

Center for International Private Enterprise
KYRGYZSTAN: STRENGTHENING UNDERSTANDING OF ECONOMIC ISSUES
IN KYRGYZSTAN
Narrative Report for Quarter # 1

I. EVALUATION

Objective 1: To raise media capacity to inform the public on market concepts

- *Monitor quantity and assess quality of articles resulting from journalists study tours;*
Not completed.

- *Survey press-session participants to determine the usefulness of the materials and the value of the presenter / presentation of each session;*

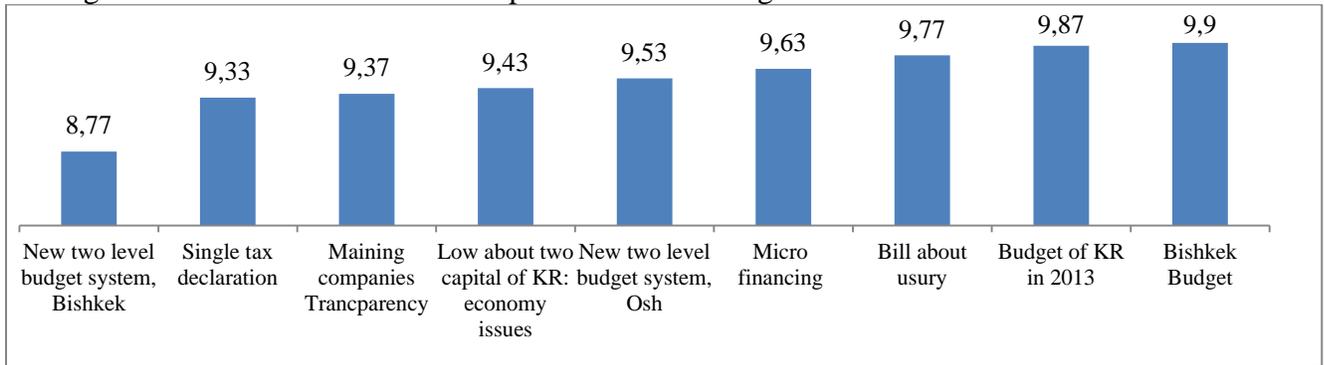
In total there were four press-sessions conducted financed by this project and four more financed from other sources. We believe it is important to demonstrate measurement outcomes of all activities, including those financed from other sources, due to the complex impact on journalists: the audience of journalists in both cases is the same and the topics of the press-sessions are related to economics. Because the events for Media became periodic, journalists began to perceive the DPI press-sessions as a kind of interesting meetings at the press club, where they can get expert commentary and hear different points of view on the same issue or news. We think this enrich journalists and open their minds in writing analysis. This is what we want to achieve working for the project.

- *Usefulness of the materials of each session (Press-session within the CIPE project in blue)*

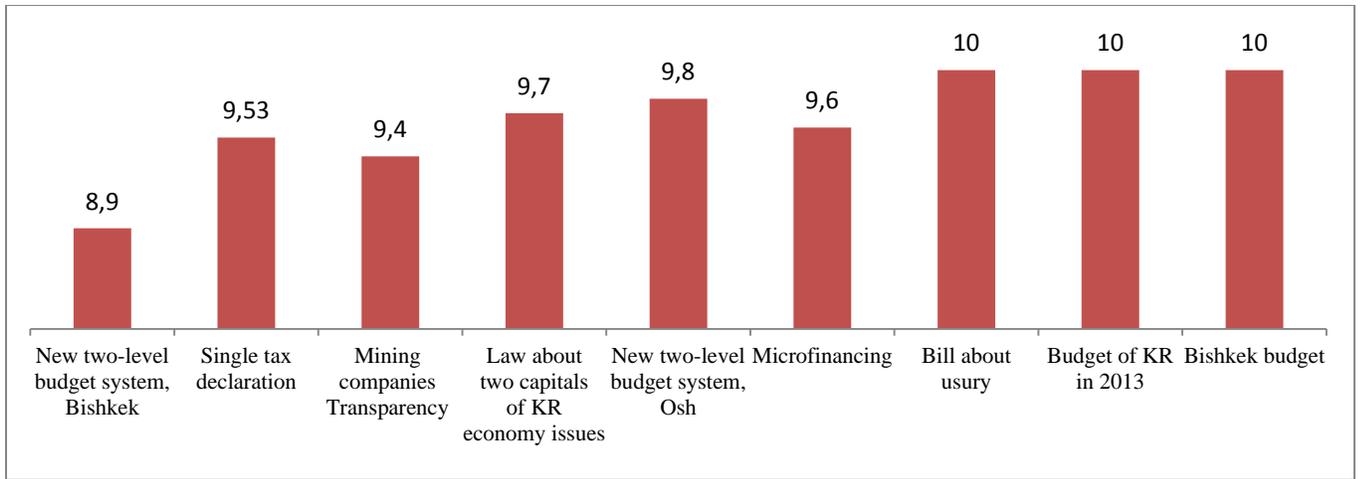
Rating of press-sessions in terms of usefulness of the materials is determined by three criteria:

- Actuality of topic for journalists
- Importance of topic for citizens
- Usefulness of the materials for journalists in their work

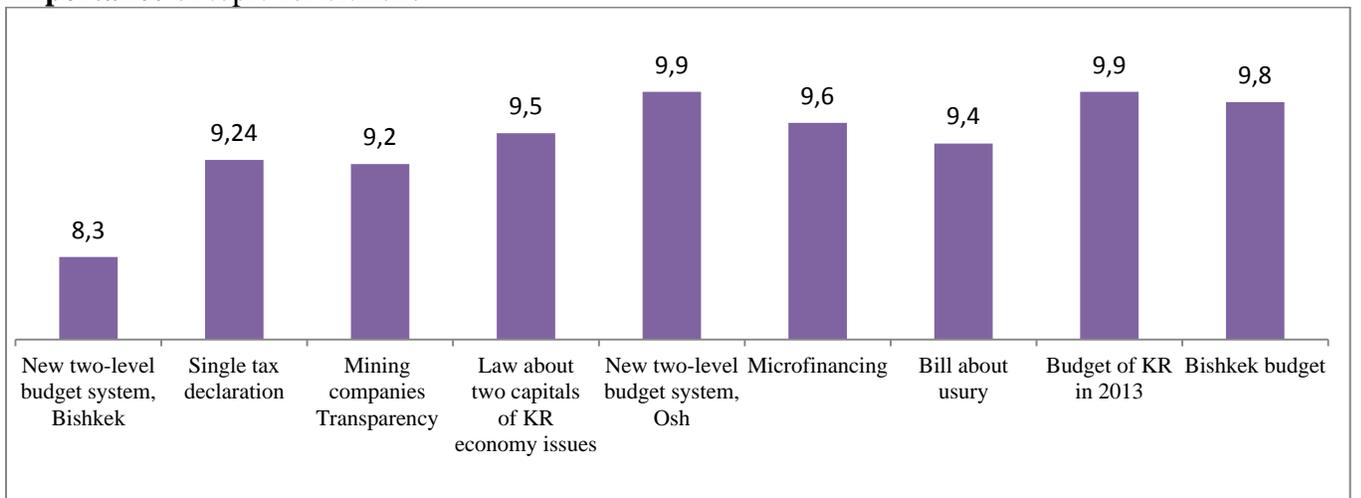
Average values of the three criteria are presented in the diagram below.



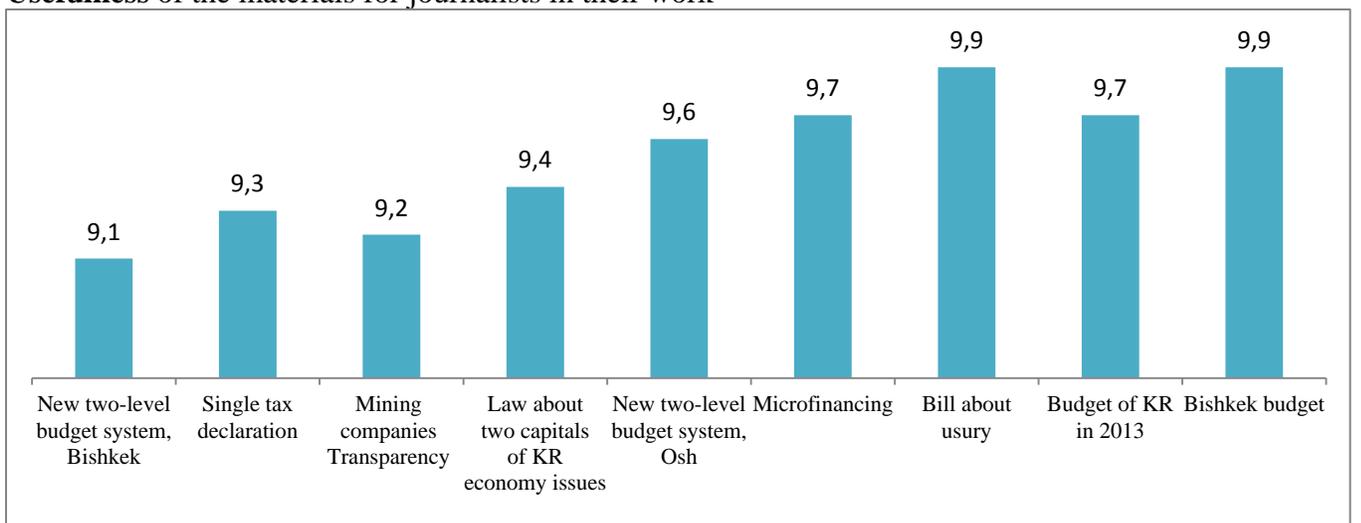
Actuality of topic for journalists



Importance of topic for citizens



Usefulness of the materials for journalists in their work



In general all materials of the informational seminars were acknowledged useful for the journalists. According to the journalists the most useful materials of three press-sessions that were devoted to the budget issues:

- press-session on Bishkek budget, where the experts have explained that the problems in Bishkek budget are not so much in a lack of revenues, but in the low efficiency of expenditures (special attention of the journalists was drawn to the fact that the share of the municipal costs of the capital is decreasing, while the share of spending on education and health is growing (although last ones are state functions)) (funded by this Project);
- press-sessions on KR budget for 2013, where the experts have explained changes and problems of the 2013 budget system in details and in intelligible way to the journalists (funded by this Project).

The popularity of these topics is explained by the fact that sessions were held in December, when there was much discussion of budget issues of the coming year, and journalists received a lot of quantitative data (numbers, percentages, expenditure items), but no one has explained to them what it stands for.

- *Therefore, the Project's informational seminars helped them substantially to understand the situation and provide more detailed comments, instead of simple messages? Usually, journalists from newspapers write articles as an analysis, using almost all materials, figures, statistics, which they get during press-sessions. At the same time correspondents from Internet agencies try to publish more news, short, without analyzing the theme and the problem at all. But as you have seen before in our weekly reports, there were a lot of analyzing articles from press as well as from Internet agencies almost by each press-session. Also, interest of press and news agencies' "woke up" TV and radio media. They started to shoot TV programs, invite experts from mining sphere for interview about mining companies, their license and influence of government on it.*

The seminars' value is also in that we, indeed, were the first who started to discuss the draft law with Media representatives with participation of Ministry of Finance representatives as well as independent economists who monitor the budget implementation independently.

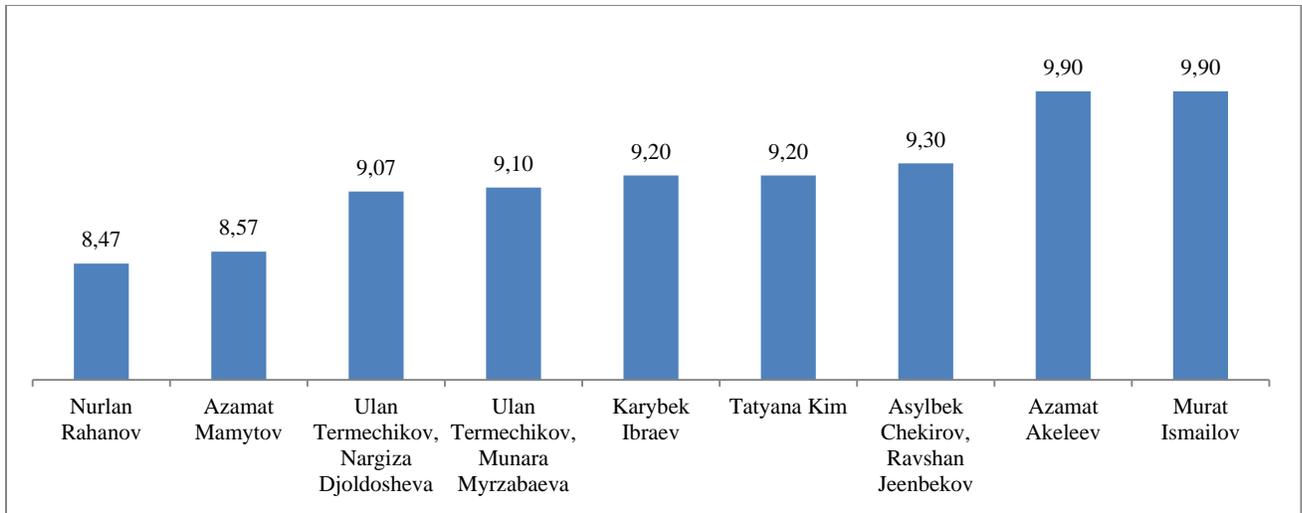
The materials of two informational sessions dedicated to local budgets and budgetary relations were rated the lowest (funded from other sources). This is due to the fact that these sessions were attended by the regional journalists, and their level of understanding is lower than those in Bishkek. Besides, an interest to the economic issues is just awakened.

- *Value of the presenter / presentation of each session*

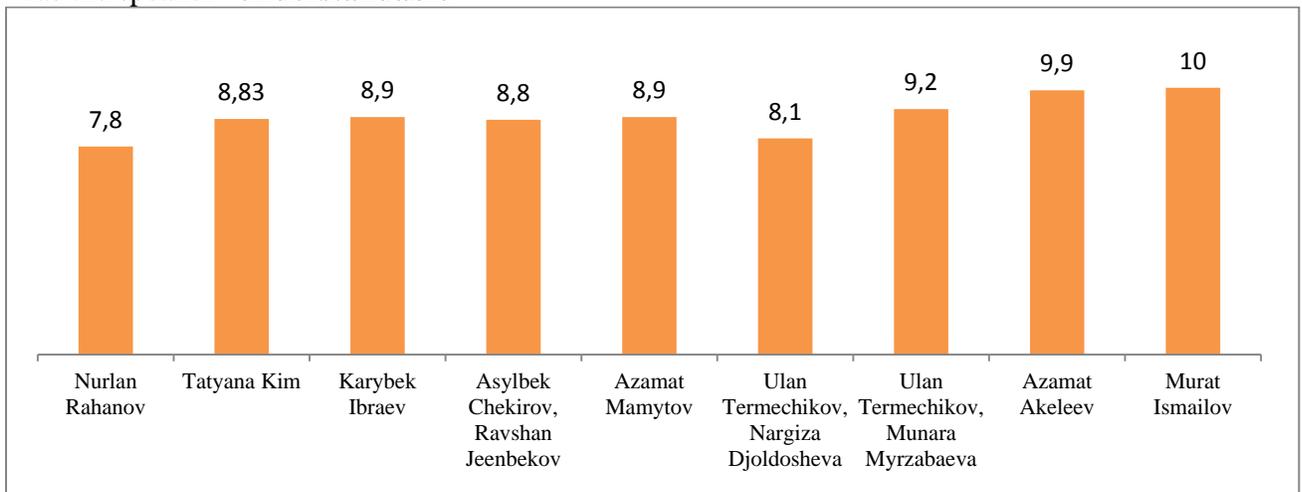
Rating of speakers was defined by the following criteria:

- Was the speaker "understandable"?
- Was the speaker competent?
- What was the quality of arrangement?

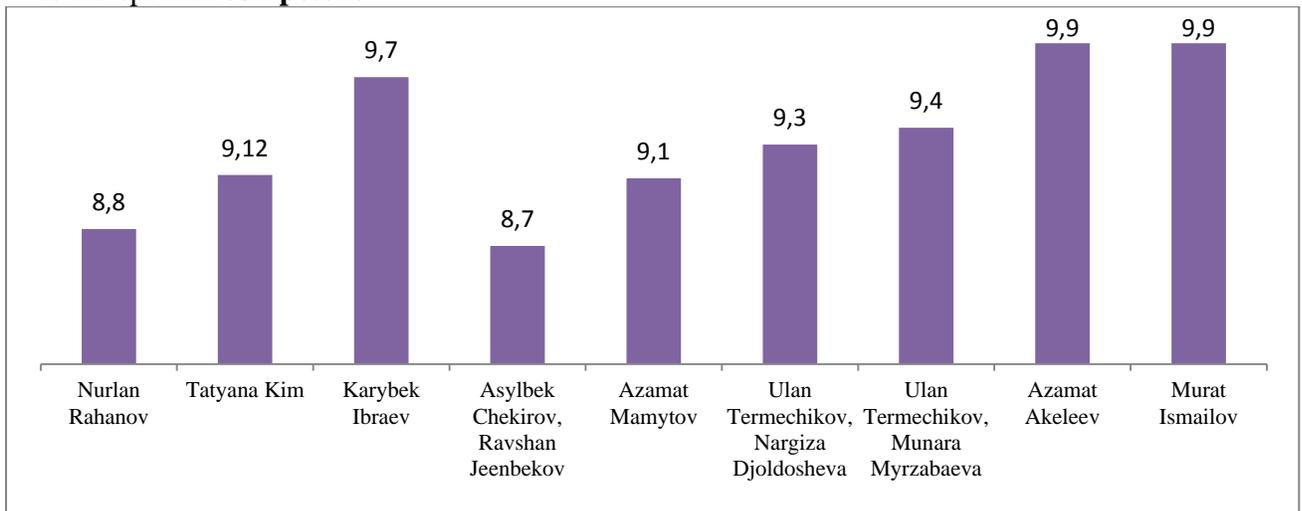
Average value of the three criteria is presented in the diagram below.



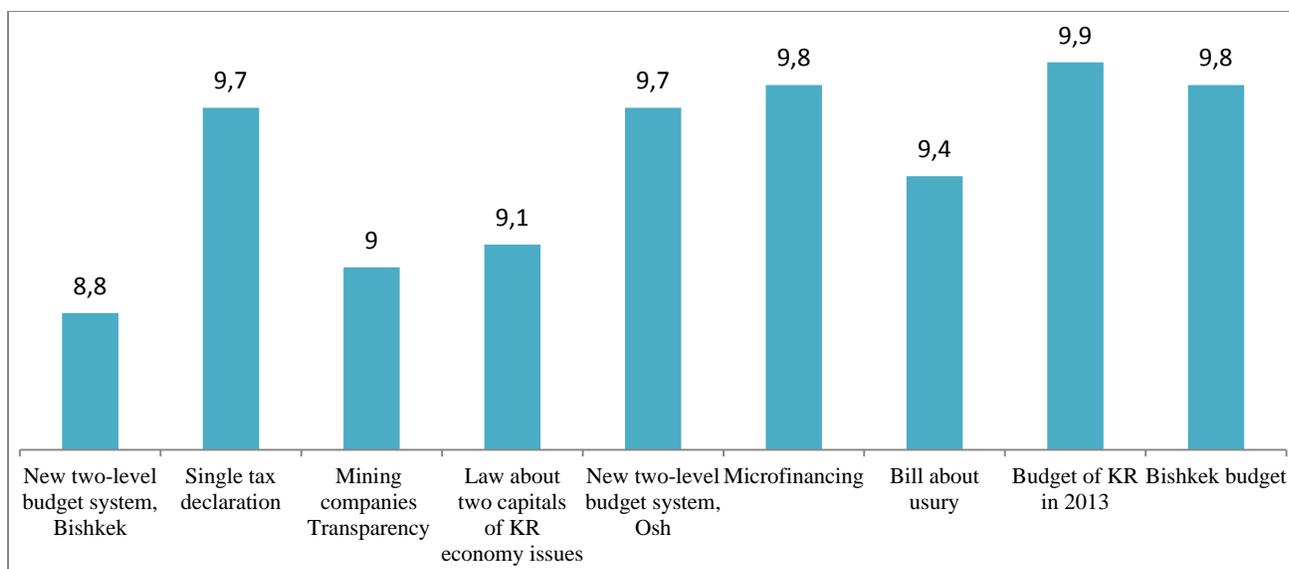
Was the speaker “understandable”?



Was the speaker **competent**?



What was the **quality of arrangement**?



Overall the participants were satisfied by the speakers. Azamat Akelev and Murat Ismailov were highly evaluated, since both of them have comprehensive knowledge in budget issues and explain in understandable manner and have skills to present in front of journalists.

Slightly lower evaluations were received by Nurlan Rahanov and Azamat Mamytov. It is explained by the fact that they are "new" experts who recently started to go public and communicate with the media. They are very skilled and literate, they just have to improve their public speaking skills and gain experience. DPI considers it is important to involve "new" experts in the informational seminars due to narrow expert pool which is one of the important problems of economic journalism in Kyrgyzstan. In addition, we noticed that if the journalists poorly know the problems, or they are economically illiterate, or they have to work hard on the topic, they usually "blame" experts and trainers for their own (journalists') incompetence, and give low marks to the experts.

Summary table of the informational seminars participants' evaluations of the speakers according to all the criteria is presented below (highlighted are the informational seminars, funded by the Project):

Topic of the informational seminar (press topic)	Name of speaker	Whether the theme was relevant?	Was the topic important for the citizens?	Was information useful for your current work?	Was the speaker "understandable"?	Was the speaker competent?	What was the quality of arrangement?
		10	9.9	9.7	9.9	9.9	9.9
Budget of KR in 2013	Zootbek Kydyraliev, Azamat Akelev	10	9.9	9.7	9.9	9.9	9.9
Bishkek Budget	Murat Ismailov	10	9.8	9.9	10	9.9	9.8
Mining companies Transparency	Karybek Ibraev, Orobek Duishev	9.6	9.4	9.1	8.9	9.7	9
Law on two capitals of KR: economy issues	Asylbek Chekirov, Ravshan Jeenbekov	9.5	9.7	9.1	9.3	9	9.6
Micro financing	Ulan Termechikov,	9.6	9.6	9.7	8.1	9.3	9.8

	Nargiza Djoldosheva						
Single tax declaration	Tatyana Kim	9.5	9.2	9.3	8.8	9.1	9.7
New two level budget system, Bishkek	Nurlan Rahanov	8.9	8.3	9.1	7.8	8.8	8.8
Bill about usury	Ulan Termechikov, Munara Myrzabaeva	10	9.4	9.9	9.2	9.4	8.7
New two level budget system, Osh	Asylbek Chekirov	9,7	9.5	9.4	8.8	8.7	9.1
Budget of KR in 2013	Azamat Mamytov	9.4	9.7	9	7.6	7.9	9.3

- *Monitor quantity and quality of articles printed by journalists participating in this project, comparing Bishkek-based with regional journalists, and comparing with previous project's results;*

Quality evaluation of changes in journalists work is a difficult question. After the consultation with Elena Suhir and Bobbie Jo Traut, we formed the following system of evaluation, which we plan to use and get the results in the third quarter. Criteria of journalist's work evaluation BEFORE and AFTER the participating in project.

- Quality of information source – experts
- Quality of information source – state authorities
- Quality of statistics
- Quality of data in total
- Presence or absence of journalist's own conclusions (how does the critical thinking progress)
- Presence of contradistinctions between two opinions – just citations or conclusions
- Career growth
- Was this material quoted by other journalists (it is difficult to know, just from interviews)
- Was there any reaction to material from persons, organizations, whom was the article about)
- (we have to meet and think which criteria we can also be added, we can even work out synthetically index, adding there quantity of increasing economic articles in Media)

Using these criteria we will conduct the comparative assessment by some journalists who participated our press-sessions several times. Following people can be:

- Maxim Tzoi (Bishkek)
- Dima Denisenko (Bishkek)
- Irina Dudka (Bishkek)
- Asel Mambetova (NBT)
- Tatiana Orlova (if possible)
- Irina Bayramukova (Bishkek)
- Madina Sheralieva (Bishkek)
- Zirek Asanova (Jalal-Abad City)
- Masimkan Tursunbekova (Osh City)
- Kseniya Koleno (in spite of that she has gone abroad)
- Myrzakat Tynaliev (Bishkek)
- Jibek Joroeva (Alay Rayon, Osh Oblast)
- Orozaly Karsartov (Jalal-Abad City)
- Mamajam Berdieshev (Batken City)
- Anarhan Janybaeva (Jalal-Abad City)
- Abdilaat Doorov (Leilek Rayon, Batken Oblast)

- Gulmira Abdunazarova (Sulyukta City, Batken Oblast)
- Jakypbek Tologonov (Talas City)

Technology looks as following:

- Firstly we will find their materials before their participation
- Then we will collect their last materials
- Then conduct comparative investigation by criteria, described above
- Then we will have an interview with them with questions according to criteria
- Then compare results of assessment and interview, supplement all marks and get the result

The success of journalists, who participated in the Project, will be demonstrated in the 3rd quarter.

Also we continue to analyze work of journalists from regions of Kyrgyzstan, meet with some editors from journals and newspapers, for example, with Southern and Northern media. The editors defined one general trouble: young specialists of media try to learn, get more experience, but after 2-3 years start moving to the capital or even abroad, so only some journalists carry on writing about regional events.

- *Monitor the number of students who receive certificates and the number of participants of press sessions;*

Not completed.

- *Solicit feedback on the New Economic Journalist Guide identifying its usefulness to prospective journalists and journalism faculty; and*

Not completed.

- *Gauge the usefulness of its website www.finliteracy.kg by tracking the number and type of unique users on a monthly basis.*

Not completed.

Corresponding Activities and/or Results

- *Study Tours for Journalists*

Not completed. Study tours will start this spring, approximately from May, according to our working plan.

- *Informational Seminars “Press Sessions” for Journalists*

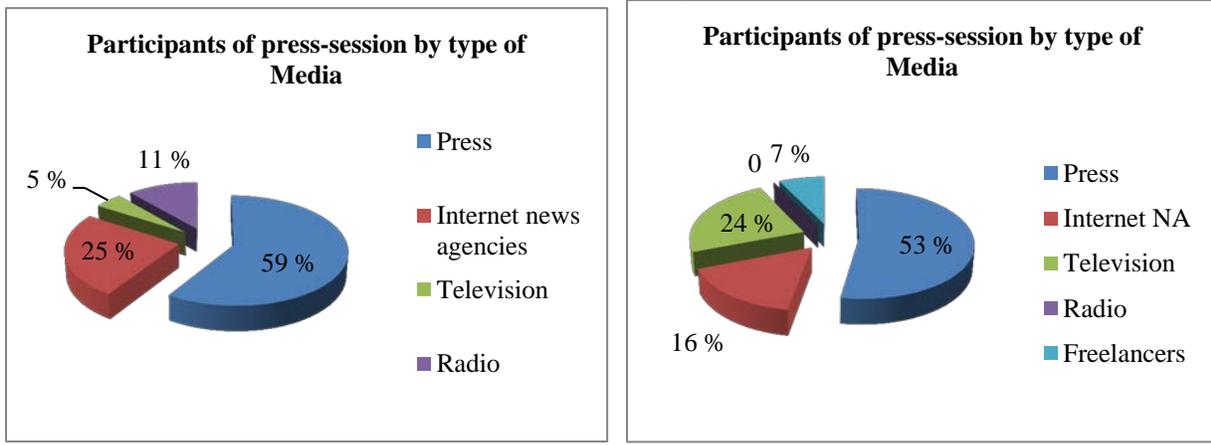
Overall there were 9 informational seminars held: 4 funded by the Project (highlighted blue), and 5 were funded from other sources:

1. Budget of KR in 2013
2. Bishkek Budget
3. Mining companies’ transparency
4. Law on two capitals of KR: economy issues
5. Micro financing
6. Single tax declaration
7. New two level budget system, Bishkek
8. Bill about usury

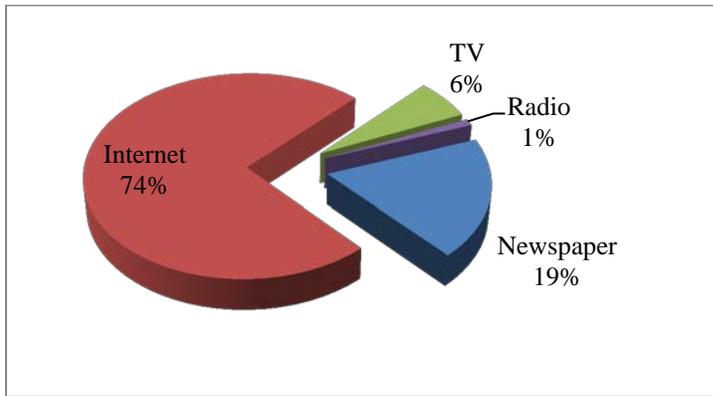
9. New two level budget system, Osh

More than 200 people participated in these 9 informational seminars, 135 of them are the representatives of different media. The informational seminars financed by the Project covered 94 people, and 52 of them are the representatives of different media. We emphasize that increasingly representatives of other NGOs and international organizations have shown their interest to our journalism seminars. We take this opportunity to establish the new contacts, previously discussing the participation of their experts in our press-sessions in the future. Such cooperation is mutually beneficial since for us it is a new topic for journalists, the opportunity to expand the expertise, to find partners.

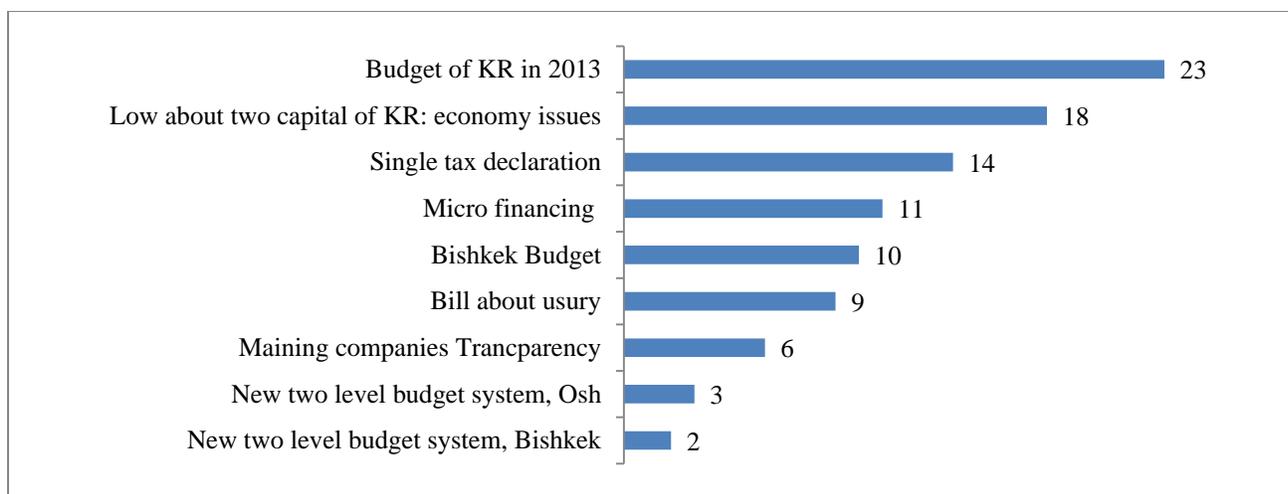
Diagrams given below show the participants of all press-sessions by type of Media, organized within the CIPE project during the 1st quarter of the Project and other press-sessions (not CIPE), organized by DPI and dedicated to economic journalism development.



In general, by the results of the press-sessions there were published 96 materials, most of which were the news media outlets on the Internet.



The most productive in terms of number of materials were the topics on the national budget and the status of Bishkek (draft law discussion). The diagram below shows the number of materials published as a result of information seminars (we still continue collecting materials by some of them).



Informational Seminars (Press-session) “Budget of the country” (2012/11/27)

On November 27, 2012, we held press-session on Budget of Kyrgyzstan for 2013. DPI decided to start the CIPE project because that topic was interesting for the journalists who asked to provide with comments of experts and help mass media to prepare materials on budget. There were two speakers invited as the experts on budget – Azamat Akelev, acting Chairman of the Supervisory Board of the civil society under the Ministry of Finance of the Kyrgyz Republic, and Zootbek Kydyraliev, head of Department under the Ministry of Finance of the Kyrgyz Republic.

Participants of the press-session:

№	Name	Mass media
Journalists		
1	Irina Dudka	IA «24kg»
2	Rahat Talkanbaeva	Freelancer
3	Margarita Lazutkina	“Chuyskie izvestiya” newspaper
5	Dariya Sytenkova	Finansist
7	Roza Almakunova	IA “Kabar”
8	Roza Bekturova	Freelancer
9	Aliya Abdymajitova	IA “Tazabek”
10	Jamilya Koomanova	“Eldik jarchy” newspaper
11	Alena Hvan	“Megapolis” newspaper
12	Maksim Tzoi	“Vecherniy Bishkek” newspaper
13	Nurjamal Kurmankulova	“Ayul demi” newspaper
14	Abdilov Abdimuhtar	“Erkin-Too” newspaper
Speakers and organizers		
19	Zootbek Kydyraliev	Ministry of Finance KR
20	Azamat Akelev	PMU MF KR
21	Larisa Lee	Expert, DPI
22	Aygul Bayishbaeva	Project manager
23	Nadezhda Dobretsova	Chairperson of the Board, DPI

At the beginning of the event the Project Leader, Chairwomen of the Board of DPI Nadezhda Dobretsova welcomed participants at the Project’s office and shared with the planned activities. At

the same time she asked participants – journalists to give or propose the actual topics on economics for the coverage during the press-sessions. Then Larisa Lee, the Project Expert facilitated the press-session. And that's how she commented on the event:

“The draft law "On the Budget of the Kyrgyz Republic for 2013" in the parliamentary committees started to be discussed with the delay for two months. We decided to hold the press-session on that topic immediately after the first parliamentary hearings where the tone was made by the representatives of civil society since that event was not widely covered by media. Journalists who came to the press-session demonstrated not only their interest to the draft law but also their competence. After listening to presentations by experts, they asked a lot of questions amongst of which there were difficult ones such as, for instance, why sequestering budget expenditure does not affect the state apparatus and the parliament? Whose fault was in that per capita financing was misunderstood by many officials or taxpayers? What is the fundamental difference between the budgets of the next year from the current, what risks can we expect in the future? The conversation also touched upon the forecasting of macroeconomic indicators such as GDP growth, inflation, income growth, etc.

Such interest of journalists to the budget theme demonstrated their readiness to learn main financial document in details. That fact made us glad since it showed the growing professional learning. At the same time, we became optimistic with our economic journalists’ pool with the new ones joined.

Our purpose was to make the economic topic interesting. It would be right to consider some sectorial issues in the light of budgetary issue.”

In result of the press-session there were 23 journalistic materials published.

Informational Seminars (Press-session) “Bishkek budget” (2012/12/07)

According to the work plan DPI hold the press-session on Bishkek budget. As a speaker Murat Ismailov, the first vice-mayor of Bishkek was invited to participate. As an opponent of the city authorities Asylbek Chekirov, expert on budgetary relations made a very interesting research on the budget of Bishkek.

The press-session was attended by 10 journalists from Internet news agencies, press and radio. DPI planned to attract more journalists including TV channels, but due to the President Atambaev’s presentation of the Strategy of the Kyrgyz Republic on the same day most of the journalists went to participate such an outstanding event.

Participants of the press-session:

Name		Media
Journalists		
1	Bengard Anastasiya	IA «24kg»
2	Tynaliev Myrzakat	Newspaper “Kyrgyz Tuusu”
3	Lazutkina Margarita	Newspaper “Dlya Vas”
4	Sytenkova Darya	Newspaper “Finansist” and IA “KyrTAG”
5	Kumakova Lika	Delovoy Kyrgyzstan magazine

6	Abdullaeva Aida	IA “AKIpress”
7	Tzoi Maxim	Newspaper “Vecherniy Bishkek”
8	Abdybaitov Melis	Radio “Manas
9	Sheralieva Madina	IA “K-News”
10	Naskeeva Elmira	Kyrgyz Radio
Speakers and organizers		
11	Ismailov Murat	The first vice-mayor of Bishkek City
12	Chekirov Asylbek	Expert on inter-budget negotiations
13	Lee Larisa	CIPE Project Consultant
14	Jamankulova Nurgul	Project Manager
15	Baiyshbaeva Aigul	Project Assistant

The topic of effective money spending from Bishkek treasury was acute and polemic. That was noticed by the participants of the press-session. Journalists have seen not just a dispute, but they became witnesses of different views on the problem and its solutions.

- *Such discussions made people think and analyze whose position is more correct.*
After the dispute of two speakers journalists wrote articles, where they have quoted two opponents. In this case, Asylbek Chekirov has been quoted more often, so we can suppose that expert could persuade representatives of media in his righteousness. Of course, he did it not just by unfounded words, but by presenting his investigation and presentation. Even after some time journalists continued to interview Asylbek Chekirov and turn to him for his expertise. Besides, DPI arranged another event on Bishkek status as the capital (on draft law) with his participation soon. But even during that session journalists asked him a lot of questions on financial parts of that draft law. Partially, how effective they are used by the mayor authorities. Almost all December and January media in Bishkek published a big number of news and articles on that issue:

<http://www.24kg.org/economics/146415-asylbek-chekirov-byudzhet-stolicy-kyrgyzstana.html>

<http://www.24.kg/parlament/143423-zhantoro-satybaldiev-vydelennyj-rossiej-na.html>

<http://www.kyrtag.kg/?q=ru/news/32903>

<http://for.kg/news-203721-ru.html>

<http://news.namba.kg/read.php?id=1059912>

<http://for.kg/news-203724-ru.html>

<http://www.tazabek.kg/news:342957>

<http://inforotor.ru/news/25498330>

<http://analitika.akipress.org/news:4746>

<http://www.tazabek.kg/news:342969>

<http://www.knews.kg/ru/econom/25395/>

<http://inforotor.ru/news/24868510>

http://www.newsfort.ru/news_AsyIbek-CHekirov-Prinjav-byudzhet-2012-goda-parl_file_2109250.html

<http://kyrgyztoday.kg/ru/obshchestvo/item/17756-ekspert-asyilbek-chekirov-byudzhet-stolitsyi-v-lichnoe-rasporyazhenie-mera?.html>

<http://kyrgyztoday.kg/ru/obshchestvo/item/17746-zakonoproekt-o-statuse-stolitsyi-v-chasti-resheniya-byudzhetnyih-voprosov-sozdaet-korrupsionnyie-riski-schitayut-ekspertyi.html>

<http://www.tazabek.kg/news:345903/?from=rss>

<http://members.vb.kg/2012/12/18/kazna/1.html>

Additionally, that topic was facilitated by the well-known experts on budget processes – Murat Ismailov and Asylbek Chekirov. Also they were invited to come back to that topic when the capital budget would be approved.

In result of the press-session there were published more than 15 online materials, and the topic has not lost its relevance today.

Informational Seminars (Press-session) “Micro financing” (2012/12/26)

According to the work plan DPI held the press-session on micro financing. Speakers Ulan Termechikov, the chairman of MFC “Financial Group Companion”, Nargiza Joldosheva, director of Association of micro finance organizations in Kyrgyzstan and inspectors from the National Bank were invited to participate.

12 journalists participated the press-session (please, see below diagram and Appendix from Internet news agencies, press and television). News on the television was presented twice on the National TV channel at the same day.

- How did the participants contribute to the TV news programs? What opinions and information did they present on the programs? How do you think the press session on microfinance influenced the reporting?

Participants from TV channels usually make reportage by collecting some interviews from different events, dedicated to one theme-problem. In this case, correspondents have got the interview from Nargiza Djoldosheva, who is the director of MFO association and add it to reportage, from Parliament and meetings.

We have to emphasize that TV correspondents try to make analysis of the topic usually. But, unfortunately, not always they manage with that due to lack of report skills on economic and financial issues. That’s why they traditionally take a theme by the task of editor, looking for experts, attend the event and gaining a few scenes. Then they make voice-over, assembles various expert opinions around this topic and run on TV. But before the interview they ask few questions in order to clarify and understand the topic. By the words of TV correspondent Baktygul Dalbaeva (now she works for NTS on economic themes, but before she worked for NBT), she enriched her skills and abilities as a professional journalist due to the KSEPC and DPI educational projects on economic and financial issues.

Participants of the press-session:

#	Name	Media
Journalists		
1	Kostenko Yulia	IA «24kg»
2	Diveeva Yulia	IA “K-News”
3	Tzoi Maxim	Newspaper “Vecherniy Bishkek”
4	Almakunova Roza	IA “Kabar”
5	Kumakova Lika	‘Delovoy Kyrgyzstan’ magazine
6	Abdullaeva Anara	IA “AKIpress”
7	Tynaliev Myrzykat	Newspaper “Kyrgyz Tuusu”
8	Lazutkina Margarita	Newspaper “Dlya Vas”
9	Lim Evgeniya	IA “KyrTag”
10	Majitova Jyldyz	Correspondent of National TV channel
11	Luneva Galina	Newspaper “Slovo Kyrgyzstana

12	Bayramukova Irina	Newspaper “The Times of Central Asia”
Speakers and organizers		
13	Termechikov Ulan	The chairman of MFC “Finance Group Companion”
14	Joldosheva Nargiza	Director of Association of micro finance organizations in KR
15	Hamraev Ulanbek	Inspector of external control department at NB KR
16	Lee Larisa	CIPE Project Consultant
17	Jamankulova Nurgul	Project Manager
18	Baiyshbaeva Aigul	Project Assistant

One of the most important spheres of the Kyrgyz economy - market of micro financing is full of gossips, scandals and conflicts for the past two years. After the accidents in June 2010 a lot of borrowers faced the problems related to credit repayment. In spite of that commercial banks and credit institutions tried to help their clients to prolong the agreements, some were saved from interest, loan of some people was forgot, but problems were not solved.

Politicians, using angry citizens, tried to transform economic problems to political. New “headache” such as “revolt of borrowers” has appeared. Some clients of micro financing organizations started to demand debt forgiveness, interest rate decreasing and then liquidation of banks, pawnshops, finance companies and even the National Bank, which is a regulator of the market. Under the press of mass the National Bank and Parliament initiated lots of changes in current laws, which have been regulating this sector of economy till this moment. There are different regulatory acts, some of them are positive, but others can destroy all the successes in micro finance sector. For example, demands of some deputies to set fixed interest rates, and also make control of the National Bank much stricter.

Kyrgyzstan is poor with mineral resources and question related to the foreign investments is very important here, issue of saving stability and steadiness is one of the most important things. There is an easy and quick access to credits for village population, who are not spoiled with attention of banks. Thousands of people in Kyrgyzstan became wealthier thanks to loans from micro finance organizations and companies.

Choosing this topic for the press-session was a right decision. Despite of vanity before the New Year the journalists were very interested in this topic. Experts of the National Bank and micro finance sector prepared materials: documents, presentation and even a short video about loaners, who won the poverty using credits. Mass media were interested in the experience of foreign countries, statistics, and role of regulator and, of course, predictions about developments in this sphere.

- *A discussion during the coffee-break is one of the proofs of that meeting’s usefulness.*

First of all, conversation continues in easy atmosphere, speakers’ behavior is free between each other and journalists. Usually, hot discussion between the opponents carry on during the coffee-break, journalist can see it and even get more information, additional arguments and feel “battle” of two different points of view. So, such atmosphere, as a rule, exists on breaks of every press-session, not only by micro financing. Secondly, participants can ask those questions, which they didn’t catch to ask during the press-session. Some journalist use coffee-break to receive exclusive comments, contacts and so on.



Besides, during such breaks the DPI makes mini-survey in order to identify the future topics which are interesting for the journalists. Usually, the DPI staff ask what topic or which experts they can't reach in order to get expertise and analysis on actual theme.

In result of the press-session there were 11 journalistic materials published.

Informational Seminars (Press-session) “Single Tax Declaration” (2013/01/25)

As we stated above DPI held the press-session on the topic of Single tax declaration. Speakers Tatiana Kim, chairperson of the Chamber Board of tax consultants, Kasymaliev Adylbek, deputy Minister of Economy, Aydaralieva Rasym, vice-chairman of the State tax department, Abdykaimov Oktyabr, vice of STD were invited to participate.

News on the radio was presented on the “Birinci Radio” channel at the same day at 19.30 in the news blog. Other news materials were published too. The topic of the press-session was really popular among the people; journalist asked as many questions, as time could allow. Necessity of declaring incomes by population – this campaign holds every year and that was not for the first time in 2013. Faithfully, starting from 1996. That's why citizens know about attempts of State tax inspection to make everybody give declarations. Besides, some journalists even asked for the DPI consultant Larisa Lee if there any chance to see some authorities or top-management that could provide with truly information from the first-hand. The last year's fiscals assert that everything is ready to hold large campaign, however, before two-three months to fixed date in parliament, among the population started discussion about unavailability of citizens and tax inspections for receiving, treatment and saving declaration. At that moment date of general declaration was delayed till the next year. Such situation was in President Bakiev's time. It has happened this year again, President A. Atambaev has issued decree about delaying of campaign for one year. In this case, the Kyrgyz authorities just don't have enough policy will to start.

As for another sources of information, journalists of radio, who participated at the press-sessions of DPI, they use the information in different ways: in the news story, some radio programs, or after the press-session, they can take an extended interview with the Speaker. But all this can be done if the

press-session attended by the competent journalist with experience or trusted editor or producer, or as the editor, which can decide whether to develop the subject further, or to limit the news block at a time.

Significant role in this play the handouts that are put in a folder for journalists. Usually, we, as organizers, ask handouts, presentations, information sheets or thesis from the speakers in advance in order to prepare them in two languages if there is such a need. Because, very often journalists or TV correspondents use in their articles/materials that information from handouts, fragments of speakers' presentation and also other opinions.

Participants of the press-session:

#	Name	Media
Journalists		
1	Tynaliev Myrzykat	Newspaper "Kyrgyz Tuusu"
2	Tzoi Maxim	Newspaper "Vecherniy Bishkek"
3	Lazutkina Margarita	Newspaper "Dlya Vas"
4	Abdullaeva Anara	IA "AKIpress"
5	Kaparov Darhan	Newspaper "Vesti Issyk-Kulya"
6	Akmatov Adilet	IK TV
7	Tologonov Jakypbek	Newspaper "Talas turmushu"
8	Koomanova Jamilya	Newspaper "Eldik jarchy"
9	Popova Tatiana	Newspaper "Moi gorod"
10	Ismanov Almaz	"Azattyk" radio (in russian)
11	Marchenko Ivan	IA "24 kg"
12	Kumakova Lika	"Delovoy Kyrgyzstan"
13	Taalaybekova Gulgaaky	"Birinchi radio"
14	Altymyshova Zeynep	"Azattyk" radio (in kyrgyz)
15	Ibraimova Gulmira	Newspaper "Argumenty I facty"
16	Denisenko Dmitriy	Newspaper "Vecherniy Bishkek"
Representatives of different organizations		
17	Uskenbaeva Gulnara	Assosiation of suppliers
18	Isabaeva Syrga	Soros Foundation – Kyrgyzstan
19	Kavine Lyudmila	"Pragma" corporation
20	Sydygalieva A.	Consultant of IFC project
21	Churakova Olga	Design studio "Create"
22	Keresova Mirabella	Expert from business organization
23	Shevchuk Ekaterina	Expert from business organization
24	Evdokimov Alexey	Expert from business organization
25	Cheremeshna Elena	USAID-UNDP
26	Abdibekova Nurilya	ARIS
27	Niyazalieva Aliya	USAID-Reforms
28	Rays Svetlana	Expert from business organization
29	Cherepkova Irina	Expert from business organization
30	Rahanov Nurlan	ARIS
Speakers and organizers		

31	Kim Tatiana	Chairperson of the Board CTC
32	Kasymaliev Adylbek	Deputy Minister of Economy
33	Aydraliev Rasym	Vice-chairman of STD
34	Abdykaimov Oktyabr	Vice-chairman of STD
35	Dobretsova Nadezhda	Chairperson of the Board, DPI
36	Lee Larisa	Media consultant
37	Jamankulova Nurgul	Project manager, DPI
38	Buzurmankulova Altynai	Project assistant, DPI

Within the plan of the Government, the State Tax Service, the Ministry of Economy this year must provide mass campaign by presenting Tax Declaration. The Government of Kyrgyzstan tries to persuade that Tax Declaration should be submitted not only by the official employees and businessmen, but also by ordinary citizens as it is working in many civil countries.

Such way will help the Government to know real volumes of incomes, properties of the parliament members, official employees, who know how to hide their wealth by registering own properties for relatives, parents-pensioners. Another goal was to create a single informational database. However official declarants and population were not glad about this initiative. The first ones' position is understandable, since they don't want to share information about their real incomes. At the same time, population is afraid of being controlled by the tax officers, even if they don't have important property. According to the position of the State Tax Service consultants and officers of STS, the reason of the populations' fear is the absence of financial literacy and physiological issues.

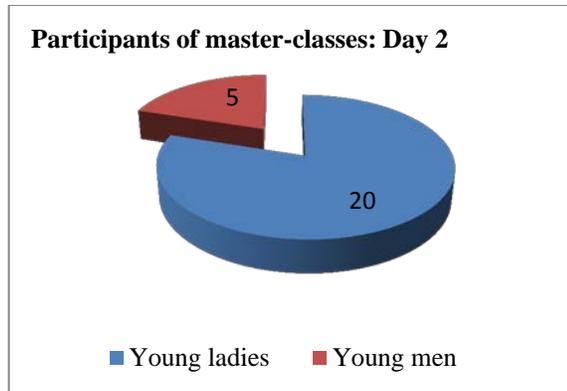
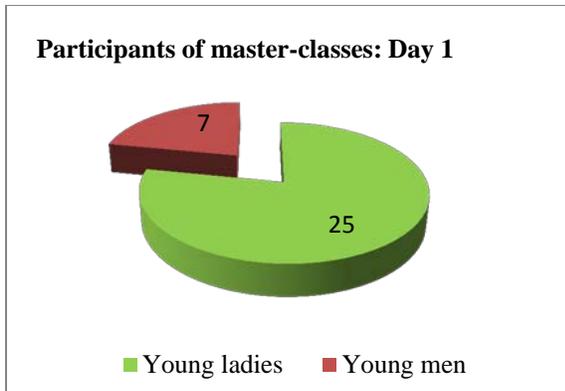
During the preparing for this press-session the official decree about mass tax declaring prolongation was announced by the President. The main argument was that STS and population are not ready to proceed.

But the press-session was not canceled; this topic was interesting not only for media but also for international and local public organizations. Participants asked experts about the fines for those who will not report the declaration, how the State Tax Service would check the truthfulness of information, where it will be saved and if it is possible to make the questionnaire easy. Overall conclusion that was made by the participants is that country in any way will have to proceed with declarations soon or later. So, we should prepare in advance. For this reason we have to provide correct information to the population both to young and old.

In result of the press-session there were 14 journalistic materials published.

- *Nurturing New and Future Economic Journalists*

According to the preliminary negotiations with the Dean of the Faculty of Journalism of Bishkek Humanities University, DPI held two-day seminar (master-class) on 11-12 December 2012. The first day seminar was attended by 32 (25 ladies and 7 young men) and the second day seminar attended 25 (20 ladies and 5 young men) students of the Journalism Faculty. Since such events have never been conducted before and professor staff is limited to their education course, the collaboration between the faculty and the Project attracted the interest of the students.



At the very beginning of the first day seminar the Dean of the Faculty **Altyn Asanova** greeted the DPI project staff and expressed her gratefulness to CIPE who provided such a chance to the students. After that the Project Consultant **Larisa Lee** shared with the seminar (master-classes) short description and agenda. She explained the importance of these classes to the students and usefulness for them in the future.

The first day Lecturer **Nargiza Djoldosheva**, the Executive Director of Association of Micro-Finance Organizations, presented the topic “Hard money”. Her presentation included the background of establishment and development of micro-finance market in Kyrgyzstan (<http://dpi.kg/ru/news/full/426.html>). She also explained the meanings of such words as: lease, loan shark, black market, micro-finance, micro-credit, loan, credit union, deposit, loan portfolio, the borrower, etc. After her lecture they had discussion which took a long time; students asked a lot of questions on how to work with numbers and statistics, how to operate with different terms and the difference between the credit union and microfinance organization. After the theoretical part of the seminar Larisa Lee conducted the practical part on the presented topic. All students were divided into 6 groups and given the task – to make the news report or article on the learnt topic. Because of the lack of time the students were asked to prepare their news materials for the next day.



The second day seminar’s topic was on remittances, non-cash payments and the importance of those investments in the economy – “On the Gastarbeiter soldering”. **Tamara Pak** was invited as a Lecturer. She is an acting Head Professor of the Institute of Economy and Finance under the Academy of State Management under the President of Kyrgyz Republic. The subject attracted particular attention because many of them have faced with credit, repayment in their lives; relatives

of some of them are earning money abroad. And all the difficulties and problems they know firsthand.

During the discussion some of the participants asked a lecturer on various occasions and consulted. Her presentation was impressive since it kept the up-to-dated data. For better understanding of participants the handout was translated into Kyrgyz. This factor played a role, when they were given individual homework - they recognized that all understand and have no more questions.

Also we are preparing for the next master-class which is planned for Friday, 15th of February. The long period between this event and previous one is connected with the long winter holidays of students. As a part of master-class there will be analysis of students' works by writing short articles or news and given them valuable advices in their future work.

We came to that conclusion after analyzing the students' first works. They were weak enough. In spite of that they were the students of the third course they have serious difficulties in learning the economic issues; they are afraid of the numbers and terms, didn't know how to use the information source correctly. So that they could use their knowledge further in practice, we should give them at least a basic knowledge of newsmen or reporter.

Student festival «Media butterfly» nomination “Economic Journalism”

On November 27, 2012 DPI held training for the students – future journalists on economic journalism. That training was arranged by the request of organizers of the student festival “Media butterfly”. That event was not included into the Project work plan, but we considered it necessary to inform about it, because it deals with the Project activities. The festival includes the number of creative competitions for students (advertising, film, public relations, and economic journalism). Students are the organizers. DPI is one of the sponsors of the festival in the "Economic Journalism" (at their own expense). We found it appropriate to take part at the festival since it covers all students of Bishkek Universities. We hope that the students – festival participants would become participants of our Project master-classes. For this reason Nadezhda Dobretsova prepared tips for future journalists about how to write on economic articles and how to choose the topic (see the Annex 4).

On February 5th, 2013 chairperson of DPI, Nadezhda Dobretsova as a head of jury evaluated some articles written by the students of journalism faculty within the “Media Butterfly” festival. 3 of them are the participants of DPI seminars. Luckily, students understood that they should write about economy in easy manner using the words, which are understandable for simple reader. First places were given for following articles: 1) about absence of Zoo in Bishkek, how much does taking care of animals cost, and prices of tickets to Zoo, also where it is more reasonable to have Zoo, in Karakol (there it is) or Bishkek; 2) article about prices for higher education, sometimes we can pay twice, when we study badly; 3) also article about celebrating the weddings and to make it a great event without spending a lot of money. In conclusion, Nadezhda Dobretsova suggested to the students to work and improve their articles and post them on web-site www.finliteracy.kg and also they were offered to participate at press-sessions.

On February 13th, 2013 Nadejda Dobretsova participated in the award ceremony on the "Economic Journalism" held at the Department of Mass Communication of the Kyrgyz-Turkish University

"Manas". The ceremony was attended by students from most universities in Bishkek, who also attended the festival in creative competitions in the categories: Film and Television, Radio, Economic Journalism, Art, Design, Photography, Animation.

Development Policy Institute acted as a co-sponsor of the festival by providing funds for the production of several statues "Media butterfly". The festival was initiated and organized by the students of the Kyrgyz-Turkish University "Manas".

- *One day Conference*

Not completed.

- *Website for Journalists and Public*

Not completed. The work on the website is a bit delayed due to the debates among the team of the project's implementators on the main purpose of the website (Project or platform for the journalists of Central Asia); which columns should be there, what languages the web site should contain, what additional services it should provide. After several discussions we came to consensus and currently work on developing a new platform for the website has begun.

We intend to expand the audience that will use the resources of the site. Therefore, we decided to name the new site www.economymedia.com as the use of .kg is limited. We would like the site to work for the journalists from other countries of Central Asia and the CIS. We hope that the site will grow into a portal and become a real helper in organizing a platform for dialogue and exchange of views between journalists from different countries.

The work on the website www.finliteracy.kg is in progress; we received some suggestions for the development of the website and carefully studying them, and will have further discussion. We are planning that the website will start functioning in early March.

II. ANALYSIS OF IMPACT

During the period from November 2012 till January 2013 (the first quarter of the Project) the situation in the Kyrgyz Republic has been relatively quiet, however in terms of relations between the state, business and society there have been several "painful" issues noted, attracting journalists' attention. Firstly, there were ongoing investigations and scandals of the events of April 2010, a violent change of power in the country with the riots. On November 25 elections for deputies of local councils held across the country for the first time according to the party principle. Considerable debates are devoted to the Government's intention to review the terms of agreement with the Canadian gold mining company Cameco, which produces golden deposit "Kumtor" and generating 10% of GDP. Hot debates and discussions about the feasibility of further development of mineral resources by foreign investors, such as Jeruy and Andash continue. The issues on Kyrgyzstan's strategic industry – energy, are also in the spotlight and online publications. Also in the center of media's attention there were issues of implementation of the state budget in 2012 and the draft budget for 2013. Society concerned whether the government will cover the vast resources deficit, whether to mobilize the population to address the global challenges of the country out of the economic crisis.

The fate of the microfinance sector is still not resolved. A number of bills to toughen the regulatory impact on this sector of the economy generated a backlash of the business community, who feared for the investment climate. Reforms are needed in the market - it was understood by everyone. However, too much government interference in business, which rose to its feet without government's help, did not benefit anyone ever. There are real fears that tighter rules without economic justification may impede access to finance for small and medium businesses, and facilitate the outflow of investments from the country, which is currently experiencing an acute shortage of finances.

The center of the scandal was the budget of Bishkek, since after the elections of the city council the Parliament initiated promotion of the draft law "On the status of the capital city," which was found to contain a large number of the contradiction to the Constitution, corruption schemes and management schemes violating the principles of democracy.

In this political and economic context the Project's activity in particular choosing the topics for press-sessions was defined by their popularity among journalists and the complexity of understanding. The team of the Project implementers is very pleased that one of the first topics of the informational seminar was dedicated to the Bishkek budget, as later this seminar was actually a catalyst for vigorous public debate. Thus, DPI held a press session, where it was explained to journalists that the Bishkek budget is poorly managed, but Mayor's Office demands more and more money from the state budget, reasoning it by that the capital should have an appropriate appearance. Our experts have proved that most part of the money in the city budget spent not on public utilities, but on performance of public functions as education and health. The draft law requires that the Bishkek budget keeps 35% of all taxes collected in the city, even those that are normally collected by the state, such as VAT. Such requirement jeopardizes the whole budget system, requiring additional 6-8 billion soms for Bishkek. We found out that the draft law "On the Capital Status" contained a corruption scheme as the creation of extra-budgetary fund to be administered by the mayor alone, without the approval of the City Council, and place for those 6-8 billion soms.

Further, the draft law proposes that the mayor without the approval of the City Council may bring amendments to the budget. Also it states that the mayor alone will appoint and dismiss heads of public services, but also the heads of the territorial divisions of the republican ministries, located in Bishkek. Overall the draft law provides the mayor that amount of power in Bishkek, has neither the President nor Parliament nor the Government. Limitations for the City Council in depriving it from the right to manage the budget would cause great damage to the democratic process, to the rights of the residents of the city to participate in self-government process through the representative bodies.

All this has been evidence-based and described in details to journalists during two informational sessions: Bishkek budget and Draft Law "On the Status of the Capital". After the workshops a huge number of publications followed by the reaction of members of parliament, and began to appear exculpatory articles from the Mayor's Office. The campaign was joined by many public organizations. The Ministry of Finance has given a negative conclusion and the Committee on the Budget of the Parliament initiated a public hearing. As a result, on February 12, 2013, public hearings in Parliament on the draft law where the Chairman of the Budget Committee of Parliament stated that the Committee will do its best to prevent the adoption of the law in its current form. It should be noted that prior to our informational sessions a campaign against the draft law occurred in

the media, so the draft law easily passed the discussion in fractions and parliamentary committees, and even during the first hearings the deputies "did not notice" the anti-democratic and corrupt norms contained in the law. Now Budget Committee intends to appeal against the first hearing on the law, as the draft law is on the budget and cannot be approved without a positive conclusion of the Government (and the Ministry of Finance has given a negative opinion after our press sessions). Thus it was managed to postpone the draft law and there is great merit of journalists, who participated our informational seminars.

Regarding the difficulties, it should be noted a bad trend in work places of journalists. Today, the Internet media have a greater profit and can afford to raise the salary of journalists, pay higher honorariums than the print media. Moreover the Internet media can publish mainly briefs, with no evidence of research and analytics, while the print media cannot do the same without detailed analytical articles. In result there was a tendency among print media journalists who write analytical articles prefer working in the Internet media. And there they stop writing analytical articles because they earn more money by producing more news. Moreover decrease in print runs of the Russian-language media is continued, which provided more economic journalism traditionally in comparison with the Kyrgyz-language media. In this respect, the Project faces an increase of the amount of materials, while quality and availability of analytical elements decreases. However, we do not know how we can counter this situation.

However, the "old" participants of CIPE previous projects demonstrate professional growth, although some of them are leaving the country or moving to another job. More details on the trends and the level of growth of our journalists, we will prepare for the third quarter of the Project implementation.

Another challenge was the physical change of the venue. For few years projects on economic journalism were based in the conference hall of the Kyrgyz Stock Exchange and journalists got accustomed to that site. But in order to be effective, it was decided to implement activities in the office of the Development Policy Institute so all Project activities were concentrated in one place. Journalists have to get used again to the new venue, but the process is going well and almost all of them know the location of DPI now.

It should be noted that the Project had a strong positive impact on Development Policy Institute. With the Project's funds a meeting room for 30 people was equipped with modern projector, wall screen and transforming furniture (narrow tables on wheels). This equipped space is comfortable for conducting events for journalist in comparisons with a conference room in KSE. Moreover, the success of informational seminars (press-sessions) began to attract market participants, and DPI began receiving requests to hold such sessions for payments. This has a positive effect on the sustainability of DPI. In particular, one such paid session was held in February. However, DPI has a careful approach in choosing topics in order not to compromise the platform. For example, we have agreed to hold a paid press-session devoted to the analysis of the draft law on usury, but refused to hold a session on the success stories of micro finance companies, as we believe the success of this business is not really ambiguous and bearing the financial risk for the illiterate population. We agreed to hold a paid press-session dedicated to analyzing of the bill on usurer as many independent experts believe it raw and populist. According to many, those Deputies who actively push for it in the Parliament are far from solving the economic problems, and thus realize their political interests. We intend to approach carefully to the selection of topics for press-sessions on a commercial basis. The

actuality of problems, the interest of journalists and public interest are on the first place for DPI. Meanwhile, we believe that it is impossible to limit the popularity of the platform. The more frequent and more different events will be on this platform – debates, discussions, conferences, and the better for the development of economic journalism.