

The Media Environment

in

Bosnia and Herzegovina

An Assessment for USAID/Bosnia

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1. Foreword

Since 1996 the U.S. Government (USG) has invested some \$34m to support independent broadcast and print media in Bosnia and Herzegovina (BiH) - \$14.5m since 1999. This level of assistance cannot be sustained and USAID is now considering how to prioritise the funds they will have available for the years 2003 to 2006. This report, commissioned by USAID/Bosnia to aid their decisions, looks at the current situation for the media, how it may develop and makes some recommendations for their consideration. During the field work we were able to visit some 43 organisations – media outlets; regulators; international missions; media support groups; agencies and research companies. Attachment A provides a list of individuals interviewed. The media outlets were, in the main, those which have received support, small or large, from USAID over the last five years. Altogether we spoke to approximately 70 people and we would like to record our deep appreciation for the time we were given and the openness with which our questions were answered and for the amount of tea and coffee which was so warmly pressed on us.

2. Introduction

Free, independent media play a key role in building democracy, promoting open debate and helping to hold governments and public institutions to account. Research has shown that a free flow of information bolsters economic competition and levels of education. For BiH, with its complex and polarised ethnic and political structures, building national and local media that properly serve the interests of all its citizens, and the nation as a whole, has been, at best, problematic.

The events of the years 1991 to 1996 left the country ravaged by war, with no economy, its population depleted and with its people traumatised. In 1996 BiH then had to begin both the process of post-communist transition and a process of post-war inter-ethnic reconciliation. The country's political structures¹ continue to be dominated by parties with pronounced nationalistic programmes. Although other parties emerged and the coalition grouping, the Alliance for Change, won power in 2000 in the Federation, in the elections of October 2002 all three presidential seats were won by nationalists, and nationalist parties also made a strong showing in the State Parliament, as well as in both entities' Parliaments. Voter turnout at 54% reflected widespread disillusionment.

Life for the people of BiH is hard – official unemployment hovers around 40% (although the UNDP report of 2002 concludes that taking the 'grey market' into account, the figure is actually 22.2%); the average salary is around 419KM and BiH's

¹ The State of BiH consists of Republika Srpska (49% of BiH territory and majority Serb population) and the Federation of BiH (51% of BiH territory and majority Bosniak and Croat population). Common institutions are the Presidency, Parliament, Council of Ministers and the Constitutional Court. Responsibility for foreign policy, monetary policy, international trade and customs, European integration and refugees resides with these institutions.

trade deficit in the first six months of 2002 reached 3,168 billion KM.² The High Representative in his new year message made it clear too that the situation will get worse before it gets better. The market therefore is extremely weak – this of course is a major factor in prohibiting the growth of healthy, robust, pluralist and sustainable media. Another factor is that during the war most media was used as propaganda to bolster nationalism in whichever community it was serving – this has had a lasting effect in that most people still use outlets which they perceive as “theirs” and which they believe reflect, to an extent, their views, perspectives and prejudices. Lastly a factor sometimes overlooked – BiH lost huge numbers of experienced and excellent editors, journalists and programme makers during and after the war. The next generation lost years of their youth and education.

3. Media Law and Policy Environment

The legal situation for the media in BiH was, and to an extent remains, complex and sometimes contradictory. Until the last three years it was determined to a large extent by state structure, the judiciary and political/ethnic affiliations. This has been complicated by the cantonal structure of the Federation (10 in all) and the pronounced centralism of the Republika Srpska. In the last three years, either imposed directly by OHR decision, or through parliamentary legislation, the situation is somewhat changed.

In the early years of international intervention, responsibility for broadcasting was split between two agencies – the Telecommunications Regulatory Agency (TRA), responsible amongst other things for frequency management, and the Independent Media Commission (IMC), responsible for the licensing of radio and television stations, programme monitoring and standard setting in terms of establishing codes of practice. In March 2001 the High Representative amalgamated the two agencies creating the Communication Regulatory Authority (CRA). The OHR Decision states “All acts, codes, rules, guidelines and decisions made by the IMC and the TRA shall remain in force unless replaced or amended by decisions made by the CRA”. Since the new independent regulatory body was created there have been two important developments. First, the CRA no longer has a monitoring unit; breaches of terms and conditions are only addressed if a formal complaint is made to them. Second, perhaps of more concern to commercial broadcasters, was the passing of the law on public broadcasting³.

Many of those interviewed expressed the view that the CRA is not properly independent and cited ‘bad’ decisions during the last round of station licensing but without presenting firm evidence. In the current situation suspicions are inevitable but if accusations seem well founded it may be valuable to provide advice or legal support to the complainant. The CRA was also accused several times of not responding to

² \$1=1.9KM 05/01/03 & figures from Office of the High Representative Economic Newsletter October 2002

³ Law on Basis of the Public Broadcasting System and on the Public Broadcasting Services of Bosnia and Herzegovina – imposed by the High Representative May 2002

accusations of unfair practice – however no commercial station seems to have made a formal complaint in the way laid down in the CRA's rules. Stations should be both encouraged and supported in doing so if the accusations are well founded and evidence can be produced. The issue of unfair practice is directly connected to the new PBS law. Whilst the authors of this report support the existence of public service broadcasting, national and regional broadcasting on a European model, they are aware that some people believe the current law may have the potential to undermine pluralism in BiH. This is because of the large slice of the advertising market national and entity public broadcasters can command through their superior transmitter capacity and thus coverage of the population. Because of this superior national coverage they can currently command the right to broadcast key sporting and other events; because they have an income from subscriptions – and currently from leasing transmitters⁴. The problem is compounded by the complex, expensive system that has been invented. The system is - one network each for Republika Srpska (RT RS) and the Federation (FedTV), and a third for the whole country, PBS. (Currently PBS broadcasts its programmes on the two entity networks – it cannot have its channel until there is a new transmitter network and this is still in the tendering process with the European Union.) Not one person interviewed currently believes it is sustainable – in particular the intended PBS network. Indeed many seem to think PBS will never get on air as a separate/new channel. Whilst the current political realities are recognised, everyone seems to believe that even in the medium term one network, with regional opt outs and some regional production, will have to come into being. (These views are those of the people we spoke to within public broadcasting as well as others.) The view is based largely on the size of BiH – in a country of 3.8m people, 2.4m adults, two entity and one national network is simply too many for society to afford.⁵ The situation is compounded by the sheer number of people employed in public broadcasting – 400+ by FedTV, almost six hundred by RT RS and 900+ by PBS. (PBS under the new structures holds all the technical staff and equipment for which FedTV has to pay according to usage. RS hold on to their equipment and technical support services for now.) It is very difficult to get rid of surplus staff – largely because of the labour laws belonging to socialist times – however until the public broadcasters achieve sensible levels of staffing their financial situation will remain parlous. Longer term there is a view that if the level of subscription collection rises dramatically, if the three broadcasters can be persuaded to produce complementary schedules and if they can agree on a common infrastructure to achieve economies of scale, all could survive.

⁴ The intention is to privatise the transmitter networks, theoretically making the facilities and services available at competitive prices to both commercial and public stations. This is John Shearer's responsibility and is to be complete by June 30th when he leaves. The process of privatisation of the transmission networks should perhaps be closely monitored.

⁵ UNDP 2002. Currently RTV RS is unable to pay for anything – according to FedTV they only collect 18% of their subscriptions, according to RTRS it is 30%. They also have a 7m KM debt and are existing on barter arrangements. They are too losing advertising revenue to the Mreza Plus station in RS, ATV.

There is no question that trying to collect subscriptions through the electricity bills in the Federation and telephone bills in RS, is inefficient and ineffective – at most 45% are paid in the Federation to Republika Srpska's 18% or 30% depending on the source. Difficulties in collection are hardly surprising because people can opt not to pay the subscription when paying the utilities charge. There is an idea – within the OHR – to improve the situation by transferring the collection of subscriptions throughout to telephone bills. The advantages are that regulation of telephones is also the responsibility of the CRA, who could therefore lay down strict rules for collection, and that it would be a progressive tax since poorer people do not have telephones and therefore would not be required to pay. (According to Prism Research 20% of households do not have a telephone.) There is a view, in the OHR, and shared by the BBC Consultancy Team working with FedTV, PBS and RT RS, that this is urgent because the sooner public services get out of their dependency on advertising the better. However this change would need political support, a common approach and changes in the Law.

The PBS law determines that facilities, resources and property will be divided. This process is intended to be complete by mid 2003. Whilst there is great appreciation of the 'crucial' role of the internationals in separating broadcasting from politics and creating a new situation for the public broadcasters, there is some resentment at the cost of the BBC consultancy team in FedTV and PBS, which costs \$4.5m. The Director of RT RS, one month into his tenure, is more positive and believes the structural and cultural changes needed cannot be achieved without the BBC.

The concerns held by the commercial sector and others about the amount of advertising the law allows on public networks, and the assertion that it will lead to the demise of commercial broadcasting, are hard to substantiate. We return to this topic in the section 'The Media Market 2003'. It may be too that in the heightened atmosphere surrounding the imposition of the public broadcasting law, views and positions were taken which have now dissipated. However many commercial stations believe that the public broadcasters, in particular Fed TV, are 'price dumping' their advertising slots thereby indulging in unfair practice and breaking CRA rules. Under the regulations the public broadcasters have to report, and clear their rates with the CRA. According to Mreza Plus⁷, Fed TV has been price dumping. When Mreza Plus informed CRA of this problem, the response was to ask for the accusation to be submitted as a formal complaint. This has not yet been done. The subject of price dumping is a recurrent theme. There is no doubt that in return for various commitments plus the amount of total spend by the advertiser, discounts of around 70% are offered. However all the agencies agree that this is normal practice and that all stations offer heavy discounts. Therefore, all stations share the responsibility for keeping the price depressed. It can be argued that public broadcasters have a special responsibility for open and transparent practice but, given the financial position of the public broadcasters, it is unlikely the argument would have much weight. It is also the case that no public broadcaster is yet winning enough advertising minutes to reach the

⁷ Mreza Plus, a private, commercial network, has five member stations and four affiliates and is said to cover 85% of the population. The authors believe this figure is rather optimistic.

permitted limit. The amount of advertising the public broadcasters can carry is a matter for the CRA as well although the current level is spelled out in the law. The amount currently allowed is consistent with European norms. There are no restrictions on commercial broadcasters. Under the law too the CRA will review the level after five years – this may be too long a period and the situation will need to be monitored. It is believed too that the CRA is giving priority to public broadcasters in allocating transmitter sites. The CRA confirmed that they do give priority for national coverage to the public sector – to determine whether this is ‘fair’, or whether it simply means the public broadcasters get what they want, would need extensive and detailed research site by site.

The CRA has set up a small research department but has no funds to do anything original or substantial. There is little or no information available that is useful for broadcasters or regulators – audience research is post hoc, only gives a snapshot and frequently is believed to be massaged to suit the purchaser. We recommend that USAID consider further support to the CRA to enable it to carry out the sort of research both it and the media in BiH need. To do the sort of extensive work needed (especially given the lack of accurate demographic data) would be expensive but other donors would be highly likely to consider such projects in partnership.⁸

The CRA is an independent regulatory authority. When questioned about their ability to remain so the answer was not entirely reassuring. They said, the main issue may be their ability to win and retain an adequate budget if they upset the politicians too much; that by the autumn there will be no internationals on the staff; if the law is good they should be safe but in the last resort it will be up to the Office of the High Representative to protect them. Views expressed by some in the international community confirmed this somewhat less than confident view and believe it would be in the CRA's interests long term to have an international in a key senior position beyond the autumn. The results of the October election have led to this change in view. The view has also been expressed that continuing international donor support will be important in strengthening the CRA's independence. For the mid-term, there is a view amongst Europeans in the international community, that a better way to protect the CRA's independence would be to have it funded by the broadcast and telecommunications industries. The broadcasters would pay a percentage of their licence fee and the telecommunications companies a percentage of their revenue. The only role then for the Council of Ministers would be to agree some sort of cost of living increase after the original fees have been set. Of course annual independent audits would be crucial. The authors support the idea of such audit. There is concern too that the proposed Competition Regulation Authority may be another problem for the CRA. The CRA alone should regulate the media market.

Beyond the law for public broadcasting and the creation of the CRA, other important legislation for the media has been passed into law. One concerns libel and defamation and the other Freedom of Access to Information. The Freedom of Information legislation came into effect in 2001. We were unable to find evidence that it has yet

⁸ The Open Society Institute, Network Media Programme has expressed interest in the idea.

made much difference to journalists seeking information – institutions do not refuse access to information - they simply do not respond to the requests. It is important that some well-publicised ‘test’ cases be pursued if organisations are to begin to understand what their responsibilities are to be transparent and accountable, and if the legislation is to have any impact. The provision of a short booklet for journalists on this and other legal issues could be a valuable contribution. Similarly the provision of a well-publicised legal support/advice fund for outlets with a serious story/issue to explore could make a big difference to their ability to utilise the legislation and do their job. We recommend both ideas to USAID .

The decriminalisation of libel and defamation is greatly welcomed – however the welcome is somewhat tempered by the general despair at the irresponsibility of the print media and the regular publication of unsubstantiated accusation, gossip, rumour and personal attacks. The view too seems to be that until the courts are reformed an individual is unlikely to try to seek civil redress since it may take three, five or even more, years for the case to be resolved. Regulation of the print media is a proverbial ‘hot’ topic. Print’s behaviour during the elections has persuaded many who in principle are against anything other than self-regulation that ‘something must be done’. The creation of the European Union funded Press Council, close to the UK model, did not have much success in its first year of operation. There is universal agreement that this is due in large part to the wrong person being appointed to run it. Money was also a problem – funding ran out in November 2002. Thanks to the USA Public Affairs office and Press Now, bridging funds were found. And as of January 17th a longer term solution is in place. The process is being overseen by the CRA’s Director of Communications. The Swedes have given operating funds for 12 months and there is additional funding from the British Embassy and IREX for some activities; a new director is being sought immediately and it is hoped he/she will be in place by mid-February; the Council, with a Bosnian Vice Chairman, will meet six times a year rather than the current four; the Council’s secretariat will have a monitoring function and, an important change, the Council will be able to raise complaints.

4. The Media Market 2003

There are simply too many media outlets in BiH – and this was the only proposition with which every one of the 70+ people we spoke to, agreed. The latest CRA figures in January 2003 are 70 TV stations and 113 radio stations. There are, according to MIB, 7 daily newspapers plus 6 from Serbia and Croatia, and 46 magazines, plus 61 from outside, available. The more interesting fact is that those within each sector believe it to be true within their sector too – whether it be public at the state, entity canton or municipal level; commercial of every size and reach and in every medium. too. There is too much radio; too much television and too much print. BiH cannot possibly sustain so many outlets but the situation in the country is that many, many media outlets are able to access financial support in one way or another in many different ways, so it is very hard to assess when the market may shrink to a more rational level. The market is weak – according to agency figures for 2002⁹ the

⁹ McCann Erikson 01/02

available national revenue to be shared was 36m KM (5m KM more than 2001) which breaks down as:-

TV – 23m KM

Billboards etc. - 10m KM

Print – 2m KM

Radio – 1m KM¹⁰

This difficulty is compounded by a serious lack of demographic, media consumption and market information that would allow proper analysis of actual and potential markets for the media. There are a number of research agencies in BiH. We recommend that USAID identify and employ an expert in this field to assess the relative value of the work produced by them for the media - capacities and competence. We further recommend – perhaps in conjunction with the CRA's needs - that USAID support the necessary research to make audience measurement and research properly meaningful. Currently stations only see research as a tool to assess audience numbers to persuade advertisers to use their station – understandable when next month's income is crucial, but research should also be available to inform decisions about developing new programme strands, and for competitive scheduling based on an understanding of the potential and targeted audience. According to the Fabrika Agency there is no TV programming for young people even though advertisers want it, but what and when should, of course, be decided with knowledge and understanding of the potential audience's preferences and when they are available to watch.¹¹ We also recommend that USAID support some further skills transfer on the value of research to selected media outlets. All agencies and research organisations interviewed said there is little or no understanding of its importance and how it can or should be used. In this, as with every type of needed training identified, all organisations underlined the importance of skills transfer being done through Bosnian institutions. Advertising agencies also/still complain that many, if not most, outlets do not understand their role and see them as competitors at best – and the enemy at worst. However, almost all stations complain about agencies – in particular about their high charges. One only passes on 35% of the cost to advertisers to stations – and as a result almost all use agencies very little. Most stations said only 20% of their advertisements come from agencies – 80% they win for themselves. Given the dire financial situation most are operating in this is hardly surprising – and until there is a much bigger market of big advertisers than now, this is unlikely to change. The list of the fourteen biggest advertisers is attached as Appendix II – SFOR is the fourth and the Banja Luka Brewery, the fifth.

¹⁰ This figure does not include advertisements sold direct – nor frequently the substantial barter deals done. It is therefore not possible to estimate an accurate total size for media advertising revenues. According to Fabrika Agency, if it were not for them, and the universal heavy discounts given, the gross market should be 60m – 62m KM. **However, an independent researcher cautions that all figures, except those for revenues that go through agencies, are actually 'guess work'.**

¹¹ Prism have developed a database which looks valuable – but further expert opinion is needed.

A. Public Broadcasting Television

The structure of national and entity public broadcasting has already been outlined. PBS is not yet a distinct network. Fed TV is a long way the most successful overall and particularly in the Federation. The coming competition between FedTV and the proposed PBS network is likely to take its toll. It will be very hard for FedTV, as successor of BH TV, to give up its past, and its current, leading position. RT RS has not, and does not have the same success in Republika Srpska – and is, as outlined above, in a parlous state financially – that may be a contributory reason for the network's quality which is, by any standards, poor. HRT Croatia wins the same audience share of 19% in RS – admittedly with three networks. But these three organisations are only part of public broadcasting in BiH. Most cantons and many municipal authorities have their own radio and television stations. How much public money is going into this tier is impossible to estimate but overall it must be substantial. And of course they are fighting for a share of the advertising cake too. Where stations are popular, FedTV and TVTK the public station in Tuzla, their share of advertising revenues is commensurate with their share of audience. FedTV is the most watched station in BiH – it has overall a 29% audience share – within the Federation it has 43%; TVTK has 30% of Tuzla canton.¹²

However almost all the official audience figures quoted by stations are those provided by Mareco and should be treated with some caution since they are based on research carried out in eleven main cities – 7 in the Federation and 4 in RS.¹³ Yet according to other research only 42% of the total population live in urban areas. We understand too that whether communities constitute urban, suburban or rural settlements has not been defined. Once again the need for substantial and accurate properly researched demographic/market information is underlined.

Amongst local public stations TV TK Tuzla is unusual in winning such a large share of audience. In the other ten cities for which we have figures the local station's audience share ranges between 5% and 17%. It must be assumed their advertising revenues are commensurate. However of course all the stations are also subsidised by the local authorities. According to TV TK Tuzla the sum is relatively small and has to be spent on salaries. Given they have a staff of 80 it is credible that this only covers one third of their monthly outgoings – the rest they have to raise from other sources. At present they raise approximately 100k KM from advertising revenue – we assume the rest comes from barter deals. However there is no doubt they receive too substantial 'in kind' support from the authorities – for example they pay no rent. The price for all their support from the authorities is to cover all local political affairs – we understand from others in the city it also means they do not reflect criticism of the authorities or their policies. The station is deeply resentful of the tough restrictions placed on them by the CRA - in particular the public service programming responsibilities; only being allowed

¹² The station claims 35% but we have taken Mareco's figure both for it and for FedTV. **Audience share is the percentage of those available to watch, not of the total population.**

¹³ Mareco's figures for 1 week peak winter viewing by nation, entity and city are attached in Appendix II

to carry four minutes of advertisements an hour to FedTV's 6' - 8'; and being forced off their transmitter 'high' site in favour of the national broadcasters.

The situation is further complicated TV TK complain, by the 'unfair' competition from TV Tuzla – a Mreza Plus partner. This was too a station founded by local authorities – it is in the last stages of privatisation and by the end of January 2003 the remaining 27% owned by the municipality will be bought by Rudhem, a controversial Swiss Bosnian company which already has stock. However, TV Tuzla has a continuing contract with the authorities for some programming but say there is no editorial interference. The authors are highly sceptical of any deals in which a station is paid by the authorities to make programmes for them. TV TK also want to privatise but there is currently an OHR moratorium on media privatisation. The moratorium was put in place until after the last round of CRA licensing so should be lifted imminently.

We detail the situation in Tuzla as an example of how complex and murky much of the financing and control of the media market in BiH remains. The situation in Mostar is not dissimilar – RTV Mostar, a private station, is widely believed to take money from the local authorities. In Bihac, the canton station RTV USK, also wants to privatise as soon as possible. The station management are optimistic that they can do well but with a staff of 80+ of which 30 are journalists; 30 administration and the rest technical staff; but since 47% of their costs come from the canton budget and they have an audience of 17% in Bihac, it is difficult to share that optimism. They also currently cannot win even the permitted 4 minutes an hour in advertisements allowed by the CRA. And they are not confident about the process of privatisation – “of the privatisations that have happened in Bihac you can count on the fingers of one hand those that have been done legally”. They fear too that they may be bought by a political grouping. The station says that they can reflect criticism of the authorities ‘if they want’, leading to the inescapable conclusion that currently they do not choose to do so.

We can only assume the Tuzla/Bihac scenarios are not entirely dissimilar to many, if not most, canton and municipal stations. Many will fail if they are placed properly in the market – but many may survive, purchased to be the voice of one or other grouping with an agenda. With sufficient money to invest in entertainment blocks to complement local programming, some may even flourish.

And according to BORAM Agency, 40% of radio stations are owned by rich businessmen who ‘just like to have their own station’.

We cannot see any reason why, at this stage, USAID should offer support to public broadcasters but we recommend that as and when stations privatise, the situation be monitored to determine if any may warrant support because of the quality of output in an underserved locality. We also recommend that any journalism training be open to young people from the public stations so that an understanding of the principles and practice of decent journalism, and of the role and responsibilities of the media in a democracy, continue to be spread. We further recommend that any such training be

done through an existing Bosnian organisation and so contribute to institution building in BiH.

B. Private Broadcasting Television

USAID has been the largest contributor by far to private/commercial broadcasting in BiH but many other donor organizations have also spent very substantial sums of money to support it. In the early years, before any semblance of order or regulation could be instituted, the key objective was to simply try and support rational voices. We have no need here to rehearse the disgraceful way in which the media was used during the long years of conflict. Inevitably some of the choices made were wrong, and some money was wasted, but the result is that there are independent voices present – and were present long before the international community made any headway with public broadcasting. The unfortunate saga of OBN must long remain a salutary case history. The story is well known and needs no rehearsal here – however the fall-out from it reverberates still. From the authors' perspective the fundamental error with OBN was in inventing a new organisation rather than developing a service through an existing, decent and potentially viable outfit. The second error was in retaining international management for the network without either the appropriate skills to run a commercial network, or the empathy to recognise the value of member stations. The third error was to keep chucking large sums of money at it rather than spending the cash more widely on stations. The fourth error was in the way support for OBN was finally ended. It is a matter of regret that OBN has been sold to a private company with mixed overseas and Bosnian ownership, and nothing is known about what has happened to the purchase price of its assets.¹⁴ Lastly the whole saga did enormous damage to the image of the international community in BiH – and to the relationships within it. This last point is still evident and still leads to misunderstandings. We believe it worth reporting that there is a perception in the rest of the international community that the USG seems to keep its distance from ongoing debate and discussion while policy is being developed – and this can cause great difficulty if it then disagrees with decisions taken. One completely independent source said 'The USG in BiH needs to engage more – to be a core part of the initial processes'. However there are many who believe the rows were blown out of proportion.

OBN is surviving. It has an audience share of 5% overall – 11% in Sarajevo and 14% in Mostar. It has gained an additional licence from the CRA to complete its terrestrial coverage with 35 new transmitters. It has twelve affiliate stations which fill in the gaps. Affiliates are both publicly and privately owned. OBN also has a relationship with Oscar C, Mostar to provide news coverage. OBN has taken out a loan at very reasonable interest rates, thanks to their ability to borrow through an Austrian bank. OBN is a registered limited company in London which holds 48% of the stock – the rest belongs to people in Bosnia. One of the owners of the parent company is also an owner of Nova TV, Croatia and the two stations are therefore in a position to purchase the rights for programming for both countries at favourable rates. OBN has a strategy – it is to have a system of linked companies – in Slovenia, Croatia and BiH

¹⁴ European Union

imminently – and in due course in Serbia, Bulgaria and Albania. The company believe it is impossible to finance a decent service solely from the BiH market and the only way to survive is with regional cooperation/networking. They are trying to develop joint marketing – and already have 4 clients covering Croatia and BiH – and the vision is to have regional ‘global marketing’ and then just an office in Sarajevo for local ads. OBN is as conscious as all others of the need to produce quality domestic programmes but the cost in the present situation is prohibitive. OBN shares the general view of the reforms of public broadcasting and their chances of success. OBN also believes that the market in BiH is too small for two commercial networks and that either it or Mreza Plus will fail. OBN, of course, think it will be Mreza which will fail, as it believes Mreza is not yet functioning as a proper network.

After the collapse of the original, internationally supported OBN, in the summer of 2000 USAID/IREX made the brave decision to try again to create a BiH wide network of stations with considerable support from other donors. Working with stations that had been OBN affiliates Mreza Plus was created.¹⁵ Support was given both for infrastructure and to purchase popular programming – management and marketing training and support were also invested in all five companies. The latest audience figures give Mreza 14% audience share and an estimated 25% of available advertising revenues from agencies.¹⁶ However together the network signal covers at best 85% of the population. There is no question that all five stations have gained enormously through their membership of the network – ‘the USAID/IREX support for Mreza is the best project in the world.’ However there are some difficulties facing the network. First and foremost, of course, is simply the weakness of the market in BiH. Secondly the stations’ experience with OBN has left scars – the demise of the original OBN did great damage. Thirdly the structure, and thus the decision-making process, are cumbersome. It is taking time for the five companies to function as a united group – and time for the network executive to establish it-self.

Maintaining a strong, competitive regional presence and operating successfully within a network is a difficult balancing act. This is particularly the case for TV Hayat in Sarajevo and ATV in Banja Luka. Both stations have carved out a strong presence in their home markets – and produce good programming for their regional audiences. Given the regional preferences of those audiences, and the revenues won through serving them well, balancing the interests of the network with their own output is problematic for both stations. Both believe membership of Mreza Plus brings them great benefit, but both believe too they must retain their own identity. For the three smaller stations membership of the network brings even greater benefit – with less well-established local programming, and thus smaller impact, the shared entertainment blocks bring them a much bigger audience reach.

The stations broadcast as a network for several hours each day during peak time but which hours these are depends on the day. According to Fabrika Agency this means they lose some advertising because advertisers running a campaign want the same

¹⁵ TV Hayat, Sarajevo; ATV Banja Luka; TV Tuzla; Oscar C Mostar and RTV Mostar

¹⁶ McCann Erikson figure 2002

slots at the same time on successive days. ATV and Hayat argue having some peak time hours for regional programmes ensures good audiences for their own public interest documentaries and other programming. Both have good audiences individually as well as when they are broadcasting as Mreza. (See Appendix IV). Advertisers of course are well aware too that Mreza Plus has, at most, 85% coverage of the country. The public broadcasters reach the whole territory, and, very soon, so should OBN.

TV Hayat is confident of its future – full cost recovery is very close and the newly launched satellite service for the Bosnian diaspora overseas with Mreza Plus programming will, it is believed, bring in additional revenue. And there are plans to extend terrestrial coverage in BiH. The company has a sizeable loan over five years at a reasonable rate – and its confidence is palpable.

ATV is also highly regarded. It has carved a strong position for itself in Republika Srpska and its importance as a news provider was confirmed to us by three distinguished media figures. They also said that 99% of the population of RS is not yet ready to turn to national news services produced outside RS. (The authors can confirm the ATV news is excellent – properly national, editorially sound, fast moving, lively and professional.) The ATV news is also the station's biggest revenue earner. ATV is not as far down the road to full self-sustainability as Hayat but since it has a different history, this is not surprising. The market in RS is even weaker than the market in the Federation – and average salaries lower. ATV has been supported from the beginning by donors to ensure that decent, balanced news and information programming by, and for, Republika Srpska is available – it is succeeding in its mission (which was tested to the full in 1999) and the importance of its role is undiminished. ATV, whilst it has some concerns about the network, believes Mreza Plus to be crucial both for its own survival and for pluralism in BiH.

The three smaller stations, RTV Mostar, Oscar C Mostar and TV Tuzla are not as strong as Hayat and ATV – either in the programming they offer or in their confidence in their potential for individual self-sustainability. Two of the three still have contracts with the local authorities to make programmes. All three fully recognise the benefits membership of Mreza Plus brings them.

Future support from USAID for the Mreza Plus network has been made conditional on the creation of a network news programme. The stations are now in the process of developing a plan to achieve one with IREX support – and, also with IREX support, will be creating a central marketing function. The authors welcome both these initiatives which should strengthen the network. However the authors believe the news programme can be achieved without much additional expenditure. For example, uplinks for Mostar and Tuzla are not essential at this stage – and until the product is proven, telephone reports, with archive footage or stills, could be used. CNN and BBC World frequently employ this technique. In other words, investing in an expensive infrastructure may be inappropriate until the programme is established and of proven value in the market.

Mreza Plus is a significant project for BiH. It has the potential to ensure pluralism. Looking ahead five to seven years – and assuming that PBS will end up as one channel with one central newsroom and entity/regional opt-outs – as far as we know, unless Mreza Plus survives and produces a national news service, there will be no alternative voices – no pluralism in news and public affairs programming on a national level. (OBN intends to continue with its news but has no plans to extend this into current affairs or public affairs programming.) Currently, Mreza Plus as a network is almost indistinguishable from other BiH services. It has the same mix of films, purchased programming of soap operas and light entertainment programmes, some sport and cheaply produced local shows. (Although individual stations do carry other documentaries and have local/regional public affairs programmes.) We recommend that USAID provide support to Mreza Plus stations with independent producers on commission, to make other excellent domestic programming – not least because all the research figures demonstrate that good domestic productions are the most popular. If the news project, and the development of other domestic programming, do not materialise perhaps donors need to consider, and ask the network, why they should continue to support it. Whilst the authors believe the original Mreza strategy to first establish the network as a commercial proposition was right, it needs now to establish other criteria for success. On the basis of the current offer it is difficult to see what distinguishes it from either FedTV or OBN – or even HRT which secures 10% of audience share nationwide. The authors believe the network will need to be more than a potentially lucrative business to continue warranting donations. This assessment should not be taken to apply to some of the individual stations – only to the network as it is currently structured and supported.

The authors also believe all commercial television companies, sooner rather than later, must begin to develop regional partners. The market in BiH is very small and the revenue cake will remain limited even if economic conditions were to improve rapidly. Regional programme exchange and programme purchase would be much more cost effective – and selling advertising for much bigger markets would bring much greater rewards. There are ‘sympathetic’ stations in the region – relationships already exist for the exchange of news material – and we recommend Mreza Plus urgently pursue possibilities. It was said to the authors more than once – ‘Mreza just does not recognise the market conditions – BiH will never be a big enough market’.

However the network is a new venture and some leeway is still necessary – and the experience stations went through with OBN has left scars – but there are concerns. However if those concerns can be met, then it will need to be remembered that the network is still very new – 17 months on air as this report is written. With that in mind, and with the increasing competition the better-funded stations will offer, we recommend that USAID consider continuing to provide support for programme purchase to underpin the likelihood of sustainability and to properly establish the network as a provider of first class entertainment.

C. Public versus Private TV in the Market

Whilst there can be no doubt that PBS, FedTV and RT RS have been given some favourable treatment under the law, and through advantageous transmitter access, we could find no evidence that this is enough to kill, or even severely damage, commercial broadcasting. The real factors are the weak market, the existence of far too many outlets chasing all too little advertising revenue and overall, the fairly mediocre, all too similar, nature of what is on offer. Between 19.00 and 20.00 almost everyone in BiH has the offer of news followed by news unless they turn to OBN, HRT, Pink etc.. At 21.00 they are offered, in the main, a film, soap opera or a local entertainment programme. Almost all networks change shows at the same time – breaks between programmes are very bumpy and poor - marketing is badly placed and clumsy. The first network to really spend time (and money) on skilled scheduling, soundly based on research, is likely to make a real impact. Of course the lack of good domestic programming is accounted for by its prohibitive cost in the current situation, but when it is on offer it is enormously successful. It may be salutary too for the commercial sector to recognise that alongside the benefits enjoyed by the public broadcasters, they have quite heavy commitments placed on them too. 40% of their output has to be news, information, educational and children's programmes. And cartoons, for example, are not allowed to be part of their required offer to children! One other point, it has been asserted the public broadcasters also have a monopoly over key sporting and other events of national interest/importance. This is not actually the case – if a broadcaster has whole country coverage it can bid in the market for the rights. OBN will therefore very shortly be able to compete with the public broadcasters for such programming.

In other words the authors share the conclusions reached in the report by Tarik Jusic of October 2002.²⁰ We quote just two of his conclusions:-

“Although difficult, the current situation will not destroy the commercial sector, but will rather inhibit the development of both commercial and public broadcasters.”

And

“The key struggle for survival will be enacted in the field of programming – the better the programming, the greater the ratings and the higher the advertising revenues.”

To which the authors would add – research based, knowledge based, competitive scheduling.

D. Radio Broadcasting

²⁰ ‘Competing for Advertisers – Public Broadcasting Service versus Commercial TV’ – Tarik Jusic, published by the Media Centar, Sarajevo October 2002

The perception that radio is unimportant in BiH is not borne out by the numbers of people who listen – some 84% of the population listen at least three times a week for 3 to 4 hours at a time.

There are, according to the CRA's latest figures, 113 radio stations in BiH. Only one of them, the public national station BHR1 has an audience of any appreciable size. The latest figures (December 2002) give the station a 10% audience share. The most any other station can claim is something under 4% and almost all those in this category are music stations. None of the other stations with reasonably substantial speech programming – the average ratio is 40% speech to 60% music – reach more than 2% of the total population. In other words the market is very fragmented and consequently revenues are low – the total pot is officially 1m KM a year.²¹ BORAM Agency gave the example of the poverty reduction campaign – out of a total spend of 400m KM just 10k KM went on radio spots. The situation between local private and public broadcasters mirrors the situation with television – except there is no equivalent to Mreza Plus or OBN. There is only informal networking, facilitated by the BORAM Agency. 22 stations carry, and contribute to, news blocks produced by BORAM plus a daily 20 minute news programme. This project, supported for a year by the European Union with \$300k, is rated both by the Agency and the EU, a huge success. For the Agency the proof is that they have just had to ask stations to pay/contribute because their 20% of the revenue was not enough to cover costs. Almost all the stations have agreed to pay the requisite 150 KM a month. The project, 'Infozone' costs 10k KM a month – ad revenues last year brought in 35k KM a month – of which 80% goes to the stations. The Agency believes the network is a success because it is informal, there is no conflict of interest for them, and so jealousies/competitiveness are kept to an absolute minimum. They have resisted attempts to formalise/register the network for precisely these reasons. They have another network of 60 stations for a pop music programme, marketed in the same way. We recommend that if BORAM develop their offer with other good information products, USAID consider supporting start-up costs.

Some individual stations are doing well in their home markets – Kameleon in Tuzla is one. Run by an entrepreneur, it looks and feels professional, modern and smart. The station is very grateful for the help and support they have had from USAID/IREX. Last year they just covered costs. And the station has ambitions. They have gained a licence from the CRA to broadcast across national borders; has ambitions to build satellite studios in 3 other towns and have them broadcast their own local programming for 4-5 hours in the morning and, the station says, it does not need donors anymore other than as providers (IREX) of research. Kameleon share BORAM's view of the impossibility of building multi-station networks. We were told – as we were in Mostar and Sarajevo of a Radio Free Europe inspired attempt – which failed. Kameleon believe that sufficient agreement/cooperation between owners is just not possible.

²¹ This figure should be treated with even more caution – unless the five organisations we visited were being untruthful, between them they alone brought in more than double this amount. All radio figures in this report except for BH R1 are for 2001 – we were unable to get access to those for 2002.

Radio Stari Grad, Sarajevo, is also flourishing – although it believes that IREX/USAID have failed the radio sector in BiH. The station's view is that there was a failure to identify a critical mass of stations to work with and that its judgements on many were poor. The owner of Stari Grad is patently bitter but we think it necessary to reflect his view that weaker stations were chosen for support because they could be 'managed' rather than serious, and potentially viable, ones. He firmly believes one criterion for selection for support was the ability to operate in English. Stari Grad shares the Kameleon view that there are less than a dozen serious radios in BiH. Stari Grad like Kameleon is working hard to increase coverage. So far it has achieved FM coverage of middle Bosnia, Mostar and Tuzla – the intention is to have full national coverage which Stari Grad believes to be a fully sustainable concept because the competition is so poor. The station's current audience is 1.3% and last year it secured enough revenue to cover costs. Stari Grad, like Kameleon, is driven by one person. There is some cooperation between them – and professional respect. Their views on other players were close to identical – and neither believe there are more than a dozen serious/decent stations.

Studio 88 in Mostar is a different animal – who and what it is, and what it broadcasts, are what the team talk about. This is not to imply they are not serious about reaching sustainability – they are. They have had support from a number of donors. and are very happy with the current Bosnian consultant provided by IREX. Since USAID's consultant started working with them their revenues have shot up and they are now covering 50% – 60% of their costs. There is little cash flow and much bartering. Listenership has reportedly gone up 280% but from what to what is unclear. They report that they have 15% of the market share in Mostar region. They are particularly proud that during the election they won 41% of Croat speaking listeners. Although Studio 88 is not in the same league commercially as the Sarajevo and Tuzla stations we visited, both respect it and see its existence is important. Perhaps some flexibility in continuing to offer support such stations is needed. The OHR representative in Mostar told us it is the only radio local/regional station which is providing a good amount of decent journalism. We recommend a sympathetic hearing be given to radio stations like Studio 88 who have a unique role in their communities if they need further support to ensure survival. The station last year, through a freak electrical surge, lost their transmitter. Happily the Swiss government were able to replace it fast. We recommend that USAID consider ensuring enough flexibility in their funding mechanisms to provide emergency assistance to deserving outlets faced by crisis.

There was not enough time to visit Radio EFM in Sarajevo but we think we should record the universal respect in which it is held by the radio people we met – and many of the experts we spoke to as well. However there is concern expressed too that as, essentially, a student station, it may not have a strategic plan for survival. Given the paucity of good stations we recommend a local expert be commissioned to see if Radio EFM has the desire and/or the need for support.

Radio has been relatively underserved by the international community. Whether this was through a lack of knowledge, lack of a coherent strategy or the sheer impossibility

of assessing which outlets among so many were worth supporting we cannot judge. The authors have unfortunately failed to come up with any brilliant concepts to better serve and support the radio sector. The moment has patently passed for new initiatives on a grand scale, however many local communities are without local radio. (According to one estimate this is as much as 40% of the population.) The suggestions we have are therefore small scale. Radio is very under regarded generally – its profile needs raising, as does its importance, in the community. With this in mind we recommend USAID support the institution of some radio awards in news, public affairs, social affairs, education and entertainment categories. We believe some sponsorship may well be secured for such an initiative too. Secondly, we recommend a local, independent expert be commissioned to do a study of what local stations in the underserved regions are present, to assess them, and to then offer support to those who either provide, or have the potential to provide, decent services.

The role of the various international broadcasters in the radio sector came in for universal criticism. They have pinched the best people because they ‘pay too much’ and because they are believed to pay stations to broadcast their programmes thereby making it much more difficult to sell programmes. Deutsche Welle do pay; the BBC does not and Radio Free Europe (the most successful international station in Bosnia) pays just 3 of its 41 affiliates.

E. Print

In many ways print is the hardest sector to assess. Readership is low in BiH – partly because newspapers and magazines are expensive at 1km for the former and 2km for the latter. But, too, time and again we were told there was no tradition of readership of print media before the war either – no paper in the BiH territory has ever sold more than 50k. And the print run for books is about 300 copies. Although on the surface the market is not as crowded as it is for the electronic media, competition from outside the country is very strong. There are:-

7 Daily newspapers produced in BiH and 13 available from Croatia and Serbia
46 Weekly and monthly publications produced in BiH and 61 available from Croatia and Serbia

And of the 46 weekly and monthly publications just 7 are news based. And of the 7 two are essentially local – Prezent in Bihac region, and Front Slobode in Tuzla region.

Recent figures from Prism Research for IREX on daily newspaper readership are:-

Federation – 40.2% at least 3 times a week
Republika Srpska – 22.1% at least 3 times a week

And

News magazines are read regularly, 1 or 2 a month, by 29% of the adult population.

Total revenue from advertisements is said to be 2m KM.

Overall readership of all publications has fallen over the last two years – a notable exception is Nezavisne Novine which has secured a sizeable increase in sales throughout the country, despite being based in Banja Luka. IREX/USAID are given total credit by the owner for this success. Nezavisne Novine also owns a radio station, Radio Nes, which is well-regarded by other serious stations. The owner of the company is confident he will survive and reach full sustainability. This in spite of the subsidised government paper's ability to charge half his cover price; despite constant pressure from the government via the financial 'police'; despite not securing the lucrative obituary notices from the Serbian community because the paper is not perceived to be a Serb outlet; and despite pressure exerted on some institutions not to advertise with them. It is obvious that all the management, journalism and business support Nezavisne has had from USAID has really borne fruit – and the owner wants more – and to keep getting support from Western consultants. His one regret is that his relationship with IREX did not begin in 1996! Unquestionably Nezavisne Novine's business sense – the acquisition of its own printing press – as well as its improvements in layout, and not least its journalism, are very impressive. The company is now printing seven other companies' publications, including one Croatian paper and an auto magazine. The printing press is making enough to repay the loan they took and provide some money to support the newspaper – with a five year loan, and therefore heavy monthly repayments, we were told even the family dog is in collateral for it! On the principle of investing in small numbers of potentially viable outlets with sound editorial standards the Nezavisne Novine story is, to date, an outstanding success story. There is no question that it is seen as an opposition paper but since it now separates most comment from the news stories, it simply joins the ranks of most Western papers. For the future the company would appreciate further support to enable it to produce an edition for Western Herzegovina. Currently 30% of their sales are in the Federation and Nezavisne believe with a further zoned edition this figure would rise dramatically.²² We recommend some research be carried out to test the validity of the idea, and if the results support it, that ways in which support could be provided, be explored. It is unlikely, with the size of their current five-year loan, it will be possible for them to raise more capital.

For Nezavisne Novine's radio station, Radio Nes (which we were told also brings in a useful additional profit a month for the paper) listening figures are respectable at 3.7%. It has news but is largely dependent on the news gathered by the newspaper's staff. So, for example, when the paper was breaking a big story about a bank scandal, radio simply trailed the newspaper's coverage but did no independent stories with the voices of the players. We recommend that USAID suggest to Nezavisne Novine they consider developing their journalists into bi-media workers. Some of the skills are different but can be taught – and it could be productive both for the quality of the radio output as well as delivering some economies.

²² The paper says it produces 18k copies at week-ends and 16k early in the week. Of these 20% - 25% are unsold. Distribution remains a major problem.

The story for most of the other print outlets we visited is not so positive. In Banja Luka we also visited Reporter – a good-looking, well-produced glossy magazine. It is jointly published in Serbia with 35 pages of content shared, mostly on foreign affairs, music and film. The issues we looked at carried a lot of advertising – a key benefit of a dual market. But they are having financial problems and are in the middle of negotiations to transfer ownership and debts. They have had help from USAID – after a bad experience the current team has provided valuable support on business planning. The help Reporter seeks now is to finance a sort of apprentice system to enable them to train new/young journalists.

Dani, which remains an influential force in spite of a decrease in sales, is not yet sustainable.²³ And it really has no faith it can be in the current economic situation – “It costs 8 KM to buy Dani for a month – for that you can buy 60 eggs”. However they continue to make strenuous efforts to reach sustainability – they are now charging for their web edition and currently have secured 250 subscriptions at \$40 a year. The magazine claims to sell between 14k and 15k copies a week of which 80% are bought in the Federation and the remaining 20% in RS. Dani has mixed views on the contributions and support offered by the international community. Whilst it highly appreciates the training for business planning and management, the magazine believes huge sums have been wasted on journalism and editorial seminars and round tables – and that frequently journalism training by expatriates is/was inappropriate because they had no understanding of the realities of BiH. On the other hand it believes that sending young journalists abroad to gain skills, new perspectives and experience has been fruitful. Dani is very conscious that there is little or no investigative journalism in BiH – because outlets simply cannot afford it. The magazine would like support to develop their capacity in this – and to develop their capacity for economic and educational writing. The lack of real investigative reporting anywhere in BiH is demonstrable – we recommend the setting up of a fund to support properly developed proposals for investigative and specialist reporting to which respected outlets can apply. And Dani is important beyond its current readership figures – as are some other financially unstable print outlets. It is they who most often raise issues of substance and frequently set the agenda for the electronic media. Their influence is disproportionate to their readership as some of the print media is in every society - the Wall Street Journal, the second biggest selling paper in the US, has a circulation of just 1.8m, and the Washington Post about 650k, in a population of something like 280m. We recommend that special consideration be given to the continued support of decent and influential print outlets, and that mechanisms for doing so, for example in supporting important investigative projects, be developed. However, once a project had been agreed it would be essential that no interference of any sort be allowed.

²³ Dani is widely admired within the media community and we were assured, even by competitors, that its circulation is rising again with improved content.

START magazine is the youngest of the papers/magazines we visited. It is proud of its editorial vision which seeks to ensure positive stories are covered as well as the negative. It covers environmental issues – food, drink and some personal success stories too. It does cover the bad news – but it works hard to have a balance. The magazine has had a lot of donor support, is duly grateful and, from a position of just covering costs as it is now, believes, soon, it will be in a position to develop. At present they print 5k copies and sell 3k at a 2km cover price. Two years ago the OSI donated a printing press (which brings some income too), and Press Now a car for distribution – these two contributions – plus the business management advice from IREX and some digital equipment for new photographic studio (which should in due course also bring some income) have put the magazine on its feet. START has taken a loan from the Municipal Centre to buy the studio space – repayment at 5.5% over 5 years. The energy is palpable – as the list of things they will do next, demonstrate – they are first to improve the quality of the newsroom writing; second to be able to afford better paper for the magazine and third to have money to invest in promotion to increase sales. START also has its competitors in proportion – they have found their own niche, are confident in their product and able to say the economy is not (at least not yet) the problem for print media. This highly unusual view they explained by the number of cars in Sarajevo – 110k – a large percentage of whose owners, and their families, simply do not choose to buy newspapers and magazines.

Slobodna Bosna says it has had three stable years – editorially and financially. It covers 20% of its costs through ad revenue and the remaining 80% through the 2 KM cover price. Sales they say are around 25k – however IREX figures reflect a 2.4% drop – 3.9% 2000 to 1.5% 2002. One independent source allows the circulation to be around 15k – 18k, a second estimates 10k. These discrepancies in estimating circulation figures for all print media are normal. Slobodna Bosna's main problem is printing – they believe that a first class press, available to many outlets, is needed badly in the Sarajevo region. Such a printing press would cost \$10m. They believe with a better-looking product they could also bring in a great deal more advertising. On the question of pressure, local or international, the paper confirmed that over the last two years there has been little or none. However they believe the situation will deteriorate again with the change in governments and fear revenge may be wreaked for some of what they have published in the past. This is, it says, compounded by the mafia style criminal interests which have their tentacles in so much – including some very successful newspapers. The paper believes too that their critical coverage of what the current High Representative has been saying and doing has led to the loss of SFOR advertising on the OHR's instructions.

We heard a number of assertions of this kind during our visits – another paper made a similar charge about United States and the withdrawal of financial support after coverage of which they disapproved. Whether the facts as asserted are true or not, they are believed, and the stories are repeated and gain in the telling. Inevitably then the international community is believed, in some quarters, to be deeply hypocritical when it comes to their support for a free and independent press.

The situation for the regional press is worse. In Tuzla we visited Front Slobode and although the magazine has had substantial, and much appreciated, help from IREX it is not yet flourishing. The paper says it is just about covering its costs with advertising revenue and a circulation of 3k at 1KM per copy – plus 60k KM a month from the municipality to carry their news. Without donor support the paper does not know what will happen in the next period. It recognises it is overstaffed and believes this can be sorted out within the year. The paper is not prepared to consider seeking a loan at commercial rates to purchase a printing press – with one loan outstanding on a car for distribution, the reluctance is understandable.

Whilst the situation in Bihac cannot be compared with that in Tuzla, Prezent is in a similar position locally in terms of circulation. The story of Prezent, and its owner/editor is well-known so we will not rehearse it here. We simply record that the timely help and support from IREX and the Swedish Helsinki Committee are deeply appreciated. The paper made a lot of mistakes last year we were told – although warned strongly by IREX in advance about them, the advice was not taken. Now, however, Prezent is optimistic about the future – not because the paper expects a big surge in circulation and thus advertising revenues in Bihac, but because it is starting to sell well by subscription in the diaspora in Europe and the States.

The authors, in principle, would like to support local/regional print media but it may be that the market is simply not there at present for local newspapers.

The question of the Press Council was ever present. Opinion is divided as to whether it should have CRA type powers or not. Fortunately in the author's view, a system of self-regulation will continue to be attempted. Dieter Loraine, who is managing the process as Director of Communication at the CRA, believes that it can now function successfully. It is his view that above all time is needed for the Council to establish itself. It will now meet six times a year rather than four which will also greatly speed up adjudications. Of the 32 adjudications it has made to date just over 50% were published by the outlet concerned – this figure obviously needs to rise substantially. The hope is that an erring paper will soon recognise that the bad publicity it receives in the rest of the media if it does not publish an adjudication against itself, does far more damage to it. British funds will be used to pay for an awareness campaign in the electronic media about the Council's role and work, and how to use it. Of course the ability of the Council to raise complaints – plus its new monitoring function – will also ensure many more offending pieces can be held to account. And the intention is that by March 2004 the Council will be an entirely Bosnian institution paid for by the press. Therefore the other key objective for the new Chief Executive will be to persuade the print media to participate fully.

F. News Agencies

There is only one independent news agency operating in BiH – ONASA. It currently has 250 clients; 100 full and part time staff; is the only agency to offer an English service; a separate business service and one for NGO's. Its competitors are owned and paid by the two entity governments, SRNA in RS has 1.4m KM budget and FENA in the Federation 1.2m KM. In the authors' view both do a reasonable job in spite of their funding, but neither offer an English language service. ONASA has to survive entirely on income and, with the cutting of IREX grants to small outlets to subscribe, stations can no longer afford to take the service. They lost 25 subscriptions of 400 KM a month. Also many international companies are leaving BiH and so that is more lost subscriptions. ONASA also has problems with its software, and the company from which IREX originally purchased it. So, there are two things ONASA badly wants – one is to resolve the software problem – the other to recognise how important their service is to small, poor stations and to enable them again to subscribe. It is a conundrum – but ONASA is important for BiH as the only independent agency, so we recommend that if the reinstatement of the small grants to stations to pay for subscriptions is impossible, and if IREX has someone with the appropriate skills, ONASA be offered an urgent full cost analysis to identify any potential savings and see if the books can be balanced

G. Independent Production

There is very little independent production for television in BiH – no-one has the money to pay for it. Under the Public Broadcasting Law the national and entity channels must purchase 10% of their programming from independent producers, currently we were told it is more like 20%. However, the independent production company we visited, REFRESH, are finding it impossible to find a market in television. They also make very highly regarded feature films and thus have high production values – no-one is prepared to afford them. The independent productions we are aware of do not have such high values – for example the extremely popular soap commissioned by FedTV – but the fact is that it is a domestic production. REFRESH believe it is time the commercial sector woke up to this fact, and currently say they only see FedTV as a worthy partner.

There are altogether about ten independent production companies located in Sarajevo, Banja Luka, Tuzla and Siroki Brijeg.

Although we were unable to visit any other independent companies, given the importance of developing domestic programming which has been stressed earlier in this report, we recommend an assessment be made of the various companies, and support considered for any which are capable of producing good productions in partnership with private, commercial television.

5. Journalist Associations

Over the years, apart from USAID, many sympathetic organisations have tried to help in this field. There are six associations altogether, efforts have been made for years to amalgamate, or at least form an association of the six. Although some progress has been made with four of the organisations they are still a long way from success. Even

the International Federation of Journalists has given up on them until some rationalisation happens. No association individually has more than 350 or so members and it seems journalists and media workers are simply not yet persuaded of their value. Therefore we recommend the situation be monitored, and as and when the groups do manage to form one national body, sympathetic consideration be given to supporting it.

6. Financing, Loans and Management

We said earlier in this report that much of the financing of the media in BiH seems rather murky. It is impossible to assess who, with special interests to pursue, may be funding what. Accusations of one outlet against another fly frequently – and, simply on the balance of probability, a percentage of them are probably well-founded. The less than transparent funding of canton and municipal stations is another area of difficulty. However, it was encouraging to hear how many organisations have been able to secure loans on reasonable terms for sound business reasons. No one we spoke to is paying more than 10.5%, and the variety of lenders with whom arrangements have been made, is wide. There must too now be a wealth of experience in this area amongst IREX clients – perhaps it may be worth pulling some of it together to be shared more widely.

We had heard much from donors about ‘donor dependency’ and how media organisations developed great skill in accessing grants and donations, but almost none in making money and operating as a business. The authors believe that this picture is no longer as accurate as it was. IREX, the MDLF (Media Development Loan Fund) and others have patently had an impact – with one or two exceptions, we did not find an expectation that donors will continue to keep outlets afloat, and a number of people spoke enthusiastically about their business plans.

However we still repeatedly heard that if you raise revenue, by whatever means, that is all you need to do to survive. There seemed, again with exceptions, little appreciation of other aspects of financial management – or the broader aspects of management like human resources, analysing required staffing levels and developing organisational structures, understanding the total cost base and so-on. We recommend that a package of management skills training be developed in conjunction with an excellent management training centre. We further recommend that this be done in partnership with a local institution to ensure the content and skills have the widest possible use. This may be even more important given that the public broadcasters both at state and entity level, will be able to access as much management training as they want – and at every level. We understand that FedTV and PBS are open to this sort of help and support (rather than journalism and production) and it is therefore possible that, in this area, they may gain an advantage.

6. Conclusions

It probably does not need saying again, but the media market in BiH is a mess. Not just because there are too many outlets fighting for an audience and seeking all too little available money, but because no one knows much with any accuracy. So claim and counter claim for audience share, coverage, circulation and advertising revenues contribute to the general prevailing atmosphere of suspicion and distrust. Undoubtedly many outlets will fail in the next few years, and it will be a challenge for all those who care about Bosnia to ensure those that do fail are not those who are making a genuine contribution to society.

Ten years ago there was chaos in the media, and a great many of the outlets were pernicious; this was followed by a period of anarchy in which anyone could do what they liked – some of what blossomed then was reasonable, much was not. Now, there is some sort of stability. The electronic media is highly decentralised but print remains, in the main, centralised in the two entity capitals. There are a number of decent organisations close to sustainability. We believe support should continue to be focused on those who are, and who are also demonstrating, and continue to demonstrate, a genuine contribution to building democracy, to promoting open debate, and to helping to hold government, institutions and all centres of power, to account.

A major area of concern must be that, with the very occasional exception, most media outlets are not really taking market conditions into account – or being realistic about the mid-term future. BiH is a very small market – and even supposing the economy were to suddenly improve dramatically, it will still be too small a market for the amount of media there is. For radio this is not such a problem – but for print, and above all for television, it will continue to be a huge problem without regional cooperation. (There is some cooperation on the level of news exchanges with B92/ANEM in Belgrade and CCN in Croatia.) One station has realised the need for regional purchasing and advertising and others need to do so urgently. And an exchange of domestic programming would, of course, have real added value.

It is a matter of great concern that many serious professionals see huge dangers ahead for the independent media – private and/or public. The outlets close to, and supported by political and criminal groupings, have enormous influence – and all too strong links to governments. Many people we spoke to expect an increase of pressure on all fronts and even direct action. The journalist Helpline (now under the Communications Department of the OHR) may be able to help individual journalists but it cannot provide support at the level pressure is likely to come. What can be done about this is unclear, but we believe that policy makers in the international community need to recognise the dangers and keep in close touch with editors, including those whose journalism sometimes offends, and who may lack social and diplomatic skills as well.

Another area of concern is the privatisation of canton and municipal stations. A few managed to get ahead of the moratorium put in place until the CRA licensing round was completed. The moratorium is therefore due to be lifted imminently. What will

happen is very unclear – not least because every canton has different rules for ownership – some, under their present rules, only allow 10% foreign ownership – others 48% and some 100%. There is great concern too about how transparent the process will be.

Overall, we are troubled by the lack of cooperation, the distrust and the endless denigration by the media of the media, competitor or not, we found. There were exceptions – and those exceptions have something in common – they are the outlets which have developed, on their own initiative, their own vision, and their own niche and thus a sense of proper self-confidence. We believe that donor focus should be on those who either have, or are able to initiate, a genuine vision and mission for their organisation. It was very noticeable that those which have already done so did not feel the need to denigrate or libel or attack or be otherwise extremely rude, about others.

This dislocation, lack of cooperation, within the media, is reflected within the international donor community. Many donors are perceived to want to dictate to, and manage, their clients. The lack of observable partnerships has led to a diminution of positive achievement – not least because outlets feel they must identify with one or other donor. We believe all sides are equally responsible – equally capable of trying to impose their own agenda. The recent EU/US battle does reverberate. There is a perception amongst other donors to the private, independent media that USAID sometimes seems not to recognise the value of partnerships. Also people sometimes believe that whichever donor is the biggest contributor expects to be able to dictate terms – both to the client and to donor partners. Of course, in highly charged situations perception is all, and we recognise the validity of such views is open to question but believe they are worth considering.

Media outlets are, in the main, very appreciative of all the donor support there has been. And sometimes the sums were very small – we offer the thought that sometimes a timely \$5k or less can have more impact and long term value than \$250k.

Many of the organisations we visited just about cover their costs or are very close to doing so and therefore have a real possibility to be self-sustainable. But sometimes for donors 'self-sustainability' seems to be almost an end in itself. We are concerned that the quality of output be understood, and stated, to be equally important. We were concerned that some donors spoke to us only about media as sustainable businesses. And this emphasis was reflected in our meetings with media organisations – almost all wanted to tell us about themselves as a business – all too few wanted to tell us, enthuse us, with their output, the quality of their journalism and its importance for the community. Where that distinctive quality of output exists, and an outlet's contribution is proven, it is to be hoped that support for the organisation be considered for a little longer, perhaps in partnership with another donor, if USAID's funding restrictions make direct support impossible.

A key objective for programmes which invest in any area of activity must be to work with local organisations, and so contribute to institution building within a country. We

are disappointed that so little of the extensive training and development work that has been carried out has been in partnership with Bosnian institutions – be they universities or training centres. (The imminent transfer of the ‘internet for journalists’ training capacity is a welcome initiative towards this goal.) We believe this is an area which needs to be urgently addressed if much of what the United States has brought to Bosnia is not to be lost. We also hope that now, seven years after the beginning of US assistance to the media in BiH, that it will be possible to largely Bosnianise future programmes.

7. Recommendations

Our recommendations to USAID/Bosnia for future investment and support to media take into account reduced budgets. Some recommendations suggest immediate or short-term possibilities which might be funded through existing programs.

A) Sustainability, Business and Management

The media market in BiH remains small and weak – and there are far too many outlets chasing what little advertising revenue there is. USAID’s strategy over the last couple of years or so has been to concentrate investment and energies in a small number of decent and potentially viable organisations. While this strategy has been appropriate and mostly successful, sustainability should not be the sole criterion used in the selection of media partners for USAID. A continued emphasis on the quality of an outlet’s content should be maintained. Outlets seeking funds, or other material help, should be closely monitored for content as well as financial stability, and any further support granted should be equally dependent on the contribution made by the outlet to the community. Given this, specific recommendations include:

Print

1. Newspaper and magazine readership is low in BiH but, as everywhere, its influence and value is disproportionate. It is vital to the development of democracy that a healthy and genuinely independent print sector survive, especially in BiH, where some of the best-selling papers and magazines are tied to political or other centres of power. Whilst it is well understood that USAID cannot provide support for operating costs, we recommend that funds be made available to support worthwhile investigative and specialist journalism. In this way journals like Dani, which have an important contribution to make to open discussion and debate, could both extend their coverage in important areas and, most likely, increase circulation. Real investigative journalism is expensive, as is the acquisition of specialist skills. (See under Journalism below.)
2. Building on its success, we recommend that research be carried out soon for the Nezavisne Novine newspaper to determine the viability of a zoned edition for Herzegovina, and if the results are positive, that ways to support such an

expansion be explored to extend circulation and underpin the probability of long term sustainability. Nezavisne Novine should also continue to be supported with on going business, financial and journalism training where appropriate and requested.

3. We recommend that any company producing services in more than one medium be strongly encouraged to develop multi-media workers. It strengthens output and can produce real economies.

Radio

- 1) The radio sector has been underserved in BiH – and it is under regarded in the market. To raise its profile and to help persuade advertisers of its value, we recommend USAID support the institution of some professional awards for news, information, educational, public affairs etc. programming on an annual basis. We believe it will be possible to secure sponsorship once such awards are established.
- 2) In some geographical areas, decent speech radio has made good progress as a business – in some, like Mostar, it is not yet so well rooted. We recommend that stations like Studio 88 continue to be supported with business advice and training. We also recommend that, perhaps in partnership with other donors with less restrictive funding rules, USAID provide support to worthwhile stations that may require a longer period of time to reach viability.
- 3) Viable, formal radio networks do not seem to be possible in the foreseeable future. However the success of the informal network created by BORAM with the news and 'Infozone' programme is both financially viable and valuable. We recommend that USAID support proposals for similar ideas related to information and/or public interest programming for informal networking.
- 4) Stations that have good reputations and good programming but have not yet had the benefit of business and financial training and support should receive such assistance. We recommend that research be carried out as soon as possible to determine which stations may both warrant and want/need help. Radio is the cheapest medium and has the potential to be of the most value to communities within the wider society.
- 5) Some radio stations with useful speech programming are just about covering their costs and therefore in the last stages towards full sustainability. Some also have ambitious plans to extend their reach. We recommend that where support is needed to support expansion, either with research or additional business advice, this be proactively offered.

Television

- 1) Television in BiH is not properly competitive – no network is either distinctive or strategic with its scheduling. Foremost, this is a business issue. We recommend that, as soon as adequate media consumption patterns and market information are available, Mreza Plus be urgently offered highly skilled support in this area from the commercial sector.
- 2) Much support in business planning and financial management has been invested in the Mreza Plus partners. We recommend that this continue, and further consideration be given to strengthening the management skills in the executive hub team to enable it to more proactively manage the network.
- 3) Mreza Plus is still a new network, and is still establishing itself on the market. We recommend that when some concerns have been met, USAID consider continued support for programme purchasing to underpin the potential for sustainability and properly establish the network as a consistent provider of popular entertainment. We also recommend USAID consider supporting Mreza Plus to commission independent production companies to produce local programming. (See Programme Production below)

Cross Media

- 1) We could find no reason for USAID to consider support for public broadcasting at the present time but we recommend that as and when the process of privatisation takes off, the situation be monitored and support considered for those who have the potential to provide good services in underserved cantons and municipalities.
- 2) There was much criticism from the advertising agencies that media companies do not use them and see them as 'the enemy'. Since at least one only passes on 35% of the cost to the advertiser to the station, it is not surprising that most stations prefer to sell their own slots. And the norm seems to be 20% through agencies – 80% sold direct.
- 3) When every month it is a struggle to cover costs and every KM counts, we cannot see there is anything useful to recommend other than that the agencies cut their charges.
- 4) A great deal of money and energy has gone into strengthening the business and financial skills of media organisations in BiH. Much of it has borne fruit and the 'donor dependency' syndrome so much discussed, we found to have largely disappeared. However we also found that management skills beyond the financial/business/revenue raising areas have not yet really arrived in the media in BiH. It was troubling that for many organisations there still exists the idea that if you raise enough revenue to cover your costs, that is all you need to worry about. We recommend that USAID identify an excellent management training centre to work with a Bosnian institution to develop the full range of

management training modules needed to successfully manage any organisation. We recommend this to be a two or even three year project. This sort of skills training is not available at present in Bosnia.

B. Journalism

- 1) There has been a great deal of journalism training in BiH from a wide range of donors. Some has been valuable, quite a lot not. Good effects can be seen in many outlets, but there is still a lot of bad journalism, a lot of very cautious journalism, and a lot of very dull journalism. Over the last years a great deal of money has been spent on one-off workshops, courses, round tables and seminars run by expatriates rather than rooting the skills, experience and knowledge in a Bosnian institution. Journalism training needs to continue both for new entrants and mid-career workers. It is impossible now to determine precise needs - these will be identified over time – but we recommend that any further support USAID provides for the training of journalists be done with, and through, a Bosnian institution. An important component of all development programmes is institution building, and we recommend USAID make it a key objective for all future media training.
- 2) We have said that we cannot see any reason why USAID should offer targeted support to the public sector currently. However we recommend that any and all training courses for journalists be open to those who work in public broadcasting. It remains important to spread strong ethics and high editorial standards as far and wide and deep as possible.
- 3) The electronic media behave reasonably – CRA regulations have ensured the excesses of the past have been eradicated. However there is little or no investigative reporting – most news coverage is official news – political/economic news which does not connect to people's lives – or often their understanding, and it is very dull. Similarly there is little or no reporting of issues (environment, the economy, health, education etc.) which relate to peoples' lives. And there are very few reporters with the specialist knowledge, or the skills, to illuminate and explain complex issues. Investigative and specialist reporting are also expensive – always in time and sometimes in resources too. The media in BiH do not have money to spend on these two key areas. We recommend two ideas to USAID. The first is to have a fund to which decent outlets, with a strong/important story to investigate, can apply for cash to enable them to pursue it. (The recent Freedom of Information legislation should facilitate investigative journalism, and such a fund would also enable journalists to make use of its provisions – something that has not yet happened, again because of cost restraints.) However, once an idea was accepted, it would be of paramount importance that no interference or contact be allowed either during the investigation, or after publication/broadcast. The individual sums would be small but the impact could be big – both in broadening debate and in increasing the ability of the media to develop its role as watch dog. We appreciate this may be difficult for USAID to

manage directly but believe a mechanism could be found to properly, fairly and honourably disperse funds.

- 4) The second idea is to set up a scholarship scheme for those with the potential to be good specialist journalists. Six to ten people would be selected each year to travel for four months – to receive training in, for example, economic reporting, and then to have a period of work experience with a suitable outlet. Although such schemes can be quite difficult to manage successfully, we believe the benefits can be great. Genuine expertise is developed, and a number of people learn from the inside about western journalism rather than being `told` what it is – and gain experience and new perspectives. If the right people are selected the influence on the parent organisation can, too, be profound.
- 5) There is no single source of information and advice on laws which apply to journalism and its practice. We recommend that a suitably qualified person be commissioned to produce such a booklet as soon as possible, and that once published, it be distributed to all media organisations, universities and training centres.
- 6) The print media are not regulated and there is universal despair at the irresponsibility of many papers and magazines. Gossip and rumour presented as fact; vicious personal attacks; unattributed slander and gross invasions of privacy are common. Regulation is widely discussed, but happily, another attempt at self-regulation is being made. We recommend the US Mission continue to give it overt and strong support.
- 7) It is a matter of great concern that many serious professionals see great dangers ahead for the independent media – private and/or public. The outlets close to, and supported by political and criminal groupings, have enormous influence – and all too strong links to governments. Many people we spoke to expect an increase of pressure on all fronts and even direct action. What can be done about this is unclear, but we believe that policy makers in the international community need to recognise the dangers and keep in close touch with editors, including those whose journalism sometimes offends, and who may lack social and diplomatic skills as well.
- 8) Where it has been possible for USAID programmes to work within an organisation on many of the different skills needed, the results in the improved quality of the journalism have been marked. We recommend that, wherever possible, journalism training be carried out on site over a period of time.

C. Programme Production

- 1) Making television programmes is expensive and television companies in BiH cannot afford domestic programmes beyond cheap studio based chat or music shows. Drama and documentaries are just not affordable – importing foreign

films, soaps and sit-coms is much cheaper. Yet the one locally produced drama in BiH – a soap opera with rather low production values – wins an audience of 58% for FedTV. All television companies are well aware that they would gain an advantage if they could afford to screen local programmes of quality. It is also the case that all societies need a reflection of themselves and their culture – this is particularly the case in post conflict societies. It would of course be prohibitively expensive for any one TV company to try and produce drama and documentaries themselves at this stage – but there are several independent production companies in BiH, at least one of which produces internationally acclaimed feature films. We recommend that USAID consider support to Mreza Plus to commission some quality Bosnian programming from independent production companies.

- 2) No television network is really distinctive in BiH. And, in particular, channel/network scheduling and `programme beak` production values are very low. (This is mentioned under Business above as well.) We recommend urgent support to Mreza Plus to improve their scheduling and programme breaks – and to develop good promotion material for their programming.

D. Regulation

- 1) Although the CRA is an independent body, many people accuse it of unfair decisions and, therefore, of not being properly independent. However, no one produced any evidence to support such allegations, and in the prevailing atmosphere suspicions are inevitable. But there is concern expressed in some quarters about its ability to remain properly independent, given it is funded by government. One solution being discussed is for the broadcasters and telecommunications companies to pay for the CRA – the broadcasters by a percentage of their licence fee and the telecommunications companies by a percentage of their revenue. The only role then for government would be, once the original sums had been made, to set a sort of cost of living increase. Of course an annual independent audit would be essential. We recommend the idea for consideration and support.
- 2) The CRA is very important for the future of independent, public or private, in BiH. We recommend that anything and everything which can be done by donors to support its independence be done. In particular it has now a small research unit but with no funds to do anything original. The serious lack of current demographic information is a serious handicap but if the Authority is to be able to make informed decisions in the future, and be in a position to make wise judgements, it needs to be able to do some extensive research. We recommend USAID to consider, with the CRA, priorities which would be of value to media outlets. Extensive research is, of course, expensive, but other donors have expressed interest in it, so a partnership may be possible.

E. Research and the Market

- 1) It was a matter of surprise to the authors to discover how little is known about almost anything media companies need to know to make sensible marketing, scheduling and programming decisions. One fundamental problem is the lack of demographic data. Another problem is that, although there are research companies in BiH, it is extremely difficult to assess the value of what they produce. Almost all the electronic media depend on one index for audience figures and for the information they need to win/satisfy advertisers and raise revenue. Buying the standard research package is very expensive for most. Also, commissioning specific research is impossible. Yet these figures are based on only eleven towns – and according to another agency only 42% of the population of BiH live in towns. There has been no research on consumption patterns; when target groups (for example young people) are available to watch; percentage figures are for ‘Audience Share’ not of the whole population, etc. We recommend that USAID urgently commission an expert assessment of the research available in BiH to determine its real value – and to ensure all its clients properly understand its strengths and limitations. It has been suggested too that the cost of research is comparable to western rates because donors have paid for it. If this is the case, it is a conundrum. Audience/reader research is crucial to all media organisations and so we further recommend that USAID consider ways in which, on the basis of an expert assessment, research capacity could be strengthened and made more cost effective. We believe the assessment, and any consequent actions, be quite urgently considered.
- 2) Research agencies complain that the media does not understand the value of their work. It is hard to assess whether this simply reflects irritation that they sell so little and receive so few commissions, or whether it is true. We recommend that the assertion be assessed, and if confirmed, that more effort be invested in persuading USAID clients of its value. Good research is particularly important when it comes to scheduling, introducing new programming and targeting particular audience segments, as well as simply demonstrating audience size.

F. End Piece

Our last recommendation repeats an earlier theme. Donor attention has turned away from the Balkans, for USAID as well as other donors. It therefore becomes urgent that whatever investment there is in the future be rooted in Bosnia and Bosnian institutions, whether they be newspapers, television stations, radio stations or training institutions. Thus, the final recommendation is to work inside organisations, to “Bosnianise” the effort.

Appendix I

List of Organisations and Individuals Consulted

- **Dunja Mijatovic, Amela Odobasic**, Communications Regulatory Authority
- **Senad Pecanin**, Editor/Owner DANI, Sarajevo
- **Frane Maroevic**, Press and Information Adviser, EU Mission, BiH
- **Howard Sumka, Michael Henning, Robin Goodkind**, USAID, BiH
- **Marija Topic**, Editor-in-Chief, Federal TV
- **Drago Maric**, General Manager, PBS, BiH
- **Lazar Petrovic**, Director of PBS TV
- **Senada Cumurovic**, Director of BHRadio1 (PBS Radio)
- **Elvir Svrakic**, Owner and Director TV HAYAT, Sarajevo
- **Aldin Arnautovic**, Editor-in-Chief, Radio Stari Grad, Sarajevo
- **Adnan Osmanagic**, Owner and Director, Radio Stari Grad, Sarajevo
- **Alija Behram**, General Manager, RTV Mostar
- **Amna Popovac**, Director of Studio 88 Radio, Mostar
- **Amela Rebac**, Editor-in-chief, Studio 88, Mostar
- **Avis Benes**, Spokesperson, OHR (Office of High Representative) Mostar
- **Ante Krišto**, Owner, TV Oscar C, Mostar
- **Zoran Udovicic**, President, The Media Plan Institute, Sarajevo
- **Amir Ibrovic**, Country Director, Internews, Sarajevo
- **Douglas Ebner**, Office of Public Affairs, USA Embassy, Sarajevo
- **Sanja Pejcinovic**, Office of Public Affairs, US Embassy, Sarajevo
- **Julie O'Reagan**, Press Attache, US Embassy, Sarajevo
- **Aida Gadžo**, Chief Researcher, marketing agency McCann Ericson,
- **Vedran Šolaja**, Researcher, McCann Ericson
- **Dino Đipa**, Research Director, Prism Research
- **Mirsada Muzur**, Managing Director, Prism Research
- **Semir Salihovic**, General Manager, TV Tuzla, Tuzla
- **Kasim Softic**, General Manager, TV Tuzla Kanton, Tuzla
- **Jasna Kapetanovic**, Editor-in-Chief, TV Tuzla Kanton, Tuzla
- **Zoran Kapetanovic**, Senior Producer, TV Tuzla Kanton, Tuzla
- **Zlatko Berbic**, Owner Radio Kameleon, Tuzla
- **Sinan Alic**, Director, Front Slobode, Tuzla
- **Nail Kurtic**, Professor of Journalism, Tuzla University
- **Marko Divkovic**, RFE (Radio Free Europe) correspondent in Tuzla

- **Vehid Jahic**, Oslobodenje Correspondent in Tuzla
- **Senad Zaimovic**, Director, Advertising agency Fabrika, Sarajevo
- **Aida Hadžiavdic**, Director, MIB (Mareco Index Bosnia) Sarajevo
- **Samra Luckin**, Executive Director, Marketing Agency BORAM, Sarajevo
- **Amra Kapidžic**, Director, BORAM, Sarajevo
- **Gabrijel Vukadin**, General Manager, TV OBN, Sarajevo
- **Darko Aleksic**, Director, Mreza Plus hub, Sarajevo
- **Charles Northtrip, Drew Sullivan, Sylvia Mack, Keith Raznovski**, Irex
- **Željko Kopanja**, Owner&Director, Nezavisne novine, Banjaluka
- **USA Embassy Banjaluka (GordanaPopovic, Dragan Kesic, Daniel Frouts**
- **Igor Gajic**, Executive Director, Reporter, Banjaluka
- **Dragan Davidovic**, General Manager, RV RS (entity PBS), Banjaluka
- **Nataša Tešanovic**, Director, ATV Banjaluka
- **Miloš Šolaja**, Director, International Press Center, Banjaluka
- **Senad Ramic**, General Manager, RTV Unsko-sanski Kanton, Bihac
- **Amra Mujagic**, Editor-in-chief, RTV Unsko/sanski Kanton, Bihac
- **Adem Muric**, Director, Present, Cazin/Bihac
- **Mehmed Husic**, Owner&Director, ONASA, news agency, Sarajevo
- **Borka Rudic**, General Secretary, Coordination of BiH Journalist Organisations
- **Pjer Žalica**, Film Director, Independent Production Company Refresh,
- **Zijad Mehic**, Director, Independent Production Company, Refresh
- **Dario Novalic**, General Manager, Start magazine
- **Ozren Kebo**, Editor-in-chief, magazine Start
- **Asim Metiljevic**, Director, political magazine, Slobodna Bosna
- **Senad Avdic**, Editor-in-Chief, Slobodna Bosna
- **Jakob Finci**, President of the Interreligious Council, BiH + head of the civil service
- **John Shearer**
- **Dieter Lorraine**, CRA/Press Council
- **Julian Braithwaite**, OHR
- **Mark Thomas**, BBC Consultancy to PBS
- **Daniel Fearn**, Deputy Head of Mission, British Embassy
- **Tarik Jusic**, Researcher and Director of the Media Centar, Sarajevo

Appendix II

Top Advertisers in BiH 2002

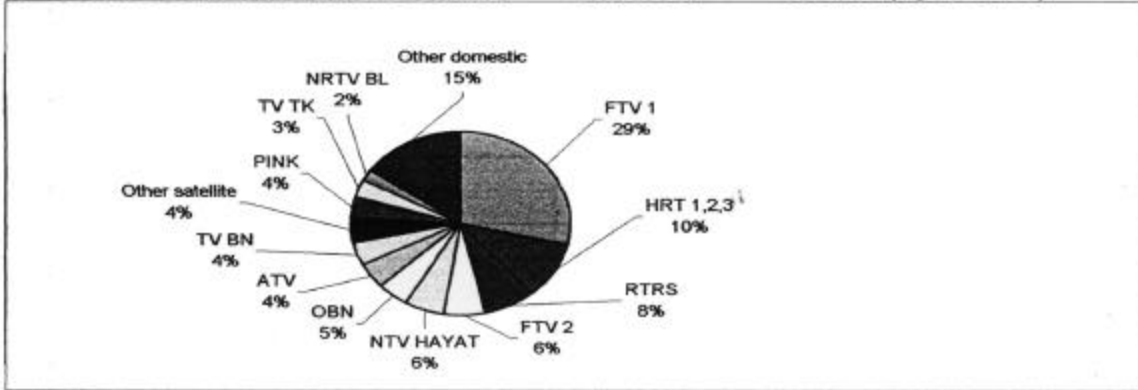
- 1. Proctor and Gamble**
- 2. Coca Cola**
- 3. Saponia**
- 4. SFOR**
- 5. Banja Luka Brewery**
- 6. BH Telecom**
- 7. Colgate Palmolive**
- 8. Heinkel**
- 9. OSCE**
- 10. Wrigley**
- 11. Tobacco Factory – Rovinj**
- 12. Beirersdorf**
- 13. Dita Tuzla**
- 14. Hyundai**

Appendix III December 2002 Audience Share Figures TV

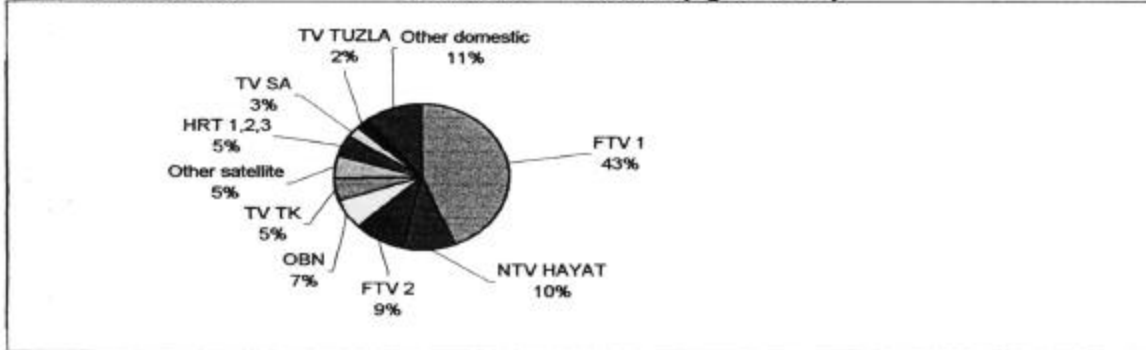
TV Audience Measurement, Wave 8/8, 2002

MARKET SHARE OF TV STATIONS BY REGIONS

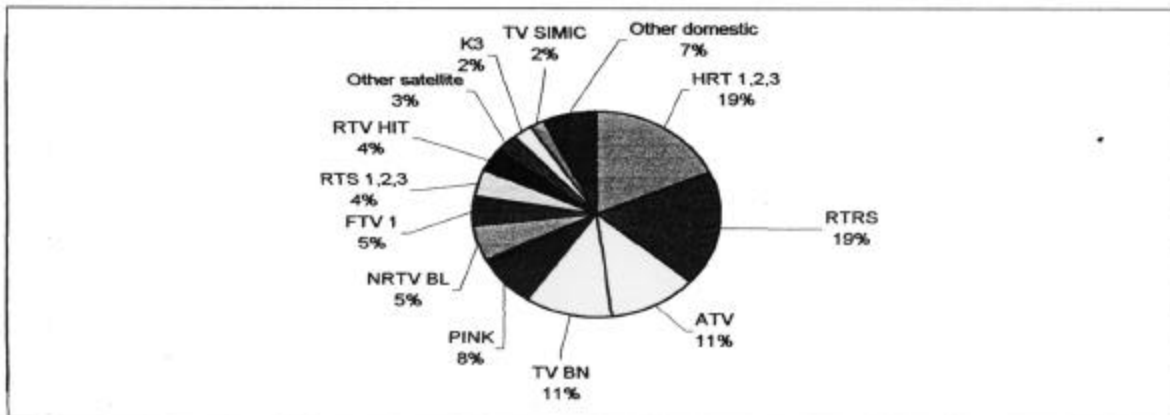
REGION: BOSNIA AND HERZEGOVINA Universe: 965.200 (aged 12-69)



FEDERATION B&H Universe: 569.600 (aged 12-69)

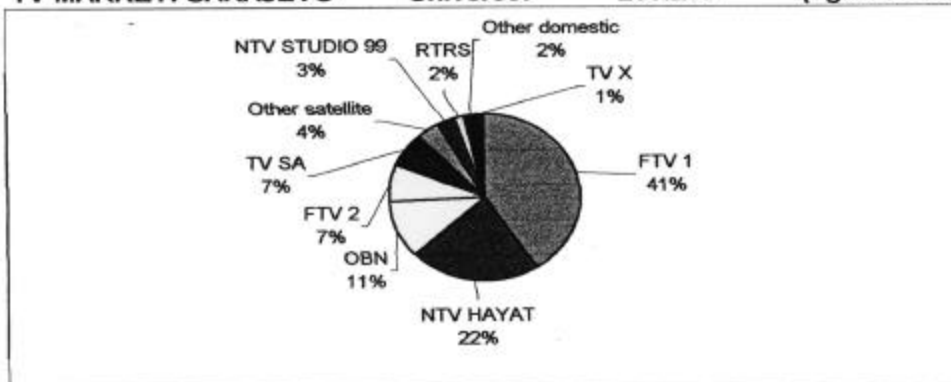


REPUBLIKA SRPSKA Universe: 368.600 (aged 12-69)

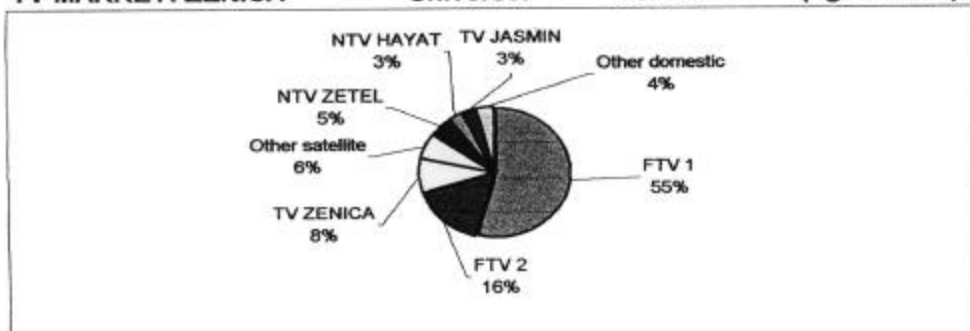


MARKET SHARE OF TV STATIONS BY TV MARKETS

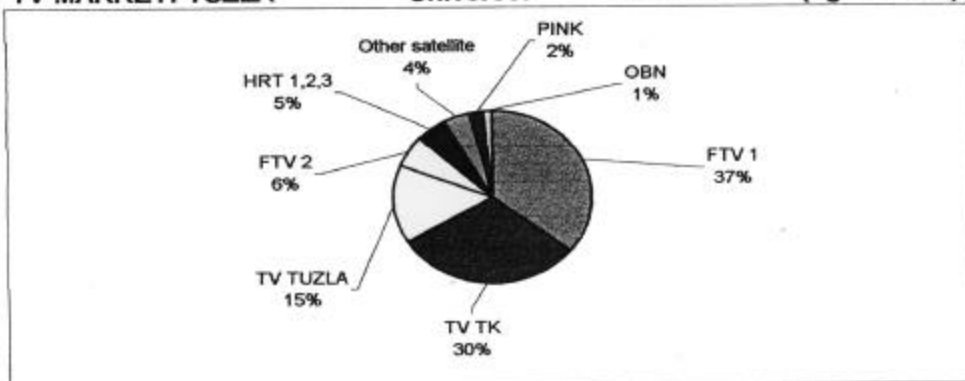
TV MARKET: SARAJEVO Universe: 205.200 (aged 12-69)



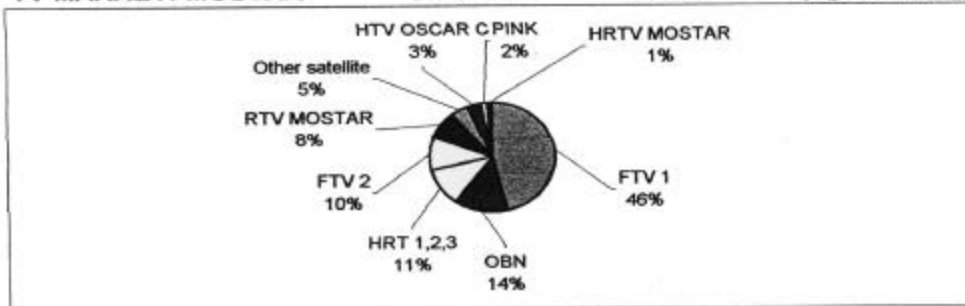
TV MARKET: ZENICA Universe: 98.800 (aged 12-69)



TV MARKET: TUZLA Universe: 102.600 (aged 12-69)

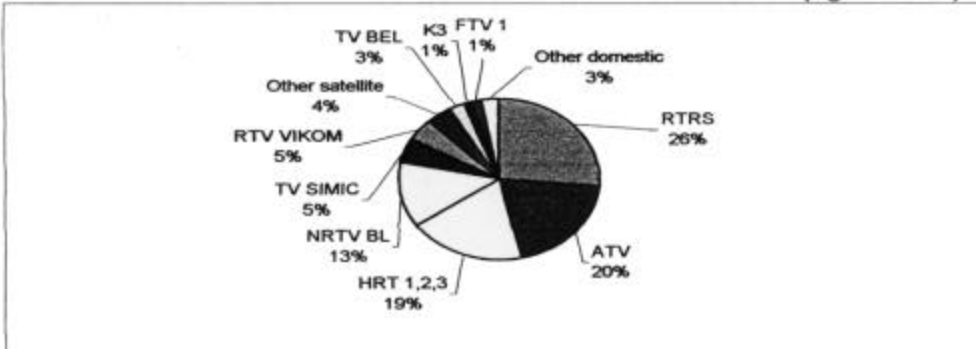


TV MARKET: MOSTAR Universe: 83.600 (aged 12-69)

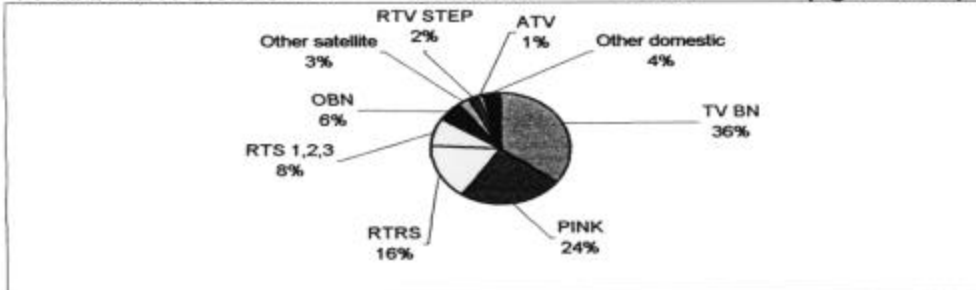


MARKET SHARE OF TV STATIONS BY TV MARKETS

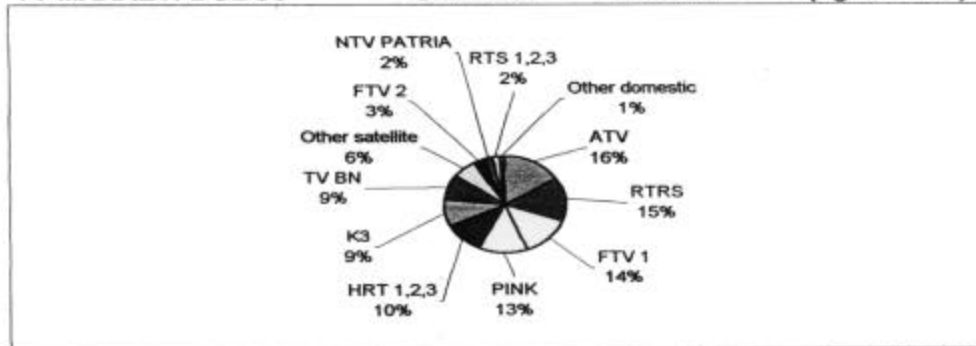
TV MARKET: BANJA LUKA Universe: 167.200 (aged 12-69)



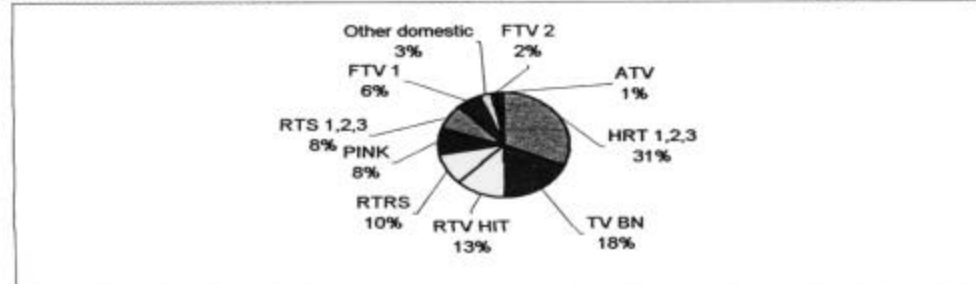
TV MARKET: BIJELJINA Universe: 87.400 (aged 12-69)



TV MARKET: DOBOJ Universe: 45.600 (aged 12-69)

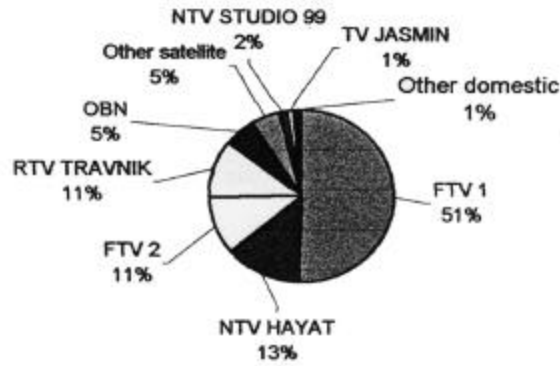


TV MARKET: BRCKO Universe: 68.400 (aged 12-69)

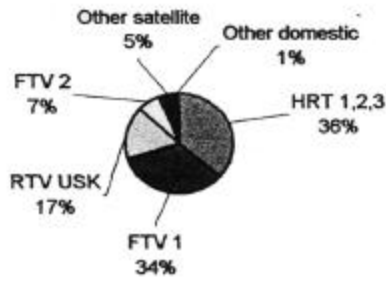


**MARKET SHARE OF TV STATIONS BY
TV MARKETS**

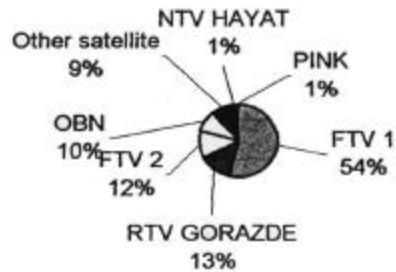
TV MARKET: TRAVNIK **Universe: 38.000** **(aged 12-69)**



TV MARKET: BIHAĆ **Universe: 45.600** **(aged 12-69)**



TV MARKET: GORAŽDE **Universe: 22.800** **(aged 12-69)**



Appendix IV Scope of Work

STATEMENT OF WORK

Assessment of Media Sector in Bosnia and Herzegovina and Recommendations for USAID Assistance 2003-2005

I. Purpose of Assessment

This assessment will result in recommendations to USAID/Bosnia on how to structure programs for continued assistance to the independent media in BiH

II. Background

The break-up of the former Yugoslavia and subsequent war between the successor states was fueled in part by the states' complete control over their respective media. In Croatia, Serbia and Bosnia, this autocratic control over the flow and content of information kept citizens from fully understanding the nature of the conflict and led them to make decisions that further inflamed the violent climate.

As a consequence, one of USAID's earliest objectives in the development of its media assistance program in BiH was to target and support print and broadcast media outlets which were striving to disseminate information free from government control. The predominant role of television in Bosnia led USAID/Sarajevo, through Internews, to provide technical assistance, training, and equipment to alternative television and radio stations, while at the same time building this sector's management, marketing, and production techniques. In the print sector, the Office of Transition Initiatives (OTI) was one of the first supporters of newspapers and journals in the Republika Srpska (RS). In order to improve assistance to the print media sector in BiH, USAID started a print media program through IREX in 1998, which paralleled the broadcast segment implemented through Internews.

USAID combined the two separate programs in 1999 and awarded a three-year cooperative agreement to IREX to implement a comprehensive media program.

USAID has allocated over \$34 million since 1996 to support independent broadcast and print media in Bosnia-Herzegovina. By providing technical assistance, training, and equipment to alternative television and radio stations, USAID is striving to build management, marketing, and production skills to support the emergence of a viable and independent broadcast media sector in Bosnia.

The three-year cooperative agreement with IREX has been extended for one year and will now end in September, 2003. The program is geared to developing a sounder and more politically secure financial base for independent media outlets. IREX provides technical assistance, training and small grants of equipment and funding to selected organizations throughout Bosnia-Herzegovina. Program activities are

designed to strengthen news coverage, highlight local culture, develop local production, and strengthen the financial base of broadcast and print media through better business management, distribution and marketing.

Highlights of USAID media programs in BiH include:

Broadcast Media

- Through Internews, a U.S.-based NGO, USAID assistance to the broadcast media benefited journalists, cameramen, tape editors, producers, and station managers from 12 selected radio and television stations throughout Bosnia-Herzegovina. Internews professionals-in-residence worked with stations to boost overall production, while technical experts worked with stations to improve specific production skills and transmitting capacity.
- Through grants and technical assistance, Internews helped improve the capacity of commercial production houses to produce programming for Bosnian audiences.
- In 1999, Internews helped to establish a country-wide Association of Broadcasters.
- In 1999, USAID transferred \$2.5 million to the United States Information Agency (USIA) for the Open Broadcast Network (OBN), the only cross-entity television broadcast network at that time in Bosnia and Herzegovina.
- USAID's Office of Transition Initiatives (OTI) provided \$9 million in direct support to alternative print, radio, and television outlets throughout Bosnia-Herzegovina. OTI helped develop 22 radio stations, reaching 75 percent of the populace in Bosnia-Herzegovina.
- With IREX assistance the first completely commercial television network called Mreza Plus (Network Plus) was launched in September, 2001. The network comprised of 5 television stations from Sarajevo, Tuzla, Banja Luka and Mostar. With its network of affiliates Mreza Plus covers 85 percent of the territory of BiH.

Print Media

- USAID has been supporting the Independent Open News Agency (ONASA) to expand nationwide and improve the quality and quantity of its services.
- Assistance is also being provided to journalist associations, which should play a key role in protecting journalists' rights, developing professional standards, providing in-service training, and developing media laws and regulations. IREX has built upon the increasing cooperation among existing BiH associations, resulting in the Coordination of Associations developed in 2002.
- Of the 34 publications USAID has supported through OTI, USAID continues providing comprehensive technical assistance, training, and grants support to: Reporter, Panorama and Nezavisne Novine in Republika Srpska, and Front Slobode, Dani, Present, and Start in the Federation.

- In 1998-1999, USAID transferred over \$ 1 million to USIA for the training of journalists through international exchange programs and seminars. Funding was also used to provide U.S.-professionals-in-residence to assist Bosnian media enterprises with improvements in both production and business management expertise.
- In October 2000, with help from IREX, Nezavisne Novine took a giant step forward and began national distribution of its newspaper positioning itself to be BiH's only national independent news voice.
- USAID through IREX helped Nezavisne Novine to develop an ambitious plan to take itself to the next level of growth, profitability and national influence, by opening the first independent printing press. Nezavisne Novine purchased its own printing press and printing plant to save money, improve quality and decrease its dependence on the deteriorating state-owned printing plant. The funding for this project consisted of a commercial loan from USAID's Business Development Program in the amount of KM 1 million; KM 400,000 invested by Mr. Kopanja; and grants from USAID/IREX and other donors such as the Open Society Fund (OSI), Press Now and Norwegian Embassy (totaling approximately KM 300,000).

III. Statement of work

The Assessment Team, consisting of a team coordinator from USAID, a local expert on the Bosnia media situation, and an expatriate consultant will undertake the work required to produce a report that will evaluate the state of the Bosnian independent/commercial media sector in terms of financial sustainability and in terms of how effectively the sector provides balanced information.

The main purpose of the assessment will not be to evaluate the past performance of USAID implementing partners, but rather to develop recommendations for future activities based on the current media and political situations in BiH. The sector assessment will also identify impediments to the development of a balanced independent media sector.

In carrying out the sector assessment, the assessment team should review the work that USAID has funded since 1995 in support of media; the activities that other donors and governments have supported or funded; and the state of media in BiH, including the balance between public and private sectors.

The following topics and questions are illustrative of the issues that USAID/Bosnia would like the assessment team to address. These should not constrain the contractor from pursuing other relevant issues.

- Are the Intermediate Results (IRs) framed in USAID's current cooperative agreement (C.A.) with IREX still relevant to strengthening the independent media sector in BiH? USAID would like to see recommendations for focusing its media assistance program and limiting the number of IRs.

- Where has USAID's media program been most successful to date and where has it been least successful in terms of achieving the objectives and IRs set forth in all grants and C.A.s?
- Have USAID programs successfully produced results across all regions of BiH? Is sufficient attention focused on smaller regional and community media?
- To what extent have USAID programs fostered sustainability in its activities? USAID would like the contractor's recommendations for improving sustainability.
- How is media development influenced by regional and international factors, and to what extent can media activities in BiH be sustainable in view of such factors?
- What specific obstacles exist to development of a balanced independent media sector in BiH? USAID would like the contractor's recommendations on how activities can most effectively be carried out with such obstacles taken into consideration.
- Financial support for media presently provided by some other donors, in particular by EU and the individual European donor countries, and their plans for future assistance.
- What possibilities exist for private sector media to be supported by private sector investors and banks?
- Is there a need for USAID to support the public sector media?
- How will the recent changes in political environment in BiH effect development of commercial sector media.
- Legal environment, public sector media, the role of Communication Regulatory Agency - how these issues affect commercial sector media, and what should be the USAID role in these issues.
- Given the current state of affairs of media in BiH, what specific activities would be the most valuable investment of USAID resources over the next 3-5 years?

IV. Contractor Background and Skills

The assessment team will include an international consultant with at least 10 years of experience in development. The consultant should have an understanding of media in transition countries, in both the public and private sectors, and ideally a specific understanding of these issues in BiH. The consultant should have excellent organizational, analytical, and writing skills.

Additional members of the team include a USAID/Bosnia media professional and an independent local media expert. The USAID/Bosnia team member will provide overall

coordination for the team. The international consultant will take the lead in assembling the information collected from the team members and consolidating it in a report.

The assessment members will be logistically assisted by USAID/Bosnia.

Prior to beginning the assessment, the team members will review relevant documentations provided by the Mission that outlines issues in the BiH media sector.

V. Assessment Methodology and Schedule

The team's focus will be to assess the media sector broadly in BiH, with a specific emphasis on how USAID should structure future programmatic assistance in support of the development of independent media. To this end, the team will:

1. Review all relevant USAID documents,
2. Conduct interviews with key USAID/Sarajevo staff,
3. Conduct interviews with select media outlets,
4. Conduct interviews with representatives of other international donors and organizations,
5. Conduct interviews with IREX representatives in Sarajevo
6. Conduct interviews with CRA representatives in Sarajevo

The team will be based in Sarajevo but should spend sufficient time conducting site visits outside Sarajevo. The assessment will take three weeks. All team members are authorized to work a 6-day week.

VI. Timeline

1. The in-country assessment will take place between January 3- January 23, 2002. Prior to the commencement of the in-country assessment, the team will be expected to do preparation work (international consultant two days and national consultant five days).
2. Prior to the end of the field work, the team will produce annotated outline of an initial report for USAID review. The first draft of the assessment report should be completed by January 30, 2002 and should be given to Robyn Goodkind /Deputy Democracy Officer
3. USAID/Sarajevo is to make recommendations on the 1st draft by February 6, 2003.
4. The final report will be submitted to Robyn Goodkind at USAID/Democracy Office by February 13, 2003.

5. It is expected that the team members will work five working days during the three-week period following the completion of the in-country field work to produce a final report.

VII. Logistic support and Technical direction

The USAID Mission in Sarajevo will provide logistic support, including, but not limited to travel, transportation, clerical services and office support, interpretation and communications. Technical direction during the performance of this delivery order will be provided by Jasna Kilalic, USAID Program Manager Assistant and Robyn Goodkind, Deputy Director of the Democracy Office.