of blackmailing of journalists with releasing secretly recorded videos of private lives, one instance of leaked secret recordings, two cases of assaulting against journalists and 8 cases of interference in professional activities of journalists were reported. Before blackmailing of journalists with private lives videos, secret sex-tape recording against one of the opposition party leader was disseminated on Youtube. One of the incidents of interference in professional activities of journalists was connected to the physical attack of opposition party members during local by-elections in the village of Kortskheli, Zugdidi Municipality on May 22. Besides the assault against the journalists of Tabula, the results of investigation on other cases are unknown to the public. In one case of interference in professional activities of journalist representative of government resigned.

5.1. BLACKMAIL WITH RELEASING SECRETLY RECORDED VIDEOS OF PRIVATE LIVES

Sex tape fabrication against the journalists of TV Company “Tabula”. On April 12, 2016, a web portal news.ge received recordings of private life by e-mail, which, according to its editorial board, involved two public figures.

On April 12, Director of Tabula TV, Tamar Chergoleishvili wrote on her Facebook page that one of the journalists from Tabula received a link on Facebook with a message that the video was about the head of Tabula and the anchor of a program “Mdzime Katstan”(With a Heavy Man), Davit Kovziridze. On April 14, Davit Kovziridze, the anchor of a program “Mdzime Katstan” published a post on Facebook addressed to the President of Georgia, the Government and law enforcement agencies where he demanded an investigation of video fabrication. Kovziridze stated that the disseminated sex tape involved the introductory of his authoring program “Mdzime Katstan” and the video was installed in a way that the participant was maximally likening him. Not a single journalist from Tabula mentioned in the video confirms the authenticity of the tape.

The material was accompanied by the menace about getting what they deserved unless they stopped brainwashing people.

No separate investigation has been launched onto Tabula journalists’ case. However, the investigation of the material disseminated on April 12 is undergoing within the framework of the case concerning private life footage released via internet a month ago.

Inga Grigolia has been threatened by publishing footage about her private life. On March 14, new secret recordings of private life were disseminated through Internet. Although the individuals shown on the video were unidentified, the video contained a threat towards journalists and several politicians about releasing secret recordings of their private lives, unless they quit their positions before March 31.

Inga Grigolia was named among other journalists and politicians. The journalist made a live televised statement about the threat against her.

On March 25, during a program “Inga Grigolia’s News of the Day” hosted by Inga Grigolia on Pirveli TV, Davit Lortkipanidze, the member of the parliamentary majority faction “Georgian Dream” made a reference about the anchor’s private life. In his interview with Alia newspaper released on March 28, MP Davit Lortkipanidze spoke not only about journalist’s private life, but also about her daughter’s political views (in particular, which team she supports) and official powers (for which agency she works).

A new secret recording of private life was again released in social networks on March 31. An unidentified person, who released it, demanded Inga Grigolia to quit the television (Pirveli TV).

Earlier on March 11, a separate sex tape, purportedly showing one of the opposition politicians, was posted on YouTube, which was later blocked. The prosecutor’s office said after the video was released that it launched an investigation under article 157 of the Criminal Code of Georgia (Disclosure of personal or family secrets, of information on private life or of personal data).

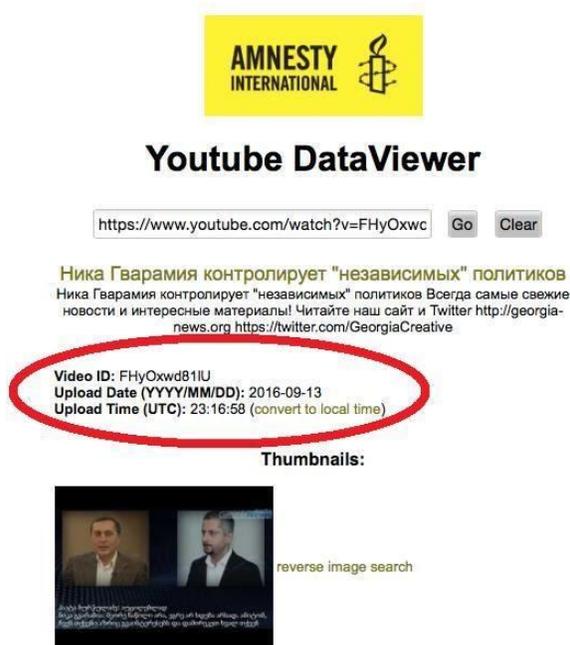
5.2. LEAKED SECRET RECORDINGS

Wiretapped Recording of Rustavi 2 TV Head and Opposition Leader Leaked. Wiretapped recording of a phone conversation between Paata Burchuladze, leader of election bloc State for People, and Nika Gvaramia, head of Rustavi 2 TV, was leaked on the Internet on September 14, 2016.

In the recording Gvaramia complains about the remarks made by some members of new political center Girchi, who said that they were ready to form a coalition with Georgian Dream – Democratic Georgia party in the new parliament.

A video clip titled “Ника Гварамиа контролирует “независимых” политиков” (Nika Gvaramia Controls “Independent” Politicians) was uploaded on YouTube on September 13, 2016 by Russian-

language website Creative Georgia News. After rechecking through Amnesty International Data Viewer, it becomes clear that the material was uploaded on YouTube at 23:16:58 on September 13 that is 03:16:58 local time on September 14.



AMNESTY INTERNATIONAL

Youtube DataViewer

<https://www.youtube.com/watch?v=FHyOxwc> Go Clear

Ника Гварамиа контролирует "независимых" политиков
Ника Гварамиа контролирует "независимых" политиков Всегда самые свежие новости и интересные материалы! Читайте наш сайт и Twitter <http://georgia-news.org> <https://twitter.com/GeorgiaCreative>

Video ID: FHyOxwd81IU
Upload Date (YYYY/MM/DD): 2016-09-13
Upload Time (UTC): 23:16:58 (convert to local time)

Thumbnails:

reverse image search

Reportiori news agency was the first to disseminate the recording (uploaded at 03:16:58 on September 14) at 11:07 on the same day. As the table below shows, the recording was disseminated almost during the same period of time by the following media outlets united in Palitra Holding (Palitratv.ge; Ambebi.ge; and Interpressnews) in the following sequence:

Media outlet	Upload time
Reportiori.ge	11:07
Palitratv.ge	12.02
Ambebi.ge	12.05
IPN	12.33

Noteworthy that Ambebi.ge posted a transcript of the audio recording in Georgian (12.05), whereas Ambebi.ge and Interpressnews also published Nika Gvaramia’s Facebook comments on the same issue.

As for Creative Georgia News’ YouTube channel, only one recording was uploaded on it, whereas the web portal with the same name also disseminates another audio recording of a phone conversation between Nika Gvaramia and ex-President Mikheil Saakashvili. The recording was posted in November, 2015. In its mission declared on the website, Creative Georgian News portal claims that it was set up on initiative of a group of journalists working in Russia and CIS and is designed for those people, who really care about the processes ongoing in Georgia.

It was found out as a result of rechecking that the website is owned by a private person, Zukhra Bolatchiyeva, registered in Russia, while the name of the country is covered up. Germany is indicated as a web location, but according to some suppositions, it may be located in Russia. The website uses an anonymous server that further complicates the process of identification of its real owner.

The Interior Ministry has already launched investigation into the fact of dissemination of wiretapped audio recording. In a statement released on September 14, the Interior Ministry said that its division on combating cybercrime at the Central Criminal Police Department has launched investigation into the fact of violation of secrecy of personal correspondence, phone conversations or other kinds of communication (parts 1 and 2 of article 159 of criminal code of Georgia).

The authenticity of the wiretapped recording has yet to be verified. Gvaramia, however, does not deny that the conversation with Paata Burchuladze really took place³⁵. In addition, Gvaramia accuses the State Security Service of leaking the recording. He said that he deliberately called with “an open” line and it did not take the State Security Service even three days to publicize the recording.

5.3. ASSAULTING AGAINST JOURNALISTS

Assault on Rustavi 2’s crew. On June 19,³⁶ the journalist of the TV Company Rustavi 2, Elene Pirtskhalaishvili and the operator Giorgi Tsanova were abused at the Tbilisi International Airport. During the interview with MP from opposition party, unknown man verbally insulted Rustavi 2 crew and then physically insulted the cameraman.

Later, the Ministry of Internal Affairs of Georgia released a statement. According to the Ministry, after Rustavi 2 crew finalized recording, an unknown person abused them and then walked away. As

³⁵ <http://www.interpressnews.ge/ge/samartali/396851-shss-m-satelefono-chanatseris-gavrcelebis-faqtzegamodzieba-daitsyo.html>

³⁶ <http://rustavi2.com/ka/news/49703>

the MIA explained, Rustavi 2's cameraman chased the unknown person and physically insulted him, which was followed by verbal and physical confrontation.

Policemen examined the cameraman of Rustavi 2 and another person participated in the incident. According to the MIA, they did not have any claim against each other. MIA launched an investigation under the article 125 of the Criminal Code of Georgia (battery). According to the Ministry, Rustavi 2 crew was not recognized as a victim in this particular criminal case.

Attack against Tabula TV Journalists. On January 12, 2016 three current journalists Irakli Kiknavelidze, Levan Sutidze and Nino Macharashvili and one former employee, Avto Koridze of Tabula TV were attacked at Restaurant Chashnagari at Kote Apkhazi Street in Tbilisi. Tabula's journalist Irakli Kiknavelidze said that several persons assaulted them both verbally and physically and damaged the restaurant equipment. Kiknavelidze also said that the assailants cited Tabula's critical views on the Georgian Church as the reason behind the attack. The attacked journalists sustained minor injuries.

The Ministry of Internal Affairs has launched investigation under Article 125 of the Criminal Code of Georgia involving battery. However, later the case requalified and the investigation continued under Article 156 (persecution). According to this article, the persecution for speech, opinion, conscience, religious demonimation, faith or creed or political, public, professional, religious or scientific pursuits – shall be punishable by fine or restriction of freedom for up to two years in length or by imprisonment similar in length. The investigation of this particular case has been finalized and is currently under consideration in court.

5.4. INTERFERENCE IN PROFESSIONAL ACTIVITIES

The chief editor of Media.ge prevented from recording the video by policemen. On August 18, 2016, Davit Mchedlidze, the Editor in Chief of Media.ge was prevented from carrying out his professional activities by policemen.

Mchedlidze was covering the settlement case in an abandoned building at Gagarini Street in Rustavi. According to Mchedlidze, he asked the permission of recording to the officers of Patrol and Criminal Police gathered in the room of the abandoned building. Policemen pushed him off the room. During his next attempt to enter the room, Mchedlidze's camera was on. In a 10 second video, policeman requested the journalist not to record a video and upheld a hand to the camera device. After that, the recording is terminated.

The Prosecutor's Office has launched an investigation under the Article 154 (Illegal interference in professional activities of journalists) of the Criminal Code and under the Article 333 (Exceeding power).

Physical assault against journalists at the polling station in Kortskheli. On May 22, journalists from Livepress, Ipress and TV Radio Company Odishi were prevented from performing their professional

duties during local by-elections when several leaders of opposition United National Movement party were beaten outside a polling station in the village of Kortskheli of Zugdidi municipality³⁷.

According to the online edition of Ipress, those athletes, who were involved in the incident outside the polling station, did not allow Ipress journalist Irma Meskhia, who was in a restaurant Argo in the village of Rukhi, to move freely for half an hour and demanded her to delete all photos taken in the restaurant. Besides that, they took away Irma Meskhia's mobile phone and deleted all audio as well as photo materials, insulted her verbally and threatened.

According to Geronti Kachilava, editor-in-chief of Livepress, journalists were insulted verbally and threatened with reprisals while police officers, who were present on the ground, did not react to the incident.

As Nana Kobalia, head of newsroom of TV Radio Company Odishi said, during the incident assailants were aggressive towards journalists and prevented them from performing their professional duties. Besides Nana Kobalia, journalist Levan Kalandia and cameraman Zviad Ablotia were also working at the Kortskheli polling station. The cameraman sustained physical injuries after supporters of Georgian Dream threw a bottle of water and stones at him.

Investigation of the Kortskheli incident has been launched under Article 125 (Battery) of the Criminal Code of Georgia. The investigation continues, however preventive measures were used against 6 persons and they were charged under the Article 239 (Hooliganism)³⁸. According to this article, the action perpetrated by a group with the prior consent of a group which grossly violates public order or demonstrates open contempt toward the public, committed under violence or threat of violence shall be punishable by prison sentences ranging from three to seven years in length.

Preventing journalists from carrying out their professional activities at TSU. On March 14, 2016 the journalists from Liberali magazine and Netgazeti online edition were prevented from carrying out their professional activities at Tbilisi State University (TSU)³⁹. Liberali journalist, Sopo Gogishvili was physically insulted. The camera of the photographer Basti (Mamuka) Mgaloblishvili from the same magazine was broken and a mobile phone of Netgazeti journalist, Giorgi Diasamidze was seized.

Ministry of Internal Affairs launched an investigation under the Article 187, paragraph 1. (damage of the property). According to this Article, damaging or destruction of other's object that has caused a substantial injury shall be punishable by fine or socially useful labor from one hundred to one hundred and eighty hours or by corrective labor up to one year or by imprisonment from one to three years.

Incident in the Akhmeta Gamgeoba Building. On March 28⁴⁰ The Kakheti Information Center reported that its journalist was prevented from carrying out her professional activities. The video footage shows that⁴¹, the Head of the Property Management and Infrastructure Service, Lukhum Shetekauri asked a group of journalists, who entered his office at the Akhmeta Municipal Gamgeoba,

³⁷ <http://mediameter.ge/ge/media-cases#case-453>

³⁸ Subparagraph "a" of the second part and the third part

³⁹ <http://netgazeti.ge/news/101482/>

⁴⁰ <http://mediameter.ge/ge/media-cases#case-437>

⁴¹ <https://www.youtube.com/watch?v=Vw-iNVu9KmY&feature=youtu.be&app=desktop>

to turn off their cameras. When the journalist told the local official that the Gamgeoba building was a public institution and she had the right to make a recording, Lukhum Shetekauri insulted the group of journalists with the following words: “Get out of here... you are a provocateur”.

Kakheti Information Center reported that “Lukhum Shetekauri struck a cameraman from the Kakheti Information Center”; however, the video does not show the fact of physical insult.

In interview with the Media Development Foundation, Shetekauri denies that he insulted journalists physically. He says that the cameraman turned on his camera when he was specifying the issue on which the journalist wanted to get a comment. He notes that he got angry because the cameraman started to record a video without warning him in advance.

Journalist Tamar Modebadze confirms that they started to record the interview with Shetekauri without prior agreement with him. According to the journalist, in case of prior agreement over the issue, Shetekauri might have refrained from making a comment.

According to the Ministry of Internal Affairs, the investigation of the case is being launched under the article of 154, Paragraph 2 (Interference in professional activities) of the Criminal Code of Georgia. According to this article, illegally preventing a journalist from carrying out his/her professional activities by threat of violence or by using one’s official position, his/her coercion into spreading or not spreading information under violence - shall be punishable by fine or by imprisonment for up to two years, by deprivation of the right to occupy a position or pursue a particular activity for the term up to three years of without it.

Physical and Verbal Assault against Gela Mtvlishvili. The Kakheti Information Center reported that its journalist, Gela Mtvlishvili was assaulted physically and verbally by Tsnori Governor Tamaz Mateshvili during the road construction works in Tsnori overnight on September 23⁴².

Mtvlishvili said that Mateshvili was under the influence of alcohol. According to the Kakheti Information Center, Gela Mtvlishvili was explained by police that investigation has been launched under part 2 of article 154 of the criminal code of Georgia, involving unlawful interference with the journalist's professional activities. The offence envisages punishment by a fine or community service from 120 to 140 or with corrective labor for up to two years. The same act committed using threat of violence or official position, shall be punished by a fine or imprisonment for up to two years, with or without the deprivation of the right to hold an official position or to carry out a particular activity for up to three years or without this.

The next day, on September 24 Tamaz Mateshvili apologized for the incident and resigned.

⁴² <http://ick.ge/articles/30936-i.html>

6. PARLIAMENTARY ELECTIONS 2016

6.1. ELECTION CAMPAIGN MEDIA SPENDING

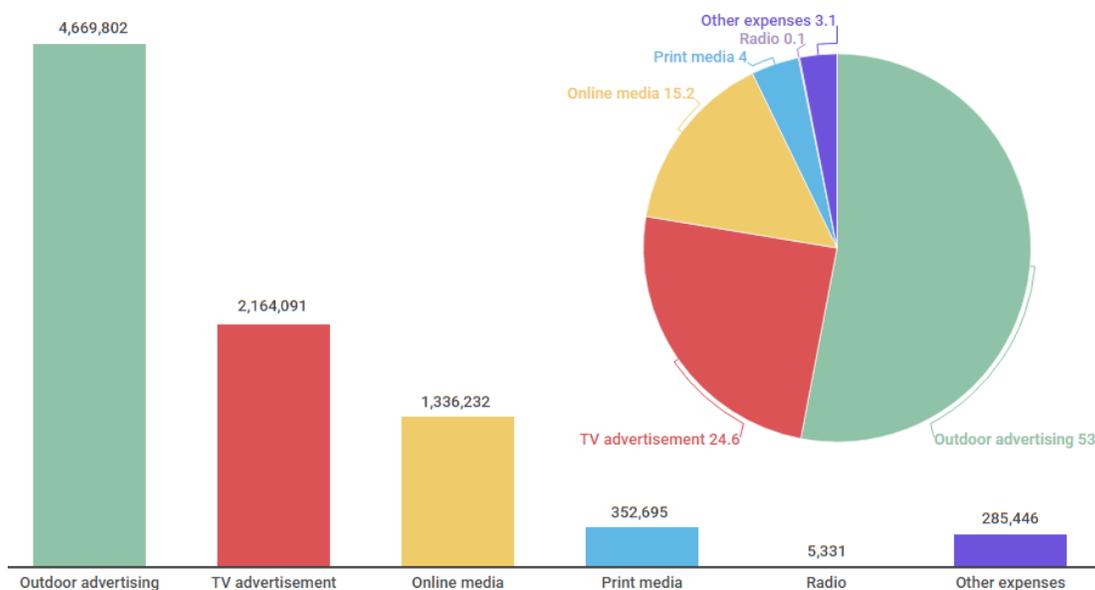
Summary: In a period between June 8 and August 30, out of total GEL 8 813 597 spent on election campaign, 78% was spent by Georgian Dream. The greatest amount was spent on outdoor advertising. Among Georgian TV stations, Imedi TV received the greatest amount of paid political ads (GEL 1 134 907), of which the service worth GEL 1 million was purchased by Georgian Dream. If among televisions Georgian Dream placed ads only on Imedi TV, quite a diversified approach was observed in online editions and newspapers. Georgian Dream purchased most advertising and information services from online (221 479) and print (73 955) editions united in Palitra Holding.

Uniform data: According to the financial declarations submitted to the State Audit Service, since the official launch of the campaign for the 2016 parliamentary elections (on June 8) through August 30 political parties and independent candidates spent GEL 8 813 597 on various advertising services.

According to article 32¹ of the Law of Georgia on Political Unions of Citizens, every three weeks after setting the date of elections, each electoral subject running in the elections independently or in an election bloc shall be obliged to submit financial reports to the State Audit Service.

According to the data for June 8 – August 30, outdoor advertising accounts for a lion's share of expenses incurred on advertising services (53% - GEL 4 669 802); TV advertisement – almost one fourth – 24.6% (GEL 1 164 091); online media – 15.2% (GEL 1 336 232); print media – 4% (GEL 352 695); other expenses – manufacturing and printing of promotional products – 3.2% (GEL 285 446); radio accounts for the smallest share of expenses – 0.1% (GEL 5 331).

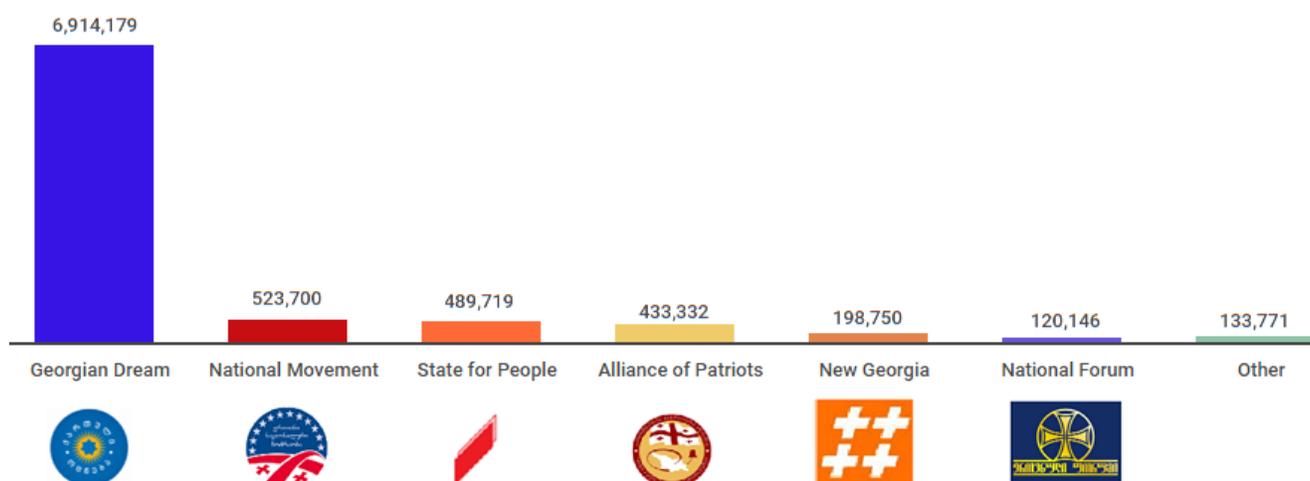
Chart 6.1.1. Campaign expenses incurred by electoral subjects by advertising and information services



Among other electoral subjects, Georgian Dream spent the most amount of money – GEL 6 914 179 (78%); National Movement comes next with GEL 523 700 (13-fold less), followed by State for People

(GEL 489 719); Alliance of Patriots (GEL 433 332); New Georgia (GEL 198 750), which is part of Paata Burchuladze’s State for People election bloc together with New Political Center (NPC)–Girchi and New Rights party since August 18; National Forum (GEL 120 146). Those parties and independent candidates, whose expenses did not exceed GEL 50 000, are united in the category “other.” These parties and candidates are: United Democratic Movement (GEL 36 234); Free Democrats (GEL 33 173); Girchi (GEL 18 632); Successful Georgia (GEL 12 000); Irakli Petriashvili (GEL 9 532); Republican Party (GEL 6 834); Irakli Shikhiashvili (GEL 5 610); Ilia Kokaia (GEL 5 506); Tsezar Chocheli (GEL 2 650); Georgian Idea (GEL 2 400); Industry will Save Georgia (GEL 1000) and Labor Party (GEL 200).

Chart 6.1.2. Amounts spent by electoral subjects on advertising campaign by parties



Television advertisement. Electoral subjects spent the most amount of money on television ads (GEL 2 164 091). The ruling Georgian Dream party purchased most airtime – GEL 1 000 000 (46%) on Imedi TV⁴³. The party did not place paid ads on other TV channels. The next party, which purchased most ad services, is State for People, which placed political ads on Rustavi 2 (GEL 283 965), Imedi (GEL 134 907) and Maestro (GEL 33 160). The National Movement placed ads only on Rustavi 2⁴⁴ (GEL 215 000) and regional televisions⁴⁵ (GEL 3 707). Alliance of Patriots spent the most amount of money on placing ads on Obiektivi TV⁴⁶ (GEL 120 000); relatively small amount was spent on placing ads on Rustavi 2 (GEL 32 724), Pirveli TV (GEL 30 011) and Marneuli TV (GEL 4 000). New Georgia led by Giorgi Vashadze, former member of the National Movement, spent the most amount on Rustavi 2 TV (GEL 170 446); relatively small amount was spent on Pirveli TV (GEL 14 104). National Forum purchased most airtime for ads on regional televisions⁴⁷ (GEL 99 781). Less airtime was purchased on Kavkasia TV (GEL 9 980), Pirveli TV (GEL 5 000) and Iberia TV (5 000).

⁴³ According to the interim report of pre-election media monitoring conducted by Media Development Foundation from April 1 to October 31, 2016, Imedi TV dedicated most of its airtime to Georgian Dream and Government (62.8%). <http://mediameter.ge/ge/research/mediis-cinasaarchevno-monitoringi-1-aprili-31-ivlisi-2016-shualeduri-angarishi>

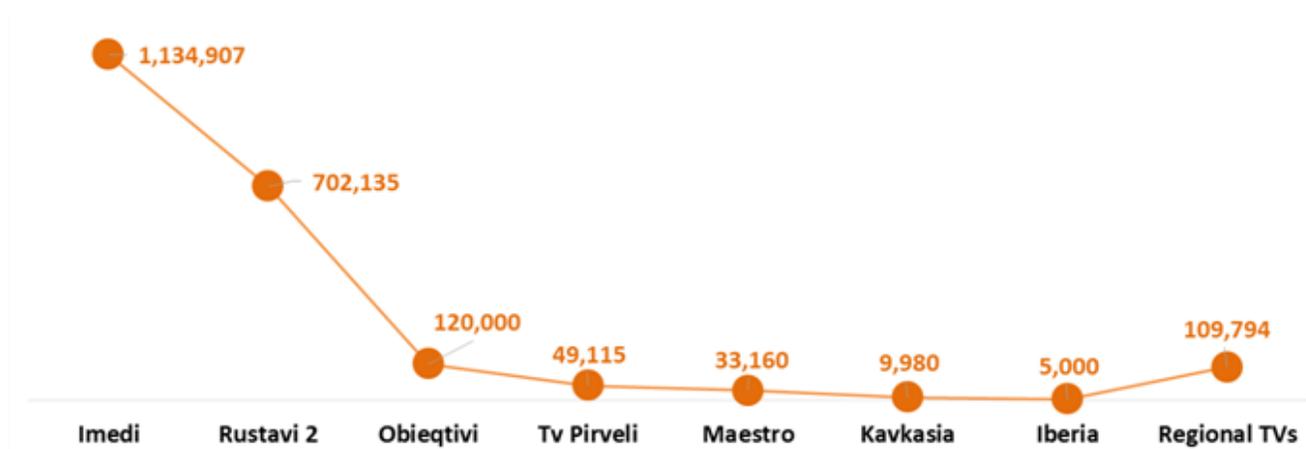
⁴⁴ According to the same report, the National Movement was covered most intensively on Rustavi 2 TV (19,7%).

⁴⁵ Akhaltsikhe-based Channel 9 (2 747) and Kvemo Kartli TV (960).

⁴⁶ According to the same interim report, following Georgian Dream, Obiektivi TV covered most intensively Alliance of Patriots (10.2%). Among the founders of Obiektivi TV there are some members of Alliance of Patriots.

⁴⁷ Rioni; Odishi; Metskhe Talga; Imervizia; Tanamgzavri; Gurjaani; TV Channel 25; Dia; Trialeti; Guria; Borjomi and Argo.

Chart 6.1.3. Distribution of paid political ads by televisions

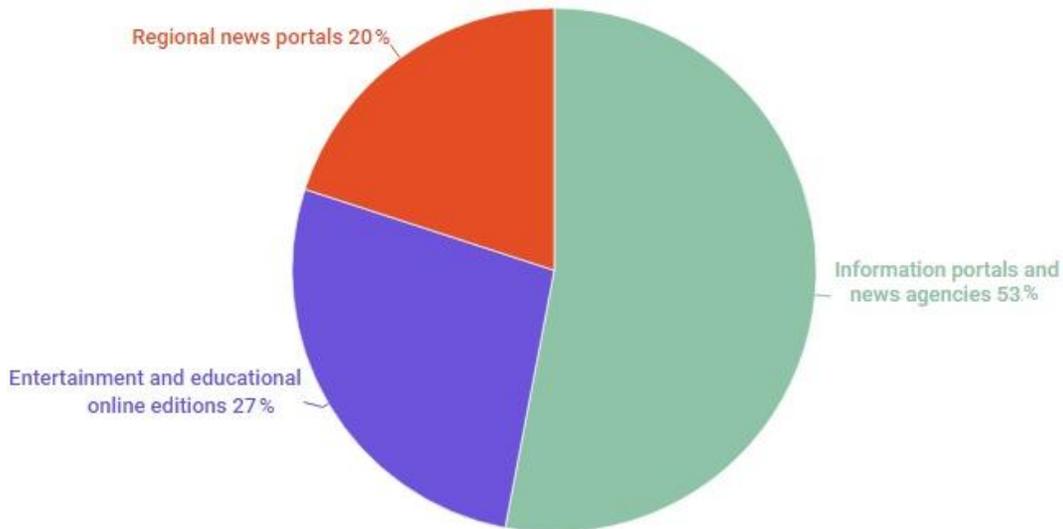


	 Imedi	 Rustavi 2	 Obieqtivi	 TV Pirveli	 Maestro	 Kavkasia	 Iberia	Regional TVs	Sum
Georgian Dream	1,000,000								1,000,000
State for People	134,907	283,965			33,160				452,032
United National Movement		215,000						3,707	218,707
Alliance of Patriots of Georgia		32,724	120,000	30,011				4,000	186,735
Civil Platform New Georgia		170,446		14,104					184,550
National Forum				5,000		9,980.0	5,000	99,781	119,761
Ilia Kokaia								2,306	2,306
Sum	1,134,907	702,135	120,000	49,115	33,160	9,980.0	5,000	109,794	2,164,091

Relatively small amount of money was spent on placing political ads on radio stations. Alliance of Patriots placed paid ads worth GEL 5 331 on Radio Pirveli.

Online media. Information portals and news agencies account for 53% of GEL 1 336 232 transferred to online media, followed by entertainment and educational online editions with 27% (GEL 360 200) and regional news portals with 20% (GEL 257 636).

Chart 6.1.4. Expenses incurred by electoral subjects on political ads and information services in online media



98% (GEL 1 302 938) of funds transferred to online media was spent by Georgian Dream; 2% was spent by the following political subjects: Alliance of Patriots (GEL 14 945); State for People (GEL 6 953); independent candidates Irakli Shikhiashvili (GEL 3 060) and Irakli Petriashvili (GEL 2 000); Girchi (GEL 2 991); National Movement (GEL 2 147); Industry will Save Georgia (GEL 1 000); Labor Party (GEL 200).

Electoral subjects signed contracts on advertising services with up to 70 online editions. Chart 6.1.5 shows those 10 online news portals and agencies, which received most funding. Six out of ten signed contracts only with Georgian Dream. Besides Georgian Dream, four media outlets also placed political ads and paid information of Alliance of Patriots⁴⁸ and independent candidate Irakli Shikhiashvili⁴⁹. Georgian Dream purchased most advertising services (GEL 221 479) in those online editions⁵⁰, which are part of Palitra Holding, including IPN news agency; then comes Ipress (GEL 51 000); Info 9 (GEL 45 000); PIA and other editions affiliated to it (GEL 41 700)⁵¹; Netgazeti (GEL 35 101); Presa.ge and other editions affiliated to it⁵² (GEL 32 000); Newposts.ge (GEL 28 500); pirveliradio.ge (GEL 25 235); reportiori.ge (23 580) and commersant.ge (GEL 22 464).

⁴⁸ Ipress.ge, Pirveliradio.ge

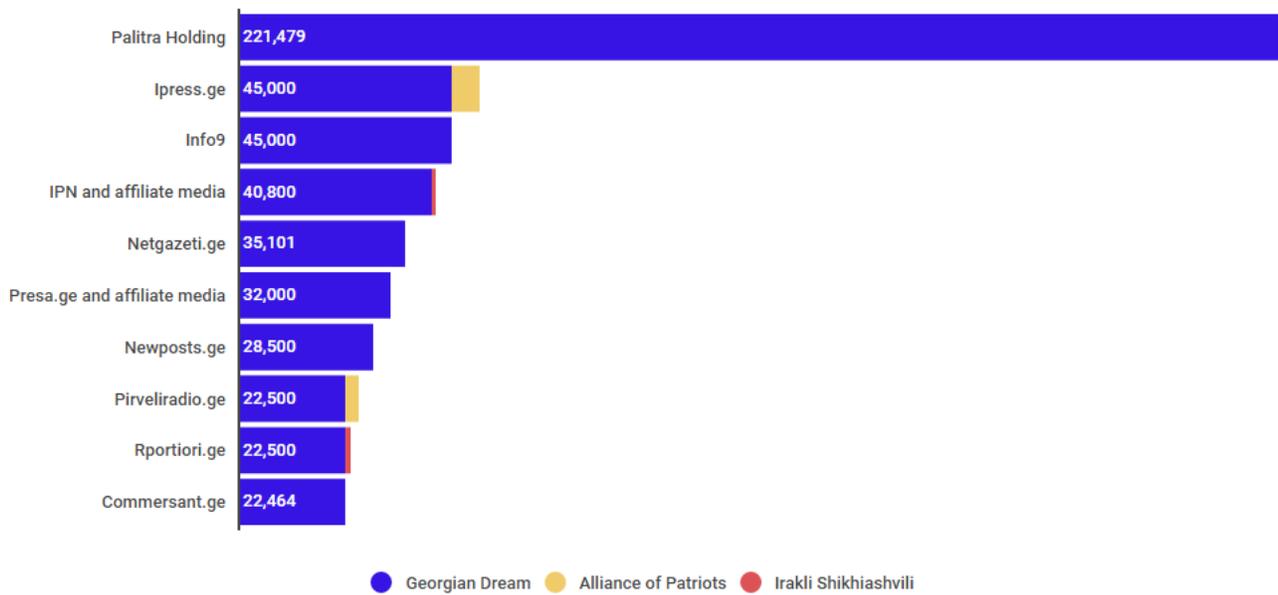
⁴⁹ Reportiori.ge, PIA.

⁵⁰ Allnews.ge; Ambebi.ge; Bpn.ge; Kvirispalitra.ge; Sportall.ge; Palitratv.ge.

⁵¹ Daijesti.ge, Funtime.ge

⁵² Droni.ge; Itv.ge; People.ge.

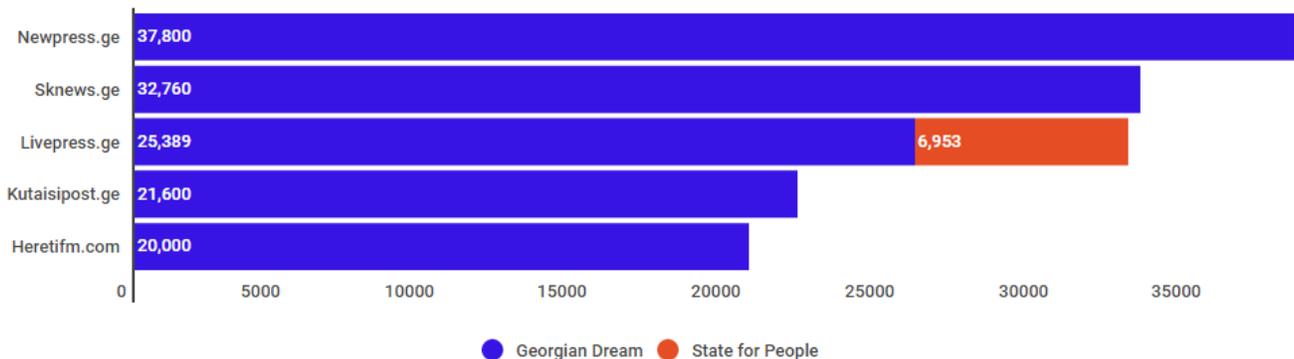
Chart 6.1.5. Distribution of paid political ads and information services among ten online editions



A total of GEL 176 558 was spent on political ads and information services in other online editions (see annex 1) with GEL 168 738 spent by Georgian Dream; Labor Party spent the least amount - GEL 200.

Georgian Dream spent the most amount of money in regional online editions. Chart 6.1.6 shows those five media outlets, where ads worth above GEL 20 000 were placed; the remaining editions are shown on Annex 2.

Chart 6.1.6. Distribution of paid political ads and information services among five regional online editions



Ads worth GEL 356 063 were placed in entertainment and educational online editions by Georgian Dream. Most ads were placed on Amindi.ge (GEL 168 905) and iMovies.ge (GEL 135 124).

According to the declarations, only two parties – Girchi (GEL 2 991) and National Movement (GEL 2 147) placed ads on Facebook.

Print media. Three political parties and one independent candidate purchased advertising services worth a total of GEL 352 695 from 18 print editions. 95.7% (GEL 337 431) was purchased by Georgian Dream and 3.3% - by Alliance of Patriots; the latter concluded a contract only with Tbiliselebi (GEL 11

664); the least amount was spent by Georgian Idea (Akhali Taoba – GEL 2400) and Irakli Shikhiashvili (Versia – GEL 1200).

Among newspapers, Kviris Palitra received most revenues (GEL 73 955). The list of the first five editions also includes the following regional newspapers: Guria News (GEL 55 125); Spektri (GEL 33 690) and Batumelebi (GEL 26 838). Rezonansi takes the fourth place by revenues (GEL 30 000).

Table 6.1.1. Distribution of paid political ads and information services in print media

	Georgian Dream	Alliance of Patriots of Georgia	Georgian Idea	Irakli Shikhiashvili	Sum
Kviris Palitra	73,955				73,955
Gurianews	55,125				55,125
Spektri	33,690				33,690
Rezonansi	30,000				30,000
Batumelebi	26,838				26,838
Samkhretis Karibche	20,160				20,160
Versia	16,500			1,200	17,700
Saerto Gazeti	17,100				17,100
Akhali Gazeti	15,000				15,000
Akhali Taoba	10,500		2,400		12,900
Tbiliselebi		11,664			11,664
Liberali	10,394				10,394
Voice of Kakheti	9,600				9,600
Prime Time	7,700				7,700
P.S	5,280				5,280
Adjara PS	4,500				4,500
Bolnisi	589				589
Trialeti Express	500				500
Sum	337,431	11,664	2,400	1,200	352,695

6. 2. FACTS OF ALLEGED USAGE OF ADMINISTRATIVE RESOURCES

Summarizing paragraph: The content of the online media funded from the budget is not monitored on a legal basis in the pre-election period, as the legislation only implies such rule for printed editions. One of the cases revealed an inadequate attitude of the Central Election Committee (CEC) towards the usage of administrative resources in online media.

On July 21, Media Development Foundation addressed the CEC to study the information published by six news agencies, titled “Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Medical Check”, in order to determine the compatibility with the 48th article of the electoral code.

The published information concerned the charity event conducted on June 30 in Chugureti district, with the initiative of the Head of Georgian Dream for Democratic Georgia fraction of Tbilisi City

Assembly, Rima Beradze. During the event, the teachers of public schools of Chugureti district underwent free medical check that was organized by Georgian Dream – Healthy Future together with Rima Beradze. Six information agencies indicated in the table 1.5 published the given information with almost identically. Only Inter Press News (IPN) agency had the sign NS attached to the material, meaning that these were News from Subscriber. It is noteworthy that Tbilisi City Assembly, via IPM Research, has purchased information service from the given five agencies (IPN, Info 9, Medianews, Kvira.ge and Reportiori.ge), while from For.ge it has purchased this service directly.

Table 6.2.1. Identical Information used on Tbilisi City Assembly Webpage on Six Different Information Agencies

Organization	City Assembly Webpage	IPN	Info 9	Medianews	Kvira.ge	Reportiori.ge	For.ge
Title	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check	Up to 200 Teachers from Public Schools Underwent a Free Medical Check	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check	Thanks to Rima Beradze’s Initiative, up to 200 Teachers from Public Schools Underwent a Free Medical Check
Form of Publishing		✓	✓	Slightly Modified	✓	✓	✓
Advertisement Label		✓	X	X	X	X	X

In a response to the MDF, CEC did not start proceedings⁵³ on administrative violations and in the explanation, indicated that “even if these publications were made with budgetary funds, the usage of administrative resources from Tbilisi State Assembly that violates the Election Code still would not have been the case.”

However, the Audit Service issued a protocol of administrative offense regarding the fact of carrying out medical check to teachers with the participation of the member of the City Assembly, that ISFED considered a bribery of voters.⁵⁴

Paragraph 1b of the Article 48 of the Election Code of Georgia prohibits the “use of means of communication, information services and other kinds of equipment designated for the bodies of state and local self-government, as well as organizations funded from the Georgian state budget (except political parties).”

⁵³ <https://sachivrebi.cec.gov.ge/info.php?id=3755>

⁵⁴ <http://sao.ge/news/798?year=2016&month=9>

Newspapers funded from the budget. According to the Article 50.2 of the Election Code of Georgia, from the moment of announcement of elections until the sum up of election results, newspapers, funded by central or local budgets, shall meet certain conditions.⁵⁵

Georgian National Communications Commission monitors 49 printed editions for the 2016 Parliamentary Elections. As the Table 6.2.2 shows, 17 printed editions are fully funded from the budget, 7 – partially, whereas in case of the remaining 25 editions the amount of budgetary funding was impossible to identify based on the information provided by the Georgian National Communications Commission.

Table 6.2.2. Printed Editions that are monitored by the Georgian National Communications Commission during the Pre-Election Period

Fully Funded Editions	Partially Funded Editions	Budgetary Funding Amount not Identified
Abasha Messenger, Ambrolauri Messenger, Bakhtrioni, My Newspaper, Bolnisi Newspaper, Dusheti Messenger, Terjola Newspaper, Tianeti’s Future, Mtskheta Newspaper, Skhvaneti Newspaper, Mtsvanekvavilia Magazine, Gantiadi Magazine, Theatrical Kutaisi, Mermisi Magazine, Ukimerioni Newspaper, Municipal Center For Citizen Engagement and Informedness, Khashuri Messenger.	Rachelebi Magazine, Regional Tribune, Literature Meskheti, Self-Government, Kvareli Newspaper, Khobi’s Messenger.	Achara and Adjaria Newspapers, Gori’s Messenger, Guria, Gurjaani’s Municipal Messenger, Shirak, Sachino, Common Word, Georgia’s Demography, Zestaphoni’s Messenger, Egrisi’s Messenger, New Dawn, Association Georgian Voice, NNLE Free Press, Sunrise Magazine, Arshaluisi Newspaper, Oni Newspaper, Modinakhe, LTD Information Center Kolkheti, Sighnaghi Newspaper, Publishing Center Common Word, Egrisi, Publishing House Meridian, Samegrelo-Zemo Svaneti Regional Newspaper Egrisi Messenger, Self-Government Messenger, New Tskaltubo, Tkibuli Newspaper.

Georgian National Communications Commission monitors the protection of the norms set by the law. On September 2, 2016, the Georgian National Communications Commission issued an administrative violation protocol for Tkibuli Newspaper for abusing rules of pre-election agitation and

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- a. In case of allocation of newspaper space for pre-election agitation and political advertising, publish the following information on a weekly basis in the same newspaper: from which date, to what frequency and until when the newspaper space is allocated, the size of the space allocated in one newspaper; in case of provision of newspaper space free of charge - a share of the free space out of the total space; space fee, service provided;
- b. No election subject shall be granted more than one-third of the newspaper space in one newspaper publication or over a period of one week;
- c. The space fee shall be equal for all election subjects;
- d. When publishing an agitation article or political advertising, above the article heading and in the corner of the advertisement, an inscription "paid political advertising" or "free political advertising" shall be made;
- e. During the period stated herein, not to publish a political advertising in violation of the provisions of the present paragraph.

advertisement and submitted it to Tkibuli City Court for reaction. In July edition, the newspaper published the agitation letter of a deputy candidate of Georgian Dream – Democratic Georgia, Elguja Gotsiridze, without an indication of paid or free political advertisement.⁵⁶

This norm of the law that establishes pre-election monitoring on the newspapers receiving budgetary funding, requires certain modification so that it also encompasses those online editions that systematically offer informational services to the budgetary organizations in exchange for funding.

6.3. THE ROLE OF COMMUNICATIONS COMMISSION IN PRE-ELECTION PROCESS

Summary: The Election Code requires from the Georgian National Communications Commission to monitor the compliance of media with the norms established by the law and to react to violations thereof in pre-election periods. Since the beginning of the pre-election period through 26 September, the Commission did not react to any of the violations of requirements set in the law for the coverage of public opinion polls, but it drew up an act on administrative offence against Rustavi 2 and TV Pirveli for airing an advertisement without translation into sign language. The Commission did not agree to the opinion of nongovernmental organizations concerning a political nature of an announcement of a program on GDS TV company.

Coverage of public opinion polls. The Election Code defines the rules of reporting public opinion polls by media in pre-election periods and tasks the Georgian National Communications Commission (GNCC) to react to violations of these rules. The rules defined in the law aim to protect society from manipulating with public opinion and hence, require from media a) to report the results of only those polls that are based on the acknowledged scientific methodology and are credible; 2) when reporting the results, to specify those compulsory data⁵⁷ which enable audience to properly assess the results; 3) not to publish the results of public opinion poll during 48 hours before the election day. Article 82 of the Election Code provides for penalty in the amount of GEL 1 500 for violating these rules and grants the GNCC with discretion to draw up an act on administrative offence.

As of 26 September, the GNCC did not penalize any of TV channels for violating the rule established in the law for the coverage of public opinion polls, but on 22 July issued recommendations alone⁵⁸ to remind media outlets of the rules specified in the law. Although violations in reporting results of public opinion polls were discussed in the interim report⁵⁹ of GNCC as well as revealed by pre-

⁵⁶ <http://gncc.ge/ge/news/press-releases/komisiam-gazet-tyibuls-administraciuli-samartaldargvevis-oqmi-sheudgina-sakitxs-saqalaqo-sasamartlo-ganixilavs.page>

⁵⁷ 1. An organization having conducted a public opinion poll, 2. a person having ordered or funded a public opinion poll, 3. the exact formulation and sequence of questions put in a public opinion poll, 4. the time of conducting field opinion poll, 5. the number of individuals interviewed and the method of selection, 5. in what area or among what category of people the selection was conducted, 7. whether the survey is based on the opinions of all respondents, 8. the number of respondents who refused to participate in the poll, who did not answer a question, or who could not be interviewed, 9. the sample size, 10. the margin of error, 11. information about any other factors that might have caused a significant impact on the results.

⁵⁸ Georgian National Communications Commission (22 July, 2016); A statement regarding the publication of public opinion poll results in pre-election period by media outlets. <http://bit.ly/2bd0wWZ>

⁵⁹ Results of media monitoring conducted by the GNCC, 8 June – 8 July, 2016. <http://gncc.ge/uploads/other/2/2102.pdf>

election media monitoring⁶⁰ conducted by the Media Development Foundation, the GNCC did not use discretion granted to it and did not react to the facts of violation.

It should also be noted that the GNCC is obliged to react to violations not only in broadcast media but print and online media too. During the midterm parliamentary elections in Sagarejo in 2015, however, the GNCC, based on the application from the International Society for Fair Elections and Democracy (ISFED)⁶¹, drew up two acts on administrative offences against two news agencies www.reportiori.ge and www.mpress.ge.

Political advertising in pre-election period. The law also requires from the GNCC to draw up an act on administrative offence if an election/political advertisement is aired in violation of requirements of the Law on Advertisement. The penalty for such a violation comprises GEL 1 500 in case of online media and GEL 500 in case of print media.

Over the period between 8 July and 26 September, the GNCC drew only one act on administrative offence⁶² against two TV companies – Rustavi 2 and TV Pirveli, for airing the advertisement without translation into sign language and applied to a court for a further legal reaction.

The GNCC did not share an opinion of three nongovernmental organizations (Transparency International Georgia, Georgia’s Young Lawyers Association, ISFED), expressed in the application submitted to it on 8 September,⁶³ regarding a political nature of announcement of the program “Meetings with regional Media” as well as the program itself which was aired on the GDS TV channel and in which the former Prime Minister Bidzina Ivanishvili was busy promoting the ruling team.

According to the non-governmental organizations, the announcement as well as the format of the program itself implied the promotion of the ruling political party, contained the electoral number and symbols of the Georgian Dream and by its essence amounted to a pre-election advertisement. The nongovernmental organizations called on the GNCC to react to this fact.

In its response to this application, the GNCC explained⁶⁴ that the issue belonged to the sphere of self-regulation and represented the violation of that provision in the Code of Conduct for Broadcasters, which defines standards of balanced and impartial reporting,⁶⁵ while the announcement of the program, although containing symbols of the political party, could not be regarded as a political advertisement.

⁶⁰MDF (1 April 0 31 July, 2016). Pre-election monitoring of media. <http://mdfgeorgia.ge/geo/view-library/43>

⁶¹GNCC drew up acts on administrative offences against news agencies www.reportiori.ge and www.mpress.ge.
<http://www.gncc.ge/ge/news/press-releases/komisiam-sainformacio-saagentoebis-wwwreportiorige-s-da-wwwmpressge-s-administraciul-samartaldargvevis-oqmebi-sheudgina.page>

⁶²Results of media monitoring conducted by GNCC, 8 June – 8 July, 2016.<http://gncc.ge/uploads/other/2/2102.pdf>

⁶³<http://www.transparency.ge/post/general-announcement/arasamtavrobo-organizatsiebis-gantskhadeba-telekompania-gds-ze-gasuli-gadatsemebis-tsiklze>

⁶⁴<http://gncc.ge/ge/news/press-releases/saqartvelos-komunikaciebis-erovnuli-komisiis-ganxadeba1.page>

⁶⁵Article 23.9 of the Code of Conduct for Broadcasters.

6.4. RESTRICTION OF CONTENT OF POLITICAL ADVERTISEMENTS IN PRE-ELECTION PERIOD

Summary: Although the legislation imposes responsibility for the content of advertisement on an advertiser, not a media outlet, Rustavi 2 took off the air a Turkophobic election video of the Alliance of Patriots whilst the Georgian Public Broadcaster took off the air an election video of the Centrists, which undermined the sovereignty of the state.

Turkophobic advertisement of the Alliance of Patriots. Since 22 September, Obieqtivi TV, Georgian Public Broadcaster (GPB) and Rustavi 2 aired a political advertisement of the Alliance of Patriots, which smacks of Turkophobia and encourages ethnic confrontation.

Although Article 63.3 of the Law on Broadcasting states that the responsibility for the content of pre-election and social advertisements rests with the person ordering such advertisement, on 24 September, the management of Rustavi 2 took off the air the mentioned advertisement for its xenophobic nature.

According to Paragraph 3 of Article 45 of the Election Code, “The election program shall not contain ... appeal for national strife and enmity, or for religious or ethnic confrontation.” Article 79 of the Election Code sets a penalty in the amount of GEL 2 000 for violating the requirements of the rule for pre-election campaign. On such occasions, it is the competence of the Central Electoral Commission (CEC) to draw up an act on violation and the competence of a court to impose a penalty.

On 26 September, the President’s administration and organizations comprising the civil platform “No to Phobia!” applied to the CEC with regard to xenophobic content of the election advertisement of the Alliance of Patriots and in compliance thereof with the legislation.

An election advertisement containing hate speech was also subject to legal regulation during the 2012 parliamentary elections. On the basis of application of six nongovernmental organizations and one individual,⁶⁶ the political party Free Georgia was penalized with GEL 2 000 for the placement of xenophobic clip in the social network.⁶⁷

Advertisement of Centrists calling for legalization of Russian military bases. On 14 August, the GPB aired an election video clip of the political party “Centrists Khachishvili-Bedukadze” in which the political party promised Russian pensions in the amount of GEL 400 and the legalization of Russian military bases to voters. Because of sharp reaction to this video from society, the GPB took it off the air. In a statement released by the GPB, the broadcaster explained that the reason of taking the advertisement off the air was the content of the video containing messages undermining the sovereignty of the state that might come in conflict with the Constitution of Georgia. The GPB applied to the CEC and the Georgian National Communications Commission to study the arguable advertisement.

⁶⁶ Georgian Young Lawyers Association, Women’s Initiative Support Group, Multinational Georgia, LGBT Georgia, Identoba and Bishop of Evangelical-Baptist Church of Georgia.

⁶⁷ OSCE/ODHIR, a statement about preliminary data and conclusions.
<http://www.osce.org/ka/odihr/elections/94617?download=true>

In a statement⁶⁸ released on 15 August, the Georgian National Communications Commission noted that the obligation of the GPB to air free political advertisements would arise no earlier than 50 days before the election date, i.e. on 19 August 2016.

6.5. EXIT POLLS ON GPB JOINTLY WITH THREE PRIVATE TELEVISION STATIONS

On September 7, the Georgian Public Broadcaster's Board of Trustees gave go-ahead to its management to team up with three private television stations, involving Imedi, Maestro and GDS, to jointly commission exit polls for the October 8 parliamentary elections. Two members of the Board, Ketevan Mskhiladze and Sul Khan Saladze voted against the decision, citing that teaming up with the above mentioned televisions would be risky for GPB's image.

In addition, some doubts were expressed over GPB's contribution (GEL 200 000) to the total cost of exit polls (USD 937 635), arousing doubts that GPB's participation in this process was simply needed for additional legitimization.

The President of Georgia and civil society organizations called on GPB to revise its decision on exit polls.

A separate exit poll will be commissioned by Rustavi 2 TV to German-American company GFK and the group of four televisions will jointly commission exit polls to TNS Opinion.

6.6. TV OWNERS INCLUDED IN THE LIST OF ALLIANCE OF PATRIOTS

Three persons with shares in broadcasting companies were included in the list of election bloc Davit Tarkhan-Mouravi, Irma Inashvili – Alliance of Patriots – United Opposition. These persons are:

1. Nato Chkheidze⁶⁹, number three on the list of Alliance of Patriots, who owns a 30% share of Iberia TV;
2. Zaza Okruashvili⁷⁰, majoritarian MP candidate for the Supreme Council of Adjara, who is Nato Chkheidze's husband and owner of the remaining 70% of Iberia's shares;
3. Davit Zilpimiani⁷¹, number 11 on the party list, who owns 22% of shares of Stereo I and 50% of shares of Stereo +. The latter provides distribution of television content of licensed broadcasters in digital terrestrial television network (NOMUX-B and NOMUX-D).

According to Article 37 of the Law of Georgia on Broadcasting, a license holder and/or authorized person in the field of broadcasting may not be a political party or its official, as well as an official of an administrative body or public official.

⁶⁸ <http://gncc.ge/ge/news/press-releases/komisia-sazogadoebrivi-mauwyebelis-etershi-politikuri-gaertineba-centristebis-winasaarchevno-rgolis-gantavsebastan-da-shemdgom-eteridan-moxsnastan-dakavshirebit-gancxadebas-avrcelebs.page>

⁶⁹ 1 <http://cesko.ge/res/docs/patriottaaliansi.pdf>

2 http://sec.ge/uploads/aliansi_sia_2016.pdf

3 <http://cesko.ge/res/docs/patriottaaliansi.pdf>

Online edition Netgazeti⁷² was told at the election bloc Davit Tarkhan-Mouravi, Irma Inashvili – Alliance of Patriots – United Opposition that Nato Chkheidze is non-partisan and that she is not a member of any party united in the bloc. According to the party, Nato Chkheidze has been nominated by Alliance of Patriots, though she is not a member of this party. Georgian National Communications Commission (GNCC) explained that conflict of interests will emerge as soon as Nato Chkheidze enters the Parliament or takes office in the party.

6.7. COMPLAINTS OF QUALIFIED ELECTORAL SUBJECTS ON EQUAL OPPORTUNITIES OF BEING AIRED

Two qualified electoral subjects – United National Movement (UNM) and Labor Party of Georgia - expressed complaints concerning equal opportunities of being aired during the pre-election period.

UNM Case. On September 23, a UNM member, Tina Bokuchava, held a press conference where she spoke of placing her party in unequal conditions from the side of TV Imedi. As she explained, after the presentation of the ruling party - Georgian Dream - was broadcasted live on September 8, during prime-time (at 21:00) on TV Imedi, together with TV Maestro and GDS, the UNM addressed the television with a request to receive the analogous format. In addition, on September 22, 21:00, the presentation of Free Democrats' program was broadcasted live on TV Imedi, Georgian Public Broadcaster and GDS with a similar format. According to Tina Bokuchava, TV Imedi offered them to be aired between 16:00-17:00, instead of 21:00, the prime-time. This, according to the party's position, is an abuse of the principle of provision of equal conditions to the qualified subjects.

Labor Party Case. The Labor Party addressed Media Development Foundation twice. According to the party, TV Imedi's newsroom was not airing the meetings of its leader, Shalva Natelashvili, to the electorate, presentations of candidates and briefings, while the journalists did not attend the electoral events. One of the mentioned examples was the electoral event planned by the party in Didgori on August 12, while the second case included the unwillingness of TV Imedi's newsroom to air the presentation of Shalva Natelashvili as a majoritarian candidate in Dusheti.

Regulations. According to the Electoral Code of Georgia, during the pre-election campaign, while airing socio-political programs and the elections, overall, the broadcasters should consider the principle of impartiality and abide by the Electoral Code of Georgia, Law on Broadcasting and Code of Conduct for Broadcasters (Article 51, Paragraph 1).

The 19th article of the Code of Conduct for Broadcasters obliges the broadcasters to treat all physical and legal persons fairly and with due respect.

According to the Article 23.2 of the Code of Conduct, private general broadcasting licensees covering elections shall allocate equal share of airtime to qualified election subjects and their candidates so that they are able to communicate their political platforms, opinions to voters and inform on their qualification.

⁷² <http://netgazeti.ge/news/140040/>

ANNEXIS

Annex 1. Online news portals that received funds below GEL 20 000 for political ads and information services

	Georgian Dream	Alliance of Patriots of Georgia	Irakli Shikhiashvili	Irakli Petriashvili	Industry Will Save Georgia	Labour Party	Sum
Liberali.ge	18,293						18,293
Kvira.ge	16,200		720				16,920
EPN, 1news.ge	11,700	1,770					13,470
Frontnews.ge	12,000						12,000
Accent.com.ge	12,000						12,000
Primenewsgeorgia.ge	10,800						10,800
Edu.aris.ge	10,200						10,200
Marshalpress.ge	9,000						9,000
worldsport.ge	8,305						8,305
Georgianpress.ge	7,650						7,650
For.ge	7,200						7,200
GHN	7,200						7,200
Exclusivenews	4,250	1,770	360				6,380
Mediamall.ge	6,300						6,300
Postalioni.ge	4,500				1,000	200	5,700
Medianews.ge	4,500						4,500
newsday.ge	4,500						4,500
Kavkas-press	3,150						3,150
Bpi.ge	2,360						2,360
Cbw.ge	2,360						2,360
Clip-art				2,000			2,000
Primetimenews.ge	1,971						1,971
Veqtori.ge	1,600						1,600
Versia.ge	1,500						1,500
Resonancedaily.com	1,200						1,200
Sum	168,738	3,540	1,080	2,000	1,000	200	176,558

Annex 2. Regional online news portals that received funds below GEL 20 000 for political ads and information services

	Georgian Dream	Alliance of Patriots	Sum
Gurianews.com	19,800		19,800
Psnews.ge	19,020		19,020
Speqtri.ge	16,200		16,200
Knews.ge	11,460		11,460
Newsportal.ge	9,000		9,000
Topnews.com.ge	4,950	900	5,850
Radioatinati.ge	5,200		5,200
Qartli.ge	3,600		3,600
Adjaraps.com	2,250		2,250
Bolnisi.ge	1,300		1,300
Tpress.ge	524		524
Sum	93,304	900	94,204