

**Folly with Harlan Mandel
Media Development Loan Fund**

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By Judy Dater**

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Media Development Loan Fund

Harlan Mandel, Deputy Managing Director

Media Development Loan Fund is a not-for-profit organization providing low-cost loans to independent news media in emerging democracies. At work in Africa, Asia, Latin America, the CIS, and Southeast Europe, MDLF seeks to secure a strong and independent press in countries with a history of media oppression.

Through low-cost capital, in-depth training and long-term advice and support, it helps news outlets committed to responsible journalism strengthen their operations and become commercially sustainable. MDLF is a New York-registered 501(c)(3) non-profit corporation. MDLF was founded in 1995 with seed money provided by George Soros. MDLF is also backed by the Eurasia and MacArthur foundations, and the Dutch, Swiss and Swedish governments.

How did Media Development Loan Fund (MDLF) come about and what was the original vision for the Fund?

Sasa Vucinic, who is still managing director, and Stuart Auerbach, who passed away a number of years ago, founded MDLF. The germ of the idea for MDLF came from Sasa's experience. He is from Belgrade and was an independent journalist working there. He previously headed up a political weekly and then helped start Radio B92, which has become quite a famous news outlet in that part of the world. He tells this story about when he was managing B92 that I find very telling. He had the experience of being asked to come to New York for a conference and they paid for him to fly to and stay in New York. It was great for him then because it was during the tough times in Yugoslavia in the early 90s. It was good for him to get out of the country and decompress. But on the way back, he was thinking about how much his travel and accommodations must have cost and he thought "you know with that money, I could have bought a bigger transmitter for my radio station and with that I could have actually reached a bigger audience



Harlan Mandel, Deputy Managing Director, MDLF
Photo courtesy of MDLF © 2008

and sold some more advertising and even paid the money back over time." In a nutshell, that is the basic idea that gave birth to MDLF.

Stuart Auerbach was a well-known journalist with the *Washington Post*. Sasa and Stuart worked together in Prague in 1994 and 1995 as media support consultants. Sasa was traveling all over Eastern Europe and the former Soviet Union helping people setting up radio stations.

Stuart had a background in business reporting among other things. Stuart came at the same idea but from a different direction, as an outside observer. Together they formed the basic idea for MDLF. Stuart was the first chair of our board.

MDLF provides low-interest loans, however it functions like a venture capital fund. How is it like a venture capital fund for borrowers?

When MDLF started, the thought was to just loan money to independent news outlets, but it quickly became clear that was just the beginning. The kind of media companies that we work with need a lot of other assistance around building their capacities to use the money and to leverage the money in the most powerful way.

From the very beginning we have approached our work with the goal of entering into a deep, engaged relationship with every one of our clients. That relationship starts even before we disperse a loan, with the application process itself. We go through an in-depth business planning process with our clients. And then through the life of the loan, we provide extensive

strategic advice and a lot of resources around building up the management capacities of the companies. We have quite a bit of in-house expertise and outside consultants and trainers. But most importantly, at this point we have a great network of clients working under similar circumstances in similar environments. Whether it is South Africa or Russia, our clients share more similarities with each other than with a news outlet in the United States or Western Europe. So we work to identify good ideas and solutions created by one client and circulate them around our network of clients.

In 2006 MDLF launched a security with the Swiss bank Vontobel and Zurich social investment specialists responsAbility to mobilize private investment. It was the first time a social cause was listed on a major stock exchange. What impact did that have on MDLF and on private financing?

How can social venture funds like MDLF access the private capital markets? We see that as a very important question that we need to figure out, because it represents a much larger potential resource for the sector than traditional philanthropy. There are a number of other social venture intermediaries out there—like our partners at responsAbility and the Calvert Foundation, and also Good Capital—trying to figure this out as well.

Most of our clients are not in a position to be accessing private capital markets directly, but we think that through MDLF we can get them that access. The security that was issued by Vontobel was called Vconcert responsAbility Media Development, which is listed on the Zurich stock exchange. Vconcert responsAbility Media Development was a new idea for how social ventures can approach the capital market. For us, it was an important milestone in a number of ways. Just successfully going through the due diligence process that an institution like Vontobel would require was a milestone for us and, in a sense, gave us a very different kind of seal of approval. Also, the experience gave us a better understanding of what it means to try to access that marketplace and how very different it is from traditional fundraising. responsAbility is a great outfit, and they did an excellent job taking us through that process. We're now looking for new ways to do something similar again.

MDLF, founded in 1995, pioneered a new model of media support, focused on developing self-sustainable independent media outlets.

From 1996 to 30 June 2005, MDLF has:

- financed 80 projects, for 47 independent media companies, in 17 countries;
- provided \$42.5 million in low-cost financing;
- collected \$13.4 million in principal repayments;
- collected \$3.5 million in interest and dividends;
- written off as losses only 2% of the total loaned and invested; and
- ended June 2005 with a \$28.5 million portfolio of outstanding loans and investments.

Source: Media Development Loan Fund

What are some of the key issues and problems faced by independent news and media outlets?

Today, on the one hand it is the same old problems. There continues to be pressure placed on independent media in the places where we work—like Guatemala, Serbia, Russia, Senegal, Malaysia to name just a few—by governments, economic actors and also organized crime. But the way they do it has changed over time, as it has become much more subtle. Instead of coming in the front door with baseball bats, governments have become more sophisticated and create pressure in other ways through discriminatory tax audits, advertising boycotts, libel suits, and a number of other things. Some of our clients continue to be exposed to those kinds of measures. For example, our client in Montenegro, a daily newspaper called Vijesti, over the past year has been hit with all of it, from their director being attacked and beaten with steel rods in September, to a tax audit that was suddenly thrown at them, to the current prime minister of the country

hitting them with a million euro libel suit which would be enough to cripple the company.

But beyond that kind of challenge, like the rest of the media industry, our clients face the implications of their audience shifting to online media and how that will affect the economics of the media business. Where we work, there's generally been a time lag with Internet penetration expanding at a slower rate than in the United States and other developed markets; but it's coming. Still, we view online media as much more of an opportunity for our clients than a threat. And we've been working with our clients on how to seize these opportunities.

Would you briefly explain the application process for loans, the criteria for selection and the relationship with borrowers?

The key thing is they need to be independent and that means not owned by the government, a state agency, a foreign legal entity or an oligarch business interest that may interfere with editorial policy for its own interests. They must devote a significant part of editorial content or programming to fact-based news and documentaries, independent from the influence of the government or of any other interest group; have an established reputation for promoting democratic institutions and practices and exercising the principles of a free, independent and responsible press; offer coverage of different political opinions and promote human rights, the rights of ethnic minorities and inter-ethnic co-existence; have been operating legally in its home country for at least a year; present a detailed project aimed at broadening and strengthening the outlet's operation; have strong prospects of being able to repay the loan and becoming self-sustaining; and ensure that funds will be used as stipulated and provide MDLF with unrestricted access to accounting records.

The key part of our application ultimately is the business plan. We require very deep, detailed business plans. There is a spectrum of understanding of what a business plan means from two pages of text to twenty spreadsheets. We're on the twenty spreadsheets side of the spectrum. Working with our clients to get down into the deep details of the numbers of their business

helps them understand the business in a new way. Since the media business tends to be a low margin business, getting into those finer points can really make a difference. So we work with them on developing quite a sophisticated kind of business plan that serves as the basis of the application.

We have a two-step application approval process. The first step of approval is from our board of directors. They approve an applicant based on the criteria that I talked about earlier. To a large extent, the board's decision is based on the quality and impact of an applicant's journalism, opinions collected from media support organizations and other reliable civil society representatives with local knowledge, site visits by board members or staff and interviews with the applicant's owners and editorial leadership, and a careful legal review to confirm the company's independent ownership. The board also takes into consideration the total amount of funds from the loan pool available for the particular country or region.

Once they are approved as an applicant by the board, we put on our banker hats. The applicant defends its project and business plan in front of an MDLF Investment Committee. The Investment Committee assesses the financial viability of the applicant's proposal. The Investment Committee has the right to approve or reject a financing request, or send it back to MDLF staff with a request for additional information or clarification. If the Investment Committee approves the application, it decides on the amount, interest rate and conditions of the loan or other financing.

How often are loans structured to give managers and journalists an ownership stake in the venture or company? Is that encouraged by MDLF?

Almost all of our clients are owned and controlled by the journalists who are leading the company. We have found, in a way, that is the best insurance of repayment, because the people who own our clients have integrity. They are taking huge chances based on principle and what they believe in and that seems to correlate with a strong motivation to live up

to their obligations. So ideally, we are looking to work with companies that are owned and managed by journalists. That is part of what our capacity building is about, providing journalists with tools to manage a media company. Beyond that, when we have taken equity positions in companies, we try to structure our exits in a way that leaves control of the company in the hands of its journalists and managers. Separately, it varies from country to country and situation to situation, but as part of a motivation package we are generally in favor of providing some opportunities to gain ownership stakes in the company to the journalists and managers who contribute most to the company's success.

What are some of your greatest challenges in managing the organization?

Certainly we work in a lot of places and we have a lean staff, so that presents obvious challenges.

Institutionally, one of the biggest challenges we've faced is our own operational sustainability, which we have finally achieved this year. What that means is that, as of the beginning of this year, we have been able to cover all of our costs from our own revenues. Now all the money we raise is going into our loan pool and then going out the door as loans to media companies. It's a challenge we wrestled with for many years before we got to this point. How do we operate sustainably while giving below-market-rate loans? We managed to come up with a pretty neat model, where equity investments in our most advanced clients are subsidizing the below-market-rate loans.

MDLF publishes an annual analysis of the impact its work has on the financial viability of independent news businesses. It was reported that the majority of clients have experienced strong growth in sales revenue, a rise in the number of readers, listeners and viewers and, ultimately, a major improvement in the financial viability of their businesses. Does MDLF support clients that are not successful in achieving business goals?

I should start off by saying that loans are not a panacea for media support.

There are many, many, many media projects and news outlets that, because of their focus or because of the economics of the environment they work in, will never be self-sustainable. They will always need some kind of grant support. But that is a real limitation for their future, in a sense, because there is a finite amount of donor funding out there for media. Donors' priorities shift and change and they will move on to other things after a certain time. Relying for survival on donor funding is a precarious way to go. But as I said, it is very important that the grant funding for independent media stay around.

Loans are the solution for a small set of independent media outlets that have commercial potential. They tend to have the most impact, the most robust news reporting, and the most connected to their readers and audiences. That is what our focus is on. And because we are serious about having our loans repaid, at the end of the day we will only provide loan financing to organizations that show us they have a reasonable chance of developing to the point that they can repay the loans over time.

MDLF has partnered with the International Center for Journalists (ICJ) to establish the Knight-MDLF International Journalism Fellowship Program. How does the program further your mission?

Well, ICJ is a great organization and we are proud to be partnering with them. That program is just being launched and the first fellows should go out in the fall. The partnership gives our clients access to high caliber consultants who will be in place for up to a year. Those consultants hopefully will be able to help our clients advance in some important part of what they are doing, whether that is on the editorial side or the business side. That depends on our client's needs. ■

JUDY DATER PHOTOGRAPHS

I have traveled to Japan about a half a dozen times since 1963. It is one of my favorite places. These photographs were taken in Japan on two different occasions. The black-and-white photos were taken in 1976, using a new 35 mm Contax Camera. The color photos were taken in 2006, thirty years later, with a digital point and shoot.

When I returned home from the more recent trip and was sorting and printing the pictures, I was suddenly reminded of the group of photos I had taken in 1976. I found them in storage and as I looked through them, I was amazed at how I had picked similar themes and made similar observations. They also show how things have changed over the 30 years.

I have made other visits to Japan between 1976 and 2006, however these particular two groups of pictures seemed to speak to each other in a way that other photographs I have taken in Japan do not.

Judy Dater (b. 1941—) is a photographer, artist and lecturer. She is a recipient of National Endowment for the Arts Grants, a Guggenheim Fellowship and the Dorothea Lange Award, Oakland Museum. She has exhibited her work throughout the United States, Sweden, Austria, Argentina, Italy, France, and Japan since 1965.

Her work is included in the permanent collections of Bibliotheque National, Paris, France; Metropolitan Museum of Art, New York, NY; Museum of Modern Art, New York, NY; National Gallery of Canada, Ottawa, Canada; Yale University Art Gallery, New Haven, CT; Tokyo Metropolitan Museum of Photography, Tokyo, Japan; Sammlung Essl, Vienna, Austria; Fogg Art Museum, Harvard University, Cambridge, MA; Boston Museum of Fine Arts, Boston, MA; Museum of Modern Art, San Francisco, CA; International Center for Photography, New York, NY; Seattle Art Museum, Seattle, WA; Stanford University, Stanford, CA; Vancouver Art Gallery, Vancouver BC, Canada; and University of California, Los Angeles, CA.

Selected publications include *Cycles, Body & Soul: Ten American Women*, *Judy Dater: Twenty Years*, *Imogen Cunningham: A Portrait*, *Women and Other Visions*, *Photographs of Judy Dater and Jack Welpott*; *Les Portraits Photographiques de Judy Dater de 1964 a 1985: La Recherche Introspective d'une Femme dans la Societe Americaine*; *Selected Works*; *Visions of America*; *L'attimo Fuggente fra Fotografia e Cinema*; *How Do I Look? Judy Dater and Photographic Self-Portraiture*; *Epicenter: San Francisco Bay Area Art Now*; *Photography: A Cultural History*; *Woman: A Celebration*; *Made in California 1900 to 2000*; and *Art, Image and Identity*.

Photographs courtesy of Judy Dater © 2008



Flowers in a tub



Hanging flowers



Modern Mona Lisa



Sushi baby



John Lennon look-a-like



Red hair, striped socks



Girl with violin



Woman with ice cream cone



Waiter with bow tie



Woman and wiener



Woman on train



Woman with cell phone



Man with dog



Woman with dog



Woman on train



Monk waiting for train



Hydrangea



Coins in pond

Poetry & Prose by Paul Hamell

FOLIAGE

In her last book I saw a personal foliage:
 Bach played by a grandchild, a lost river
 Traced beneath her house, that night of love
 In a long-ago garden: leafage of moments, a shape
 Filled out, but wildly varied in its fruits.
 I saw how lives grow subtler by the season,
 Leafing and branching, developing practical tricks
 To share or not, for buying within budget
 Or working through a headache or a heartache:
 Short cuts around the thicket of usual duties
 When some much heavier journey weighs on us,
 Songs we can raise as we cross a meadow of grief,
 Touches to make a small gift speak of friendship
 As the best gift. I saw the little bargains
 We strike with our inadequacy, when all
 We can do to take hold is season the soup
 As the family likes it, write a note, or make up
 A bed for late arrivals.

It sometimes seems
 The slowing that comes with years is caused

By growth of the forest itself and not one's flesh:
 I mean the undergrowth of memories
 And cautions, almost too much human knowledge
 Growing into blinds that hide the path.
 When old foresters of the years seem simple
 It is an earned art, product of long scouting
 Or gathering—an art of navigation,
 Pushing through to essentials but accepting
 The need for the unessential.
 I think that women more than men acquire
 This foliage of small skills, as how to alter
 The garment found at hand in time for the dance
 Or soothe a colic or choose whom to assign
 Which dish to pass, whom not to trust with secrets.
 Men, of course, know things in their spheres, not only
 The name of the local honest mechanic and how
 To hang a joint of game or re-imbed
 The screw that kept loosening, but when to ignore
 Noisy young pride or let a fool go forward
 To learn his own hard way, as well as times
 When muscle is useful or futile.

Late on, old foresters may lose that leafage
 Of skills from frailty or impatience with frailty
 Or wrath at casual dismissal by those

Who could use the lessons. Fruitfulness in age
 Is less of patience than of tactics: Pure patience
 Is a tree's gift, not natural to humans,
 But something like it, a readiness, is here
 In the poet's final book, implied by tales
 Of a day at the beach, spoonfuls from a kettle
 Of bubbling strawberry jam, books loved, meals cooked
 And praised, music, births, arrivals, partings.
 The mind is populated by these things.
 They are its blossoms, fruit, branches, and flocks
 That rest in the branches: insistent yet fragile, like
 The hands of the old trembling, the hands of lovers
 Roaming the body, the hands of children held tight.

SCEPTERS

How strange it is to be ruled by one's own scepter,
 Insistent childish tyrant, fantasist
 Night after night of the same story,
 Leaper into the moment's lap, prow
 Of great ambition, scribe of little shames.
 Often not even desire commands but dread
 Of being the one who does without.

We live
 More than we guess, or like to admit when we see,
 From impulse to impulse. See it in private surprises:
 This mate so madly chosen, that one's final bottle
 Before the road, the argument pursued past reason.
 On the other side the irrepressible prank, funny
 Or cruel, love given without thought of return, art
 Pursued regardless of fame or profit, a truth
 Impulsively told. The ongoing feast of all our excesses
 Mixed, the seething normal we hardly notice.
 Until we do. Add in our pure joy in the physical,
 Resilience in stony places: all sudden proofs
 that the only story is how we move
 from urgency to urgency.

I asked about aging satyrs:

Do they grow milder or fiercer with age? Or both?
 Into what wisdom? An answer came: The primacy
 Of the urge, which even refused casts
 A defining shadow. We come to possess an instinct
 As to what instinct must not know of itself.
 We are more intimate with wants unfilled
 Than with those filled, still more expert in those
 Once fed then left to hunger. Like satyrs we yearn
 To race the same valleys as ever, want the music
 And laughter trickling down the night air, wine
 And feasts and the white thighs of the lost nymphs
 Returning to play in the green hills.

THE AGING SATYR

It shocked us when we found it deep in the shadow
 Of lilacs, in a little nook behind a lattice
 Where she would go alone with books or coffee,
 Far past the lawns where summer parties glittered.
 One wouldn't notice it until one did,
 And then one had to stare: in mottled bronze
 A satyr, tall and prodigiously erect.
 Not the cute Roman or romantic faun
 But sinewy, manlike, and visibly aging,
 The shagged brows shading a deep squint,
 Veins bulging on the hands, a long beard.
 On the verge of lunging, his look was not drunken
 But wary, on edge as if a sort of dusk
 Were falling on the time-dissolving surges
 Of mood—lust, fits of neighing laughter, mad
 Gallops and rages. Not the swift primitive shock
 Of the young beast at summer's end, tasting
 The poisoned honey of foreknowledge: rather
 A darkening, as of empires or old forests.
 We wondered at the bower, side-chapel almost,
 Where the widow, a pillar of her class,
 Chose to collect herself. And worship what?
 We heard of her ex-Navy husband's maxim:

“All men are satyrs.” The town considered her wise,
An arbiter when furies roiled the mansions.
Perhaps the nook was where she took the counsel
The genteel never hear, paying respect
To the half-beast that is never far away
But shows up sudden and naked in turmoil he caused,
Forever changing desires and never changing.

STAG IN THE GARDEN

Ann Silsbee’s dead. The poet used to walk
The lake’s edge, finding curious, shiny pebbles.
I don’t mean unimportant, but that she learned
That there are many choices, was a good finder.
She wrote of a family soup so favored it stood
For character: garlic and thyme against winter.
One night she stood with her husband watching
A buck pause in the twilight of her yard
In rutting season, dangerous slender rack
Like music following two bolts of lightning.
It paused, alerted. The lovers stood as still,
The husband’s hand gone lightly to her waist.
Beauty and hunger, beauty and hunger: dense
In all directions, glistening to be found.

WITH APOLOGIES TO ARISTOTLE

What everyone knows of a friend is that he or she falls short
by tyranny of a virtue. Everyone has seen it:
the dutiful caught up in needed work ignore

the need for politics, the loyal comrade won't
turn down a lonely friend to work late for promotion,
the too-forgiving girl won't leave a thug she's slept with,

the kind heart halts to assist one victim, then another.
The passionate specialist is pinned within a niche,
the always-flexible assigned to garbage detail.

Except for the abused who do not fight the sin
against them, we do not dare--lacking wisdom to measure
might-have-beens--to say, their unexamined goodness

is tragic, their years coined in lead. We love them now,
might not love them in triumph; and then, their lives are ours
in degree, for every life is stopped, one way or another--

and we know the bitter joke of getting youthful wishes.
We think: our friend is happier, more useful, closer to truth,
than the Oz or Jerusalem he started for allows.

And so much of life's best is done by people detoured!
Because they stay in camp while others trek on, the sick
are nursed, the children taught. Laggards and dropouts become

the backbone of sprouting towns, the crowd at church and tavern,
With time for friends. Some settle so well we guess their dream
was rainbow, not soul's passion, while others grieve lifelong.

Sensing that virtue is love in dogged pursuit of something,
we question the love (of course we speak of friends here,
not of ourselves, and keep a nice theoretic distance).

We say: The lover imagines but does not truly know
that which he loves. Perhaps he secretly foretells
the anguish of missing closely, or worse, of possession then loss;

and blinds himself beforehand like a king in a tragedy.
Perhaps he needs what he serves too much to tempt it. As
so often with gods and flags, allegiance fills a vacuum.

Whatever fantasy is tacit, its symptom, strangely,
is defective imagination: for what instructs the heart
is the world we share in common, but he will not be taught.

A virtue, like a vice, becomes a sort of art,
a way of recognizing one's own life and its reasons:
The drunkard finds the bar, the kind heart senses sorrow.

Virtues could not exist without poetic ideas;
no matter how Quaker their garb, they are prophetic,
pushing experience towards durable forms;

and, as all arts are habits, they keep on working regardless
of whether we wish to see and judge as we do: sometime
overshooting the good they serve; sometimes a little blinded

by caring where others do not. Some say that virtue is balance:
if the trait blocks our friend it goes too far, a flaw:
a point for school, but not an answer to their loves.

No matter how wrong the object served by a blind virtue,
the satirist who unmasks it, the friend who disabuses,
always strikes us as cruel, because we know the pain

of our own surgeries; because we would be judged
more by intentions than deeds; because we would be flattered
to call our own flaws—all of them!—mismanaged virtues.

Paul Hamill is the current Poet Laureate of Tompkins County in upstate New York, where he works at Ithaca College. He has published many poems in print journals such as *Georgia Review*, *Southern Review*, and *Seneca Review* and on-line in *The Cortland Review* and *The Diagram*. He is currently working with a new center on creativity and aging.