USAID
FROM THE AMERICAN PEOPLE

GIVING CITIZENS A VOICE

Strengthening Independent Media in Bosnia and Herzegovina
Final Report

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Control room, Alternativna Televizija, Banja Luka. ATV is one of the lead stations producing Bosnia and Herzegovina's first statewide newscast, launched with USAID support.

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Presenter in rehearsal, Radio Stari Grad, Sarajevo. USAID training helped radio stations track the ratings and adjust programming to keep listeners tuned in.

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FRONT COVER: A press worker adjusts the color on daily *Nezavisne Novine*, Banja Luka. USAID assistance helped the paper grow from regional to statewide circulation.

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BACK COVER: Daily *Nezavisne Novine* rolls off the press in Banja Luka. USAID consultants helped managers refine the paper's marketing goals and develop an independent distribution network.

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Screen shot from "22 Kilometers," a USAID grant-supported TV documentary about a teacher who walks that distance every day to reach his students.

EXECUTIVE SUMMARY

WHY MEDIA MATTERS

In 2004, a daily newspaper reports that gasoline at certain stations is watered down. In response, the government steps up inspections and sets up a hotline for complaints. In 2005, a TV consumer protection show exposes fraudulent supermarket advertising. Faced with public outrage, the store admits its "mistake." A newspaper series on corruption in the timber industry prompts the concerned ministry to open its files to reporters so they can pursue their investigation. Later, parliament passes a law tightening fiscal oversight of agencies dealing with the timber trade. In 2006, through in-depth reporting, tough questioning, polling, even cartoons and satire — and by doggedly sticking to the issues voters said they cared about — TV, radio, and print outlets deliver election coverage that goes beyond rhetoric to address real-life concerns, raising the bar for future campaigns.

These are just a few of the accomplishments of partners supported by a three-year USAID project to strengthen the independent media in Bosnia and Herzegovina. Since the Dayton Accords ended a devastating war in 1995, the media have learned to use their power to promote positive change. USAID has played a pivotal role in ensuring that the most responsible independent voices grow stronger and continue to be heard — not an easy task in a country with three nationalities, two political divisions, and intermittent signs of discord and alienation. In this challenging environment, media outlets assisted by USAID have become a unifying force, rallying citizens — and media professionals themselves — around shared issues.

Among many donors to the sector, only USAID has focused primarily on private media development. Although new democracies often inherit state media that can be transformed into effective public service outlets, private media

are less burdened by entrenched political interests and have a better record of providing objective, balanced information. While working to raise journalism standards, USAID has helped media partners secure their survival in a tight, highly competitive market by providing opportunities to professionalize their business operations. And in a country where expatriates have exercised tremendous power and influence, USAID has promoted Bosnian leadership and ownership of every media institution and program it supported.

USAID's strategic objective guiding the media project was to promote "a more participatory, inclusive democratic society." The agency's media partners proved they could overcome ethnic divisions, political boundaries, and religious differences to create strong organizations and deliver a broad range of objective, professionally reported information to all citizens, wherever and whoever they are. This report tells their stories.

PROJECT SUMMARY

USAID's Strengthening the Independent Media in Bosnia and Herzegovina project, also known as USAID Media, was a three-year, $5.2 million program to improve the quality of print and broadcast news and public interest reporting through activities in four key areas: newsroom management, business development, domestic production, and policy reform. Management featured a transparent, collaborative grants program and highly targeted technical assistance, particularly in the form of one-on-one coaching. Results from project activities contributed to achievement of USAID Strategic Objective 2.1, "A more participatory, inclusive democratic society," particularly under Intermediate Result (IR) 2.1.1, "Increased citizen participation in political and social decision making," and sub-IR 2.1.1.3, "Viable private sector broadcast and print media provide a broad range of objective programming."

Chemonics International implemented the project in partnership with the International Center for Journalists and Mediacentar Sarajevo. Among the project's many accomplishments:

- Media partners produced more than 1,000 print, TV, and radio stories on issues citizens care about.
- Journalists exposed wrongdoing in the petroleum and timber industries, forcing government to act.
- An independent TV network started Bosnia and Herzegovina's first statewide newscast, produced alternately in Sarajevo and Banja Luka.
- Broadcasters and advertisers created the first consortium in the Balkans to set research standards and make joint purchases, strengthening the position of Bosnian TV against foreign competitors.
- Three independent journalist associations merged to form a single, more influential organization.
- Bosnia's most important media support organization, Mediacentar Sarajevo, improved income from commercial sources by 20 percent and now has six business plans, one for each revenue stream.
- Journalists working in new formats produced exciting, socially relevant shows and reports, such as a radio comedy on ethnic relations, a TV consumer protection series, and a print series on women who break the mold.

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Street scene, Mostar. USAID partner Radio Studio 88 celebrated the 2004 reopening of a famous 16th century bridge in the divided city with a series on civic improvements.

© USAID MEDIA / KAREN BYRNE

Newsstand, Banja Luka. Donor assistance after a devastating war ended in 1995 contributed to the explosive growth of the independent press.

© USAID MEDIA / KAREN BYRNE

Morning rush, Banja Luka. USAID's media partners in this Serb-majority city earned statewide respect by reporting on issues from all corners of Bosnia and Herzegovina.

CHAPTER ONE

CALLING ALL CITIZENS

USAID encouraged media partners to be proactive by raising issues citizens care about rather than letting events or politics dictate coverage. Through audience measurement, polling, and focus group research, partners discovered what people were thinking about and used the information to drive their content agenda. By focusing on well-researched, audience-centered issues, the media played a key democracy-building role. They also built credibility and attracted new audiences, which led to higher advertising revenues, strengthening their ability to maintain their independence.

Between April 2004 and December 2006, USAID supported more than 340 investigative and in-depth reports by print, radio, and TV partners, plus another 650 reports under a 10-month project to increase citizen involvement and participation in the October 2006 general election. Throughout, the approach required solid research by media partners and featured competitively awarded grants to those with the strongest story ideas.

REPORTING THAT GETS RESULTS

Several of the investigative reports supported by USAID achieved the best possible result: action taken to address the problems exposed (see story on page 6).

In 2004, Banja Luka-based daily *Nezavisne Novine* published a 13-article series about the petroleum industry, funded by a USAID grant. The articles exposed the dilution of products, documented alleged instances of corruption within the industry, and discussed the role of government in product distribution. As soon as the series appeared, the paper started receiving calls and letters from readers recounting their personal experiences with inferior products.

SUCCESS STORY
Investigative Reporting Gets Results

© START

© USAID MEDIA / MILIVOJ SILJEGOVIC

Top: In the most egregious case of corruption exposed by Start *magazine, an official purchased an entire building (shown) with misappropriated funds.*

Bottom: Good reporting turned out to be good business for USAID's media partners. "Black Bosnia," a 150-page supplement by daily Nezavisne Novine *on corruption, sold briskly.*

A casual reader might have missed it, but as the news editor for *Start*, a popular biweekly magazine, Eldin Karić is no casual reader. Early in 2005, a tiny news item about irregularities in audits of government agencies in Bosnia and Herzegovina caught his eye. Karić suspected there was a much larger story behind the small one, and he set out to find it.

He found not one story, but eleven. Funded by a USAID grant to support research and travel, Karić led his reporting team to produce a hard-hitting series on misuse of funds by government officials. They uncovered offenses ranging from bogus claims for travel expenditures to purchase of an entire building for personal use. The series sparked public outrage, and citizens began phoning in tips about other officials they suspected of misusing public funds. Based on reader input and careful monitoring of the daily news, "I have more than 20 story ideas to follow up on," Karić said.

The *Start* series was among more than 340 investigative reports produced by USAID's print, radio, and TV partners between 2004 and mid-2006. The stories not only got the public's attention — sometimes they even sparked corrective action. A series by Banja Luka daily *Nezavisne Novine* on fuel adulteration prompted the government to start spot-checks at gas pumps and open a consumer hotline. Another series by the same paper on corruption in the timber industry motivated changes in the Republika Srpska's forestry law to tighten fiscal control and oversight. "Dzepobran" (Pocket Guard), a weekly TV consumer protection series produced by a USAID partner and aired statewide, led to a crackdown on misleading grocery store advertising. It also inspired other media to investigate and expose similar instances of food adulteration or mislabeling.

Besides providing a public service, investigative reporting turned out to be a winner in the market. *Nezavisne Novine* produced a 150-page supplement on corruption that sold briskly, and TV consumer series "Dzepobran" topped the ratings in its time slot, motivating broadcasters to assume the full cost of producing a second season. Good reporting has become good business for Bosnia and Herzegovina's most civic-minded independent media outlets.

Exposure and public pressure prompted corrective action. In the Republika Srpska, the Market Inspection Department opened a hotline for citizens to report stations selling adulterated fuel, and the Ministry of Tourism and Commerce launched a campaign to check wholesale and retail petrol pumps. And oil distributors countrywide met to bring order to their ranks and set up a system to monitor sales.

In 2005, another *Nezavisne Novine* series highlighted corruption in the wood processing industry, which has drawn frequent international criticism. A USAID grant supported research and travel for 20 articles, and the paper produced 8 more articles using its own resources. As a result, Ministry of Agriculture officials and forest inspectors in the Republika Srpska opened their files to reporters instead of closing ranks, as they had in the past. Influenced by the articles, legislators in the Republika Srpska adopted changes to the Law on Forestry to prevent future corruption. The public forestry company must now operate through a single bank account, report regularly on its finances, and submit to more frequent audits.

Two popular magazines also benefited from USAID mentoring and support to develop hard-hitting investigative reports. One was Sarajevo weekly *Dani*. In its series "Black Ribbon, Red Tape," the magazine drew attention to the cost of Bosnia and Herzegovina's multiple levels of government and conflicting jurisdictions. Each article featured the personal experiences of citizens who had to complete redundant forms for simple tasks like registering a piece of real estate, obtaining an identity card, or concluding an agreement with someone from a different canton or municipality. One issue featured a story about a family that had to go to several different hospitals for medical care because they were from different ethnic groups. USAID provided partial funding for 3 months of research and 10 articles published in 2005.

A weekly TV consumer protection show supported by USAID became the most-watched program in its time slot. Launched in 2005, "Dzepobran" (Pocket Guard) was produced by the country's most important independent media support organization, Mediacentar Sarajevo, and aired on its most popular public channel, Federal TV. It featured actual footage of official raids on businesses accused of consumer fraud or misrepresentation. In one episode, a major grocery store had to shut down its "buy three, get one free" campaign when the advertising was exposed as false (buying the four products individually would have been cheaper). Confronted with a government inspection team, store managers admitted they had "made a mistake." Perhaps the most significant measure of the show's success was its ripple effect on other media. For example, *Start* magazine, a popular Sarajevo biweekly, published a report on canned beef that also contained pork without being labeled as such, citing "Dzepobran" as the source, and *Dani* published a two-page spread on the same subject.

OUT OF THE SHADOWS

One of USAID's goals was to increase awareness of the contributions and challenges of women, minorities, and people with disabilities. A very successful 12-part series by *Start* focused on extraordinary women, past

and present. The first article told the story of a Muslim woman who hid a Jewish girl during World War II, saving her life. This was paired with the story of a contemporary woman who adopted a girl from Srebrenica whose parents were killed during the 1992-1995 war. Another story featured the achievements of women architects and their struggle for professional recognition. The series celebrated women's contributions to medicine, education, and business throughout history and challenged society to acknowledge their leadership.

A TV documentary series by an independent production house honored ordinary people who performed extraordinary acts of dedication, charity, or service. The pilot episode of "Good, Ordinary, Not So Ordinary People" featured a dedicated rural teacher who walks 22 kilometers every day to reach the school. Other episodes highlighted individuals who created a mobile lending library, found cash worth more than $235,000 and returned it to its rightful owners, and organized help for refugees returning to resettle and rebuild. Eight programs were produced and aired nationally on Federal TV.

Another USAID goal was to promote tolerance and reconciliation. Radio drama "Vila Retorta" (House of Tension), produced by student-run eFM in Sarajevo, portrayed the interactions of a group of young people of different nationalities and ethnicities sharing a living space. Each 15-minute broadcast showed how tensions and potential disagreements can be defused by cooperation, compromise, and a sense of humor. A USAID grant supported the first 60 programs, which proved so popular they were rebroadcast by seven more stations. Sales of the first-season CD in bookstores and record shops helped finance a second 60-episode season.

Like "Vila Retorta," many projects initially funded by USAID grants went on to become self-sustaining. For example, Mediacentar Sarajevo was able to secure outside funding for seven additional episodes of "Dzepobran" based on the popularity of the first six USAID-funded programs. Alternativna Televizija (ATV) in Banja Luka continued to produce investigative segments of its weekly newsmagazine, "Dosije" (Dossier), using its own resources after initial grant-supported segments on topics such as weapons smuggling, eating disorders, and "Yugo-nostalgia" proved popular. In Tuzla, Radio Kameleon continued producing "The Untouchables," a call-in show about issues such as corruption, public spending, the role of minorities in society, and tourism development. Besides improving the status and financial prospects of USAID's partners, these popular offerings proved that audiences and readers were ready for solid local reporting and socially relevant content.

ELECTION PROJECT 2006

In early 2006, USAID provided additional funding for a 10-month experiment in radically changing the course of public debate ahead of general elections in October. The approach was based on finding out what issues people were really thinking about and giving these issues widespread, in-depth coverage. The aim was to force politicians accustomed to pushing partisan "hot buttons" to propose real solutions to real problems.

To find out what was on citizens' minds, USAID supported public opinion research organized by USAID project and Mediacentar Sarajevo staff and carried out by Prism, a local polling firm. Prism conducted 500 telephone interviews nationwide twice a month for four months. Each survey asked 15 questions on topics ranging from health care system problems to the importance of nationality when choosing a spouse. Prism also summarized prior research on topics of interest to voters, such as job creation, refugee return, and the role of youth in public life.

Collaboration with a coalition of nonprofit organizations made the Election Project stronger. GROZD, a USAID-supported umbrella group of 250 organizations, was created to encourage informed participation in the election. Through polling in 130 municipalities, the coalition identified 12 issues citizens said were most important to them. The list closely matched issues identified by Election Project research. Both agendas helped guide media coverage.

Media partners established stringent requirements for their election reports and received feedback from experienced journalists like Ozren Kebo (see story on page 10) on how to improve their stories. Each article, TV show, and radio broadcast confronted candidates with real issues — economic, educational, environmental — and challenged them to come up with solutions. Politicians went on record with their proposals, giving citizens a yardstick for measuring their post-election performance. In all, USAID supported more than 650

REAL ISSUES REPLACE RHETORIC

Between April and October 2006, 20 radio stations produced and aired 350 issue-based pre-election shows. In the same period, the five member stations of the independent Mreza Plus TV network and their 14 affiliates produced and aired more than 160 stories and special reports. Two public TV and radio broadcasters participated as well. A leading daily newspaper, a news agency, and several magazines published more than 100 articles, and three independent production companies produced 35 programs that aired on public TV and the Mreza Plus network. Post-election coverage continued with follow-up articles and broadcasts by partners. Taken together, USAID's media partners produced nearly 650 hard-hitting, voter-driven stories. Some outstanding examples:

- TV cartoon series "Sataras" skewered hackneyed political rhetoric. It aired weekly on the Mreza Plus network.
- In "Public Promise," eFM Radio asked newly elected office holders how they would tackle some of the issues raised during the campaign. The show was aired by 20 stations, and 14 stations contributed material.
- A weekly TV election roundup called "It Does Matter" gave stories from other media a wider audience on the two main public channels.
- Daily *Nezavisne Novine* published 40 articles on issues facing entrepreneurs. NTV Hayat produced a five-minute weekly segment highlighting permit problems facing new business start-ups. Weekly *Dani* published 14 articles on job creation. Biweekly *Start* and eFM Radio did stories challenging the government to do a better job of managing the country's water resources.

SUCCESS STORY
Voters, Not Politicians, Set Agenda

© DANI

This story in popular weekly Dani *talks about a candidate's plans to create employment and promote refugee return, two issues identified by voters as important to them.*

Turnout for national elections in October 2006 was expected to be low. Bosnia and Herzegovina's voters were tired of hearing the same partisan rhetoric from candidates accustomed to exploiting ethnic and political divisions, but they didn't expect anything different. Not until the independent media stepped in.

With support from USAID, 30 TV, radio, and print outlets produced more than 650 hard-hitting reports based on issues people said they cared about. The issues were identified through public opinion polling — the first time research was used this way in Bosnia and Herzegovina. Over a four-month period, journalists looked at fresh research results every two weeks and worked with the USAID team to develop stories that delved deeper into problems affecting everyday life. Among the topics addressed were health care, education, the environment, opportunities for people with disabilities, and the role of women in public life.

Media partners established rigorous reporting criteria. Each story had to have at least four elements: extensive research by the reporter, a candidate's ideas on the topic at hand, an interview with an independent expert, and the citizen's point of view. An experienced journalist from the project team provided feedback on how to improve content and presentation. For some journalists, this was the first time they had ever worked on a single story for several weeks and in great depth. "You helped us discover how much we know and what we're capable of doing," one radio producer said.

For the first time, candidates were put on the spot by citizens demanding solutions to specific problems. Most candidates rose to the challenge, but occasionally, politicians were at a loss for words or even failed to show up for an interview or panel discussion. Their performance gave voters new insight into their ability to do the job.

Turnout was higher than expected at 55 percent of 2.7 million eligible voters, with some 400,000 new voters registered and more young people casting their votes this time around. Media partners said they believed better coverage was one factor in drawing more people to the polls.

pre- and post-election stories by 30-plus media partners (see box, page 9). To promote a free exchange of stories and ideas, Mediacentar made all the election materials available to partners and the public through a special Web portal.

Besides attracting new audiences and advertisers to participating media partners, the Election Project influenced other media as well. Challenged by the competition to come up with more relevant reporting, public broadcasters changed their coverage style and began to follow a more issue-based approach in some of their political forum programs.

Turnout on October 1 was higher than expected, especially among young people, a segment of voters often difficult to engage. While the media can't claim responsibility for getting out the vote, USAID partners expressed the hope that their issue-based reporting made a difference. In any event, shows and stories like "Sataras," "It Does Matter," and *Start* magazine's series on water resources introduced fresh approaches to political reporting and set a high standard for future election coverage.

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Well-known journalist Ozren Kebo coordinated the USAID Election Project from Mediacentar Sarajevo. Kebo provided individual feedback on hundreds of reports by radio and print partners.

© USAID MEDIA / AMER MEHICEVIC

Technicians install new studio lighting at Alternativna Televizija in Banja Luka. With USAID grant support, ATV produced hard-hitting investigative segments on weapons smuggling and other issues.

CHAPTER TWO

SECURING THE FOUNDATIONS

Four hours before deadline on a sunny Tuesday afternoon in October, the newsroom at daily *Nezavisne Novine* is busier than a beehive. Reporters are on the phone with sources, editors are fact-checking copy, designers are laying out the inside pages, photographers are printing proofs. The whole thing comes together by 7 p.m., and two hours later, the second and final run of 7,500 copies is rolling off the press 20 miles away. To the exhilarated visitor, this seems like the essence of journalism.

But there's much more to news than the newsroom. While journalists are busy creating tomorrow's edition, business staff behind the scenes are selling advertising space, designing market research, managing distribution, buying newsprint and ink, deciding salary issues, or working out ways to offset the cost of paying the new value-added tax, to name just a few of the day-to-day tasks that keep a media organization profitable. Without financial independence and a regulatory regime that enables fair competition, the media cannot be free.

USAID assistance to the media in Bosnia and Herzegovina was comprehensive, supporting excellence in journalism, sound business management, smart marketing, regulatory reform, and association development. This chapter describes how USAID helped secure the business and regulatory foundations of independent journalism.

FACTS, NOT GUESSWORK

Research is an essential tool for modern media organizations. Audience research helps the media develop content that people will respond to, and demographic research helps them attract advertisers who want to target specific groups. USAID project staff worked with many different partners to integrate research into their editorial and business practices.

A statewide news broadcast. Beginning in 2003, USAID provided significant technical and material support to enable the five-station Mreza Plus TV network to exchange news clips and produce a joint statewide newscast. On April 5, 2004, a 10-minute, Euronews-style broadcast (with an offscreen narrator, but no presenter) went on the air. Produced alternately in Sarajevo and Banja Luka, it was a risky venture in a country where viewers of three different nationalities preferred to watch only "their" news — or so producers thought. To track viewer reaction, USAID provided the network with a small grant for focus group research. The results surprised everyone. Viewers, far from being alarmed by the new format, found it interesting, concise, and fast-paced. The fact that the broadcast aired content from all over Bosnia and Herzegovina and originated from different cities on different days was seen as positive. Viewers noticed, but were not displeased by, the on-screen use of two different alphabets, depending on where the broadcast originated. Convinced by research that viewers were ready for news that was truly statewide in style and scope, member stations set their own doubts aside.

However, research revealed one thing viewers definitely didn't like. When it began, the broadcast might start at any time within a half-hour window, depending on what was on the air before it. When viewers said they wanted the news to start at the same time every night, producers listened and began running it at 11 p.m. on the dot. Subsequent ratings showed a 70 percent increase in the number of viewers.

By mid-2006, Mreza Plus was ready to expand the show to make it more competitive with state-owned media newscasts. On October 2, a 15-minute newscast anchored alternately by presenters from the two lead stations, NTV Hayat in Sarajevo and ATV in Banja Luka, went on the air.

From competitors to collaborators. After nine months of hard work, USAID persuaded rival TV stations and major advertising agencies to join forces based on their shared need for accurate audience research. With USAID support, broadcasters created the United Media Industry consortium in 2004, the first joint industry committee for media in the Balkans. Under this type of arrangement, subscriber organizations set standards for unbiased research they can all use. Then they solicit bids from research firms to supply results on a regular schedule at an affordable cost. The contract goes to the firm that can provide the highest quality research at the lowest cost.

Previously, stations and agencies purchased research individually. The cost was high and the data was non-standard, since collection methods varied and results could be tailored to suit the preferences of each buyer. The consortium arrangement solves both problems. First, joint purchase lowers the cost for each buyer. Second, everyone agrees to use the same data, ensuring fairness and accuracy.

The public benefits, too. Based on accurate ratings, broadcasters fine-tune their programming in response to viewer preferences. The most-watched shows attract a larger share of domestic and international advertising to Bosnian TV stations, improving their chances for survival against tough foreign competitors.

In 2006, research results delivered to the 17 consortium members became more accurate. The consortium negotiated with the research company, Mareco Index Bosnia, to replace the diary method of gathering data with "people meters." Instead of viewers recalling from memory what TV shows they watched and noting down the information in a diary, data is gathered electronically by a people meter — a far more sophisticated and reliable way to measure TV viewing habits. People meters also record finely tuned demographic information about viewers, who log into the system individually. Under the new arrangement, the number of households sampled increased, and a wider variety of communities were represented.

By the end of 2006, participants included all three state-owned broadcasters, the Mreza Plus and Pink private TV networks, several regional TV stations, and seven major advertising agencies. The consortium, a legally registered nongovernmental organization, receives no donor assistance or subsidies. It manages an annual budget equivalent to $600,000, pays its own bills, and uses Mediacentar Sarajevo, a key USAID partner, as its administrator and facilitator. Most significantly, it provides a forum for private and public broadcasters, statewide and regional media, and large and small advertising agencies to cooperate across political and ethnic lines.

Research for print and radio. To encourage print and radio partners to use research, USAID negotiated a contract with a firm that allowed them to purchase research at below-market rates for a limited time. This was coupled with training in audience research — how to design it, what it reveals, and how to use the findings to improve editorial and business decisions. After the introductory period, several partners began purchasing research and continued after the subsidy period ended. At least one small radio station became a big winner in the market by carefully tracking research results and making adjustments to its program lineup (see story on page 16).

Research for other partners. USAID supported targeted research for media regulators, industry associations, and Mediacentar Sarajevo. Details are in the sections and chapters that follow.

ATTRACTING ATTENTION

The best newspaper series, TV documentary, or radio talk show can be overlooked if no one notices it. USAID supported modest grants to several media partners to publicize new shows or formats, or sometimes just to attract attention to the station or publication itself.

After longtime USAID partner *Start* magazine successfully reorganized its newsroom and underwent a rigorous program to improve the quality of its articles, business managers freshly trained in marketing carried out an inventive promotional campaign partially funded by USAID. It featured the *Start* logo and included a TV commercial, two radio jingles, an exhibition of photos from the magazine, sponsorship of several events, and distribution of free back copies, postcards, and notebooks at six kiosks around Sarajevo city. Circulation jumped by 20 percent in the first two months of the campaign even though the price per copy went up by 50 percent to cover the cost of color printing.

SUCCESS STORY
Real Numbers Replace Intuition

© USAID MEDIA / KAREN BYRNE

Adnan Osmanagić, director of Radio Stari Grad in Sarajevo, relies on audience research to help him develop programs that appeal to listeners. When the ratings go up, so do advertising revenues.

Before he attended USAID training, station director Adnan Osmanagić from Radio Stari Grad in Sarajevo had seldom used research to help him decide what programs to put on the air. Now he lives by it.

The station that started humbly in 1993 as a wartime diversion for a weary people has climbed to #2 in its market, and Osmanagić and his team work hard to stay on top. Whether it's a talk show or a musical format, each presenter looks at the weekly ratings and makes adjustments if the numbers are sliding. Impressed by the ratings, large companies like Coca-Cola are using Bosnian radio to reach their markets for the first time, Osmanagić said. Like other independent media, Radio Stari Grad relies on earning enough revenue from advertising to remain free of political patronage and pressure.

Print media managers are putting research to work as well. "A whole new world of information about our newspaper and our readership has opened to us," said Mevlida Novalic, advertising director for *Start*, a biweekly magazine from Sarajevo. "I can really see who the buyers of *Start* are instead of relying on our intuition. It's a new way to do business."

In a new use for research in Bosnia, broadcasters and advertisers created the first consortium in the Balkans to set TV audience research standards and make joint research purchases, strengthening the position of Bosnian TV against foreign competitors while lowering the cost of research.

Research was used again in a new way during the October 2006 general election. In an effort to shift candidates away from politics as usual, USAID supported opinion research to find out what voters really cared about. A local polling firm conducted 500 telephone interviews twice a month for four months. The results guided in-depth coverage by more than 30 independent media outlets. Their stories addressed job creation, corruption, refugee return, and other issues.

Using research, USAID's media partners attracted new audiences, which led to higher advertising revenues and strengthened their ability to maintain their independence. They also played a key democracy-building role by airing topics that mattered to people.

" I sense that our company is heading now in good direction. Relationships and ambiance are in better shape. I am satisfied with a new practice we introduced after the human resource management training — monthly surveys conducted among employees about what was good and what should be improved in the future. Employees do not hesitate to address their suggestions or remarks. We became a real team. Internal communications improved. At the end, everybody knows what our mission is and how to behave with regard to our competition. A lot has to be done in the coming months. We know where to go and what to do to reach our goals. "

— MEVLIDA NOVALIC, ADVERTISING MANAGER, *START* MAGAZINE, SARAJEVO

Another longtime USAID partner, Radio Studio 88 in the divided city of Mostar, received a grant to celebrate reopening of the city's famous 16th century bridge with a promotional campaign and a series of programs about civic improvements (see story, page 38). The show and station were promoted on TV and billboards in Mostar and other frequently visited locations in the Herzegovina region. The station reported an increase in its market share in one region from 2.9 percent to 6.4 percent, and in Mostar from 4.2 percent to 8.1 percent. Those numbers put Studio 88 in second position in its market, a huge improvement over past performance. Research by Prism, a local polling firm, also showed an increase in the percentage of listeners age 22 to 54, the most sought-after demographic group.

A small grant to Mreza Plus enabled the TV network to promote its expanded 15-minute newscast prior to launching the show in October 2006. Toward the end of 2006, local partner Mediacentar Sarajevo was working on a campaign to promote some of its services in line with business plans developed with USAID assistance. The center also had plans to refine and consolidate its brand in the Bosnian and regional markets.

STRATEGIES FOR GROWTH

USAID project staff recommended different growth strategies to organizations at different stages of development. Some smaller radio stations and newly created associations needed basic business planning assistance. Mediacentar Sarajevo, experiencing rapid growth, underwent a sweeping internal reorganization and developed six separate business plans for six different income streams, plus an overall business plan to tie them all together. A few longtime partners like *Nezavisne Novine* and ATV were already implementing sound business plans. They received occasional targeted technical assistance or modest equipment grants.

Business planning. A business plan is a roadmap for keeping an organization financially strong and viable in the market. But planning is just the beginning — the proof of the plan is in the execution. Implementing a business

> **“ The chief editor and I have much more time to talk with people so that everyone knows what we want to achieve with certain parts of the program, the promotional campaign, or technical change, and we keep repeating it so they cannot forget. We act a little like parrots, but for good purpose. ”**
>
> **— AMNA POPOVAC, DIRECTOR, RADIO STUDIO 88, MOSTAR**

plan takes determination and commitment. It can be hard work to find out what the market thinks of your products or services (and accept its judgment), develop new sources of income, and reorient staff accustomed to doing things in a certain way.

In 2003, Mediacentar Sarajevo, Bosnia's leading resource center for independent journalism, began a long-term process of reducing donor dependency that is still under way. It started with soul-searching and led to intensive market research, complex business planning, staff reorganization, and sophisticated marketing. The story of the center's challenging transformation is told on page 32.

Associations starting from scratch need business plans to estimate their spending needs and assess the income potential of different revenue streams. When three independent journalist unions united in December 2004, they had financial as well as leadership issues to resolve. USAID helped the new association, BH Novinari, organize and get its finances on track. A study tour to Bulgaria gave association leaders a vision of what was possible. They came back with an action plan and a list of potential member services. Next, USAID project staff helped them develop a business plan that established a dues structure and explored other funding possibilities. Major challenges still ahead include reregistering former members of the three constituent unions and providing enough useful services to convince members to pay dues. Initial benefits include an international press card and discounts on public buses. The leadership is working to obtain member discounts on computers, banking, and rail travel. The organization needs 600 dues-paying members to support a modest office and a small staff.

Business training and consulting assistance. In small media outlets, such as radio stations and weekly magazines, owners and managers not only make editorial decisions — often, they also run the business. In cooperation with the Sarajevo Graduate School of Business, USAID provided training to help managers with limited experience become familiar with key financial terminology, concepts, and applications so they could analyze financial information and make better business decisions. A separate series of four weeklong seminars in advanced media management attracted participants from 13 organizations. Attendance grew with every session as managers, impressed with the training, brought their marketing department colleagues along.

Media partners were provided with onsite consulting assistance by a USAID business expert on request. Consultants advised partners on everything from business planning to interpreting research results, targeting new audiences, approaching potential advertisers, even managing human resources.

Controlling costs. In some cases, technical assistance helped reduce operating costs. Training in the "combo operator" format showed radio presenters working solo how to insert interviews and special effects into the mix, resulting in more creative radio at lower personnel costs. TNT Radio in Travnik and Radio Stari Grad in Sarajevo are among the stations using this format.

Marketing. A marketing strategy has many aims: targeting the most appropriate (and profitable) consumer segments, creating a defined brand in the customer's mind, listening closely to customer feedback, and reaching customers efficiently and cost-effectively. USAID provided targeted marketing assistance to media outlets in need of specific interventions.

For *Start* magazine, the challenge was branding. A local business expert engaged by USAID worked with managers to analyze the market, identify the target audience, and plan a promotional campaign that was partially funded by a USAID grant. The campaign is described in more detail on page 15.

Radio Studio 88 in Mostar was commercially successful overall, but its managers wanted to improve the performance of a particular show. They requested technical assistance to assess the market potential of "Herzegovina Online," a donor-supported program produced by Studio 88 and airing segments from seven other regional stations. A USAID consultant concluded that advertising prices were too high and marketing was weak. Rates were adjusted, sales staff at Studio 88 received additional training, and the show began airing twice weekly instead of once, per the consultant's advice. The show was able to continue without donor support on a smaller scale.

Daily *Nezavisne Novine* faced a different problem: too much success too fast. During its first 10 years of operation, the paper had grown from a small publication with 3 employees into a complex operation with a staff of more than 140 and the largest distribution area in Bosnia and Herzegovina. Rapid expansion had stretched the paper's management and marketing capabilities. Major problems diagnosed by a USAID consultant included inefficient feedback on sales, a poorly developed street sales network, and costly distribution. Acting on the consultant's recommendations, *Nezavisne Novine* decided to develop its own distribution network, starting in Banja Luka and expanding to other cities. To improve sales and marketing, another consultant worked with the paper's business staff to review the paper's mission statement, refine its marketing goals, and develop new sales strategies and projections. After analyzing the competition and identifying opportunities and challenges, the paper reorganized sales and marketing to adjust to rapidly changing conditions and registered legally in the Federation, enabling it to earn additional advertising income. By 2005, *Nezavisne Novine* had became the #2 daily in Bosnia and Herzegovina (see story on page 20).

SUCCESS STORY
Regional Newspaper Goes National

© USAID MEDIA / KAREN BYRNE

Three hours before deadline, a reporter checks in with a source. Reporters work in topic teams, an idea introduced by USAID to improve depth of coverage and encourage expertise.

In 2003, daily *Nezavisne Novine* was an up-and-coming independent regional paper keen to expand circulation from its home base in the Republika Srpska to the rest of Bosnia and Herzegovina. Two obstacles barred the way: distribution difficulties and public perception. Distribution was monopolized by a handful of companies that set their own price and sometimes favored rival papers from neighboring countries. As for public perception, the paper was undermined by stereotypes. Many readers in the Republika Srpska chose large metropolitan Serbian papers over *Nezavisne Novine*, the "local" option. Meanwhile, readers in other parts of the country dismissed *Nezavisne Novine* as a paper for Serbs.

Things changed when the daily began earning a healthy income from a printing press purchased with funding provided in part by USAID. The new press enabled the paper to cut costs by printing its own editions, and to utilize excess capacity for other jobs. With a new source of revenue, *Nezavisne Novine* could afford to start its own distribution network. By 2006, the paper was being sold at 35 company-owned kiosks, plus another 450 sales points run by other distributors. Today, *Nezavisne Novine* even distributes Serbian rival papers, which are slowly losing market share because they devote too little space to Republika Srpska news.

Printing 15,000 copies daily and 21,000 on Fridays, *Nezavisne Novine* has become the country's second-largest daily and enjoys statewide circulation — 67 percent in the Republika Srpska and 33 percent in the rest of Bosnia and Herzegovina. It has earned national status as well. Two hard-hitting investigative series on the oil and timber industries, supported by USAID grants in 2004 and 2005, won the respect of readers countrywide.

Editorial decision making is collaborative across entity lines. Each day begins with a story conference between editors in the main Banja Luka office and the Sarajevo bureau. Together, they decide the day's lineup and set the paper's 90 staff in the two locations to work. Reporters and editors work in topic teams — another USAID innovation to encourage expertise. More than 30 stringers across the country chime in to make *Nezavisne Novine* the first regional paper in Bosnia and Herzegovina to succeed in going national.

HOW THE PRESS COUNCIL WORKS

The 16 articles of the Press Code, based on European norms, express the print media's commitment to report truthfully, respect diversity, maintain high ethical standards, and offer the right of reply to an aggrieved party "if fairness and impartiality merit such a step." The Press Council hears complaints against the press and issues judgments, but it has no power to sanction; it can only advise and mediate. Thus the council's authority derives entirely from the press's willingness to comply with its judgments and the public's willingness to accept the council as an arbiter rather than going to court. In the first 10 months of 2006, the Press Council heard 35 complaints and decided in favor of the complainant in 19 cases. In 12 of the 19 cases, the paper published a rebuttal. This suggests that both the press and the public are coming to understand the ground rules of fairness in journalism and to accept the council's role in ensuring respect for the rules. Of the 35 cases, only one had gone to court as of December 2006.

Equipment grants. USAID occasionally provided equipment grants to help a partner achieve a major editorial or business goal. A grant enabled ATV in Banja Luka to purchase studio lighting for its popular newsmagazine, "Dosjie" (Dossier), which aired several investigative segments supported by USAID grants. Mediacentar Sarajevo also received a grant for lighting equipment to bolster its capacity to produce TV shows, one of its most profitable income streams. A grant to daily *Nezavisne Novine* contributed to the purchase of a four-color offset press for its printing plant. With new revenues earned from printing other publications, the paper was able to publish a regular Sunday edition for the first time.

STRONGER REGULATORS

Even in a free media environment, the print and broadcast media need regulators to safeguard the public interest and create a level playing field for competition. USAID helped the broadcast regulator in Bosnia and Herzegovina secure its independence and enabled the print self-regulator to get its finances in order, saving it from extinction.

Press Council reorganization. Press councils are widely used in Europe to enable public oversight of the press by applying peer pressure on publications that violate their country's press code of ethics. As a self-regulatory agency, the press council can settle complaints and disputes involving the print media without involving the court system, a valuable service to publishers and journalists.

Journalists adopted a code of ethics in 1999 and established the Bosnia and Herzegovina Press Council in 2000. However, as a new institution, the council lacked recognition from the public and the media, and it was entirely dependent on donor support. By 2004, the council had failed to establish credibility as a regulator and was also facing a financial crisis due to poor internal management.

After a USAID consultant's report exposed the gravity of the situation, the director resigned, and the organization turned over a new leaf. USAID project staff met with print media owners, editors, and journalists to ex-

plore possible revenue sources for the council, such as contributions from publishers, journalist associations, nonprofit organizations, and government, as well as safeguards to ensure the council would remain independent, impartial, and credible. Based on project advice, council members recruited a new director, adopted an action plan, pared down the budget, and began meeting with publishers to seek financial support. They also drafted changes in the council's statute, enabling it to operate at the state level for the first time.

With USAID support, all the country's major print media owners held their first-ever joint meeting in late 2005 and agreed to support the Press Council financially. They also took initial steps toward establishing a publishers association. Meanwhile, international donors to the media sector met and decided the role each would play in ensuring the council's survival until it can become fully self-sustaining.

Support for the broadcast regulator. With the European Union providing major support to the broadcast regulator, the Communications Regulatory Agency (RAK), USAID provided targeted assistance that contributed to the RAK's outreach capacity, financial viability, and independence.

In 2004, USAID supported media research that enabled the RAK to ascertain the number of people who owned and used TV, radio, mobile phones, and video equipment. The survey also measured TV viewer preferences among different networks. The RAK needed the data to promote greater public involvement in future regulatory decisions. The research was conducted by the economics faculty of Sarajevo University.

Also in 2004, broadcasters gained a significant new source of revenue when the Association of Electronic Media, an organization of public and private broadcasters created with USAID support, persuaded the Election Commission to allow paid political advertisements during election campaigns for the first time. USAID helped the association prepare its presentations to the Election Commission.

Broadcasters' ability to cover elections was further enhanced in 2006, when the RAK and the Election Commission relaxed their interpretation of the rules governing election coverage. Previously, broadcasters believed they were required to provide equal time to candidates during the 30 days prior to the election. The rule was strictly interpreted, and politicians made use of it to deliver canned, self-serving messages that were long on rhetoric and short on specifics. Broadcasters were afraid to deviate from the "equal time" rule, fearful of sanctions by the Election Commission or the RAK.

To address the issue, USAID project staff organized several meetings with representatives of the RAK and the Election Commission. Eventually, the regulators agreed to allow the type of issue-based reporting undertaken by USAID's media partners to continue throughout the 30 days prior to the elections. Complaints, if any, would be dealt with by the RAK, based not on "equal time," but on whether the law on fair reporting had been violated.

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A color technician tests the new four-color press at *Nezavisne Novine*. The press was purchased with partial support from USAID and enabled the paper to print its own Sunday edition.

Very few complaints were received by the regulator, and most were dismissed as unfounded. In a post-election statement, the RAK director general said, "Our view is that the election campaign has been carried out by the media professionally."

Another issue requiring urgent attention was a dispute between broadcasters and cable TV operators. Broadcasters who had paid for exclusive rights to foreign content complained that cable operators were distributing the same material first. They wanted government to intervene. USAID sponsored three visits by experts to sort out the complex copyright and regulatory issues involved. The experts also addressed a dispute between broadcasters and individuals holding copyrights to musical and dramatic creations. The consultants developed a manual on ownership rights consistent with European practice, advised regulators on how to harmonize Bosnian law with European law, and suggested remedies to all parties in both disputes.

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At an international radio festival in Neum, Bosnia and Herzegovina's only seaside town, USAID awarded prizes for the best election stories for the first time in October 2006. The four winners — Radio Kameleon from Tuzla, Radio Studio N from Livno, Radio ZOS from Doboj, and Radio Q from Visoko — were all project partners.

CHAPTER THREE

FINDING COMMON GROUND

USAID has encouraged media professionals to unite in a divided country since the start of its engagement in Bosnia and Herzegovina. USAID assistance played a key role in creating a unified association of journalists, a statewide Press Council, an association of broadcasters, a widely representative TV audience research consortium, and an independent TV network that reaches more than 80 percent of the country with its signal. Through grants, USAID supported independent media reporting to promote equality, diversity, and inclusiveness.

STRENGTH IN UNITY

Through their professional achievements, industry organizations supported by USAID proved the value of collaboration across political, ethnic, and religious lines. They demonstrate to government and citizens that unification works, and their work to date has been inclusive in outlook and objective when tackling divisive issues.

BH Novinari. Three previously separate unions of independent print and broadcast journalists united on December 11, 2004, to establish BH Novinari. The association's goals are to protect the profession of journalism and to promote and enforce ethical standards. Its goals set the new association apart from three nationalistic, regionally based associations that depend on government or political organizations for financial support. USAID provided technical and legal assistance to a coordinating committee that managed the merger.

The inaugural meeting of BH Novinari elected its first president for a two-year term, chose a steering board representing journalists from all regions, and established a five-member court of honor to deal with ethical violations against journalists. With USAID support, association leaders begin developing a strategic plan, a dues structure, and member services. Next, they held

meetings countrywide to reregister members of the constituent associations and recruit new members.

BH Novinari proved its effectiveness in 2005 when, as a founding member, it stepped in to help the Press Council write new scopes of work for members and develop a funding strategy. On its own behalf, BH Novinari approved scopes of work for board members, launched a journalism education project in cooperation with the Swedish Helsinki Committee, took over management of a helpline for journalists reporting threats or harassment, and began drafting a model employment contract for journalists. The association also conducted research on the media's performance while reporting on women, minorities, and elections, with the goal of improving professionalism in those areas.

In June 2006, the International Federation of Journalists accepted BH Novinari as a member and recognized the organization as the sole representative of Bosnian journalists. IFJ membership entitles members of BH Novinari to international press cards, assistance from affiliated associations during travel abroad, and access to discounts and privileges worldwide. With 350 members as of November 2006, BH Novinari stands as a model of statewide cooperation, although it still faces significant financial and organizational challenges.

Press Council. Supported by USAID and other donors, the print regulator emerged from a credibility and financial crisis in 2004 (see page 21). The Press Council had a new internal structure and was ready to register at the state level for the first time by late 2006. The new structure separated the steering board from the committee that handles complaints against the press — an essential reform to prevent possible conflict of interest. The new director invited publishers all over Bosnia and Herzegovina to become founding members of the Press Council. Their participation and financial support will be key to the council's long-term survival. Most major publishers expressed willingness to support the council as long as other publishers would do the same — a remarkable leap from several years earlier, when rival publishers were unwilling to sit at the same table.

Publishers Association. One reason publishers were more willing to support the Press Council in 2006 than previously was that they had already begun collaborating. In 2005, publishers met for the first time with USAID support and agreed to form an association. They began by discussing their most pressing problems: expensive but inefficient distribution, and the imposition of a value-added tax. Even before formally incorporating as an association, publishers launched a campaign to press for tax relief for newspapers, magazines, and books. The campaign was noteworthy because the leading newspapers took a stand not only on their own behalf, but also for the benefit of smaller, more financially vulnerable publishers. By December 2006, the Publishers Association had drafted incorporation documents and was working toward official registration.

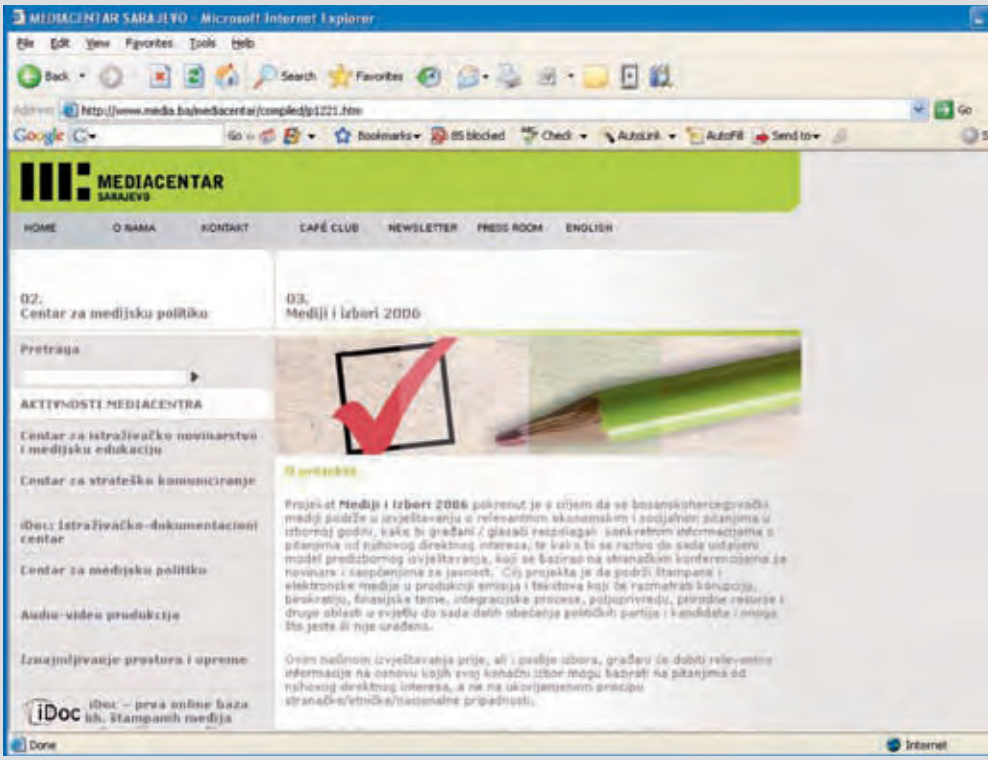
United Media Industry. Creation of a national consortium of broadcasters and advertising agencies proved that antagonists can become allies if they share economic interests. The United Media Industry, established with USAID assistance

in 2004, sets uniform audience research standards and makes joint research purchases (see page 14). Consortium members include public and private broadcasters, advertising agencies, and regional stations controlled by different national groups. Early meetings were rancorous and seemed doomed to fail. Then Mediacentar Sarajevo, acting as facilitator, began holding one-on-one meetings with major participants to secure their cooperation. The process took more than a year, but consortium members succeeded in establishing the first joint industry committee for media in the Balkans. Their collaboration provides all participants with high-quality TV viewing data at a reasonable cost.

Mreza Plus. Producers of Bosnia and Herzegovina's first statewide newscast were nervous about the audience's reaction to content from different regions and a screen display that showed two different alphabets, depending on whether the newscast was produced in Banja Luka or Sarajevo. They needn't have worried. Focus group research supported by USAID showed the audience liked the diversity, pace, and content of the broadcast, aired for the first time in April 2004 after several years of intensive USAID technical and material support. The newscast was expanded to 15 minutes in October 2006 with no USAID support other than a small grant for a promotional campaign. By December 2006, it was well established in the 11 p.m. time slot and rising in the ratings. Participating news editors hold a daily e-mail conference every morning and decide which stories to run that night based on their statewide news value. Stories that don't make the cut are aired locally by member stations earlier in the day. Producers at the two lead stations say they enjoy collaborating, and they do it smoothly and productively.

ONE COUNTRY

Many of Bosnia and Herzegovina's most independent and courageous publications and stations were born in the midst of war and discord. They have held onto their ideals of unity and peace without sacrificing their commitment to hard-nosed investigation and unbiased reporting (see story on page 38). Donors helped the media survive the war, and modest donor support since its end has strengthened the independent media's professionalism, sustainability, and resolve to play their part in a democratic society. USAID grants between 2004 and 2006 funded nearly 1,000 in-depth reports, investigations, documentaries, and socially relevant features by print and broadcast partners. Some partners produced more than their grants required by supplementing USAID funding with their own resources, or with contributions by other donors.



© MEDIACENTAR SARAJEVO

Mediacentar Sarajevo created a special Web portal where USAID Election Project participants posted their stories. This is the portal's front page.

CHAPTER FOUR

INVESTING IN THE FUTURE

The ultimate goal of donor assistance to the media is to enable the recipients to chart their own course and carry out their activities professionally, independently, and sustainably. USAID made a significant contribution to the long-term health of Bosnia and Herzegovina's independent media in two ways: by improving the survival prospects of its premier media training institution, and by building the journalism and business skills of its most responsible media organizations.

A STRATEGY FOR MEDIACENTAR

One of USAID's goals for the media in Bosnia and Herzegovina was to ensure the presence and sustainability of a local institution that would continue to provide training and technical assistance to the independent media after USAID support ended. Mediacentar Sarajevo, founded in 1995 by the Open Society Fund, was chosen as the USAID project's "legacy institution." Mediacentar had worked with numerous donors and had successfully run BBC-certified training for media professionals for seven years before funding for that program ended. In 2004, Mediacentar became a subcontractor under the USAID project led by Chemonics.

Some of Mediacentar's strengths were also sources of concern. The organization was heavily dependent on donor contributions for its survival. While it had a business plan provided by previous consultants, the plan was not being followed and had not been developed by the people who would have to live with it. Mediacentar had grown rapidly in terms of donor grants and contracts, but its organization, financial management, and internal systems had not kept pace.

From the start of the subcontract with Mediacentar, USAID followed a two-track approach. One track concentrated on enhancing the services Mediacentar would provide as a subcontractor on the project. These included media train-

ing and consulting, broadcast production, and meeting facilitation. The other track addressed the steps Mediacentar needed to take to become commercially sustainable and capable of providing similar media assistance and services into the future. This required Mediacentar to diagnose and solve its internal problems even as it grew as a business — not an easy task (see story on page 32).

Internal reorganization began with revision of Mediacentar's strategic business plan. The effort called for an initial marketing study to determine which services Mediacentar could and should provide. However, delays in completion of the study made it necessary to start the business planning process without that information. A project business specialist began intensive, day-to-day work at Mediacentar in January 2005 to shape parts of the business plan not dependent on the study. All 32 Mediacentar employees were involved in the following tasks:

- Creating a mission statement and articulating a vision for the next three years.
- Creating a description of the company's business, including location, ownership, legal status, and services offered.
- Completing an operational plan describing Mediacentar's production capacity, equipment, and new equipment needs for the next three years.
- Analyzing Mediacentar's strengths and weaknesses, identifying opportunities to increase income, and identifying threats that could jeopardize operations.
- Developing an action plan based on the current status of every Mediacentar service.

Assisted by the business specialist, the Mediacentar management team drafted a new management plan. This involved creating scopes of work for 25 employees, specifying lines of authority, designating communication channels, and initiating performance evaluations.

Meanwhile, the marketing study was completed in May 2005. The study described market trends for Mediacentar's existing services — media training, audio and video production, and a digital archive — presented focus group feedback from clients, and benchmarked Mediacentar against its competitors. The study recommended enhancing some of Mediacentar's services, phasing out others, and developing new services, such as public relations training. It also recommended more aggressive marketing and definitive positioning of Mediacentar as an educational center whose main focus is media.

Mediacentar completed its strategic business plan in August 2005. The plan comprises six mini-plans, one for each of six income streams (TV production, media training, media research, the digital archive, public relations, and Mediacentar's Web portal), plus an overall plan to tie them together financially and managerially. The plan includes financial forecasts for the next three years and is based on clearly stated assumptions, such as the need to repay loans, increase

income from commercial activities, and continue attracting donor funding for projects that are not commercially sustainable.

The business planning process forced the Mediacentar management team to look at their business in an objective and critical manner. It helped them focus their many ideas and served as a feasibility study of the center's chances for future success and growth. Implementation of the plan began in September 2005. Besides providing direction for everyday activities and serving as a yardstick for success, the plan is shared with donors, banks, and potential investors to assure them that Mediacentar is clear about its goals, soundly managed, and moving toward long-term sustainability.

Mediacentar's success on the business front is evident. Its public relations and investigative journalism training are both earning a profit, and its digital archiving service is beginning to attract more paying clients. Classes in TV and radio production skills, when offered, are usually oversubscribed and are also moving toward profitability. Mediacentar continues to attract donor funding for projects like its first documentary film, "Karneval," which premiered at the 2006 Sarajevo Film Festival. The center is conducting several media research projects, and its Web portal is becoming the best source of media information in the Balkans.

As a partner, Mediacentar has been instrumental in many of USAID's accomplishments. Between 2004 and 2006, Mediacentar hosted 17 training events across a broad spectrum of media skills, from radio production to audience research to reporting on specialized topics such as business, the environment, war crimes tribunals, minorities, and people with disabilities. For many of these events, Mediacentar staff or consultants served as co-trainers. As coordinator for Election Project 2006 (see page 8), Mediacentar did an outstanding job of providing professional guidance and feedback to the creators of some 650 articles and broadcasts from more than 30 media partners. The center's weekly election roundup produced for TV was well done and on time.

While Mediacentar still faces financial and management challenges, the organization has charted its own course and can continue serving the media community and Bosnia and Herzegovina with carefully targeted donor support to speed its transition to commercial sustainability (see page 39).

TRAINING FOR TOMORROW

By 2003, the independent media had seen many rounds of basic journalism training from multiple donors. Media professionals who had mastered the fundamentals were interested in more specialized and sophisticated training. USAID provided it, simultaneously involving Mediacentar Sarajevo as organizer, facilitator, and training provider whenever possible. Training fell into two general categories: journalism or business.

Journalism training. In cooperation with Mediacentar, USAID conducted six specialized seminars on neglected areas of journalism:

FIRST PERSON
Small World, Big Challenge

© USAID MEDIA / KAREN BYRNE

Business director Sanela Hujić came from a corporate environment where everything ran like clockwork. At Mediacentar, she learned to appreciate a more fluid situation.

When business expert Sanela Hujić left her position with a pharmaceutical giant to come to Mediacentar Sarajevo in 2004, she exchanged a small job in a big place for a big job in a small place. "Are you ready to work hard?" asked Gordana Svirac, business advisor for USAID's media program. Together, they helped the managers of a small, struggling nonprofit turn away from donor dependency and toward long-term survival in the market.

It wasn't easy for anyone. Hujić had come from a corporate environment where everything ran like clockwork. "Media was new for me. Everything was a discussion. It didn't look professional at first." She and Svirac instituted a sweeping internal reorganization that involved every employee and required tough decisions from Mediacentar's management. "I lost five years of my life last year," said program director Tarik Jusić with a rueful grin. Svirac put it another way: "It's like growing up. You get kicked out of the house."

For Mediacentar, the "house" was the comfort of financial dependence on its founder, the Open Society Fund BiH, and many other donors that had supported the center since its creation in 1995. Together, Hujić, Svirac, and Mediacentar's managers buckled down to revisit the center's mission, revamp job descriptions, separate the center's various income strands, and take a hard look at which activities were profitable and which needed a makeover.

By late 2006, Mediacentar had increased income from commercial sources by 20 percent and had developed a set of interlocking business plans for six separate activities, plus an overall plan to knit them together. "For the first time, we have a business plan that can be changed within months, not years," said Mediacentar director Boro Kontić. "We have financial projections for 2007 and beyond." Besides guiding the center's growth, the business plans give investors, lenders, and donors confidence that their money is in the right place.

Along the way, Hujić learned to appreciate a fluid environment that welcomes discussion and embraces change. "It's all about communication and coming to understand each other's position," she said. "You just have to keep listening."

- A seminar on gender made use of the findings of USAID-supported research on the depiction of women in the media. Participants learned to recognize and avoid gender stereotypes.

- At a seminar on reporting on the handicapped — estimated to number 1 in 10 Bosnians — participants learned to identify prejudice and developed guidelines to improve their reporting.

- A seminar on the link between poverty and unregulated exploitation of natural resources led to several in-depth environmental reporting projects.

- Participants in a seminar on accuracy versus sensationalism turned inflammatory stories into hard-hitting, factual pieces, using published articles as a starting point.

- At a seminar on minority issues, participants explored such sensitive topics as prevailing attitudes and the use of appropriate language.

- Participants in the final seminar learned how to prepare for, conduct, record, and edit a print or broadcast interview.

At a separate workshop, print and broadcast journalists learned the basics about financial markets and worked with trainers to find interesting stories and write them in everyday language. A seminar organized in cooperation with the Institute for War and Peace Reporting gave reporters deep insight on how to cover war crimes trials and led to more professional reporting of the proceedings in 2006. A one-day seminar on money and politics gave participants an opportunity to access a new election finance database and explained techniques for discovering violations of campaign financing rules.

Occasionally, specialized journalism training was conducted onsite. For example, a USAID consultant worked with daily *Nezavisne Novine* to train three mobile teams in investigative reporting, with a special focus on corruption. One result was a 150-page special issue, "Black Bosnia," in which reporters exposed official failure to combat corruption.

Business training. USAID experts trained media business managers onsite and via seminars. A series of four seminars addressed strategic planning, internal organization, human resource management, marketing and sales techniques, and the use of incentives. Participants who attended all four sessions earned a certificate. Four different seminars introduced managers and editors to research concepts and application. Another seminar helped media owners and general managers become more familiar with key financial concepts and terminology. Finally, 20 media partners received onsite consulting assistance in business planning, using research to make business decisions, building relationships with advertisers, managing human resources, and other business topics.

© START

This cover story on campaign financing irregularities and other USAID-supported stories raised the bar for election reporting in Bosnia and Herzegovina.

CHAPTER FIVE

AGENDA FOR 2007 AND BEYOND

Fewer than 15 years have elapsed since the media in Bosnia and Herzegovina were freed from complete control by the Yugoslav socialist system. It is not easy to transform the media from government tool to citizen's watchdog and advocate — but it can be done. Successive USAID projects have fostered independent media that, while still struggling with financial and management issues, are helping to create a more participatory, inclusive democracy by providing a broad range of objective programming.

Below, the Chemonics team offers insights and recommendations based on our experience implementing USAID's project, Strengthening Independent Media in Bosnia and Herzegovina, from October 2003 through December 2006.

WHAT WE LEARNED

We learned to work with what's available. We took fledgling newspapers, magazines, and stations that were willing to commit to basic professional and ethical practices and helped them achieve those standards.

We learned to trust local partners. We helped partners bring their story ideas to life rather than forcing our own ideas of what needed to be covered. The journalists we worked with will be here long after we are gone and must have confidence in their own ability to make the right judgments. We made suggestions, of course. For example, investigative reporting was a new concept for many reporters and editors. Building their professional skills was necessary, but helping them see potential topics was the essence of the job. We made sure partners owned their stories and took responsibility for what they were doing. Our partnership approach trusted reporters to recognize the issues citizens care most about and invested them with the knowledge and skills to follow the people's lead. The approach paid off in hundreds of ar-

ticles and broadcasts on a wide range of topics of political, economic, social, and cultural significance.

We confirmed the wisdom of USAID's decision to provide broad-based support. The independent media must survive in an often hostile environment. Political, nationalistic, even criminal interests press the media for favorable coverage (or none). Without a strong financial base and adequate legal protections, the media become tools of the very forces on which they should objectively report. USAID's broad-based program backed up assistance to promote objective reporting with assistance to strengthen financial independence, encourage regulatory reform, and build strong industry associations. These aspects of the project, though not as exciting or glamorous as what happens in the studio or the newsroom, were absolutely essential to its success.

Without strong business assistance and help in founding its own press, *Nezavisne Novine* would still be a struggling local Banja Luka paper, dependent on a state-owned press for publication. Today, it is a statewide paper, turning out solid investigative reports of national interest and offering independent printing to other publications.

Without regulatory reform that allowed broadcasters to accept political advertising, independent radio and TV stations would lack a significant source of revenue. Without a change in how regulations were interpreted and enforced, issue-based election coverage would have been prohibited for the last 30 days of the 2006 campaign and those that follow.

Without a unified association of journalists, Bosnia and Herzegovina would still have six weak, warring associations divided by politics and nationality. Today, the new association is gaining respect as the arbiter of journalistic excellence and the guardian of journalistic principles.

Without strong project support for research, few media outlets would be using it to guide content selection and to promote advertising sales. Today, the most forward-thinking papers and stations rely on research to build readership, audiences, and revenues. Through the United Media Industry consortium, almost all major TV broadcasters and advertising agencies are receiving state-of-the-art audience research, enabling them to earn higher advertising revenues that remain in Bosnia and Herzegovina.

We also learned an important intangible lesson by providing broad-based support. Our media partners trusted us more. We became expected guests at association meetings, where we were invited to help formulate arguments for changes in regulations. Because we were coaching and advising partners on management, marketing, sales, and advocacy — all essential to making them commercially viable — they saw us as more than visiting experts pushing a particular approach to reporting. By being concerned about all aspects of their operations, we got to know them well and were able to help them become successful and sustainable for the long term. Their trust meant that our advice on crucial reporting issues was much more likely to be accepted.

WHAT'S NEXT

Bosnia and Herzegovina is no media paradise. Journalists are still threatened or pressured at times. More often, they are tempted to lean in a particular editorial direction because they are paid poorly, or because they want to please someone who might offer them a better job. The media environment has improved, but there is still work to be done that would benefit from timely and targeted donor support.

Post-election coverage. The 2006 Election Project blazed new ground in campaign coverage. Built on public opinion research and based on facts, it featured sustained cooperation across political and ethnic lines, a first for Bosnia and Herzegovina. As this report goes to press, it appears that post-election negotiations among parties and factions will go on for months. Grant support for the independent media and financial support to Mediacentar to coordinate a post-election project would enable this type of coverage to continue until the government is formed and Parliament is organized.

Press Council. With the exception of USAID's partners, many print outlets continue to be strident voices advocating special interests, single parties, or exclusive nationalities. Government regulation is not the answer and should not be advocated by the United States, with its own tradition of a free press. The Press Council is the best hope for moderating the press and holding journalists and publishers to account. A respected press council can take complaints from the public or offended parties, investigate the charges, mediate the dispute, and either uphold the publication's position or negotiate an appropriate solution (usually, a retraction or apology). It can publicize its findings so that even if an offending paper refuses to retract or apologize, the public will know about it and the paper's credibility will suffer.

The current Press Council is not yet up to such a task. Timely donor support rescued the council temporarily, but more time and coaching could bring it to a point of real effectiveness. The council must still complete its registration as a statewide organization, make its new structure operational, and slim down its budget. Its complaint mechanism needs to be re-established and new members appointed to the complaints committee. Technical assistance should be provided at every step.

Publishers Association. Concurrently, work with the fledgling Publishers Association should continue. The association is key to the Press Council's survival, and a strong press council is in the best interest of publishers. Without the council, complaints against the press go directly to court for an expensive, time-consuming fight. It is much easier for publishers to recognize the authority of the Press Council and cooperate with its procedures. Also, a functioning publishers association could move toward creating an audit bureau of circulation. By providing a transparent means of delivering credible circulation figures that advertisers can trust, an audit bureau of circulation would enable newspapers and magazines to improve their commercial position based on real data, similar to audience research data used by advertisers in the TV industry.

SUCCESS STORY
Radio Station Bridges Ethnic Divide

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A cup of coffee with friends led Amna Popovac and Amela Rebac to found Radio Studio 88, a unifying voice in the divided city of Mostar.

In 1997, Amna Popovac was having coffee with some journalist friends in Mostar, a city divided between Catholic Croats in the west and Muslim Bosniaks in the east. Even two years after the war in Bosnia and Herzegovina had ended, It wasn't advisable for friends from different ethnic groups to be sitting together in public, but there they were.

The journalists were complaining about being censored by their respective state news organizations. Struck by the absurdity of having to listen to two news reports — one from the Croat side, one from the Bosniak side — to find out how many children were born or what fires had broken out today in Mostar, Amna asked her friends, "If I start a radio station, will you work there?" Amna had no radio experience, but she was an IT engineer with a master's degree in small business management. She wrote a business proposal, and journalist Amela Rebac developed the programming. Together, the two launched Radio Studio 88 in 1999.

Today, the station is a vibrant, independent voice in a city that is still ethnically divided. Recently, Studio 88 began targeting women age 25 to 45. Amna believes this audience segment is open to change, and "we didn't start this radio station just to play music." To help build an audience, USAID supported a promotional campaign and a daily 15-minute show dedicated to the reopening of the famous Stari Most bridge — a 450-year-old World Heritage site destroyed by shelling in the war and rebuilt stone by stone using the original construction methods. The show focused on ethnic reconciliation and civic improvements. The show and station were promoted on TV and billboards in Mostar city, as well as in other frequently visited locations in Herzegovina.

Thanks to the business savvy of its managers, Studio 88 is commercially successful. During a recent promotion, the station helped a car company sell 26 vehicles in 24 hours. "Now we are stars," said Amna with a grin.

Amna says things have improved in Mostar. In late 2006, Croat advertisers were among those wishing the station's Muslim listeners a happy Bajram holiday. That, Amna believes, is real news.

While publishers have agreed to form an association, registration is on hold because some members are having difficulty demonstrating the required financial stability. Expert technical assistance is needed to make sure all important publishers are able to join the association.

Mediacentar Sarajevo. Mediacentar has made much progress since 2003. Its training and production capabilities have grown, it is less dependent on donor funding, and it has added new commercial services to its roster. However, more time is needed before Mediacentar will reach the commercial sustainability levels envisioned in the business plan developed with USAID assistance. It is not ready to go "cold turkey" into pure commercial operation and still requires donor assistance. Specifically, grants may still be needed to subsidize practical training for in-service media professionals, and to help Mediacentar complete its privatization and retire some of its debt. Other types of donor support currently classified as grant assistance could more appropriately be termed "fees for service." For instance, when Mediacentar produces a video, conducts research, or trains participants on behalf of a donor, it is providing a service for which it should be paid, even though the customer is a donor.

Mediacentar needs help in negotiating its privatization, a process that begin late in 2006 and is likely to continue into 2007. There is no guarantee that the process will result in majority local ownership, nor that the eventual owners would ensure that Mediacentar continues to provide broad-based media assistance. After privatization, the owners could choose to eliminate unprofitable media assistance services and concentrate only on money-making ventures. Donors could influence those decisions by providing support conditioned on Mediacentar's remaining true to its original mission. As Mediacentar's owner, the Open Society Fund BiH could also make a similar requirement part of the privatization plan.

USAID'S LEGACY

Free and unfettered media are essential to a healthy democracy. We are proud to have implemented a U.S. government-funded media project that never interfered with the media's independence, or attempted to influence the content of a story.

There were times when a partner published or broadcast a story that placed the United States in an unfavorable light. Our concerns in such instances focused on the professionalism and objectivity of the story, not on the possibility that it would be seen as anti-American. By not punishing partners who "called them as they saw them," our project and the U.S. government gained immeasurable credibility.

To be sure, there were media outlets we chose not to assist, but those decisions were based on confirmed knowledge that such outlets were controlled or financed by hard-line political parties or criminal elements. By partnering with organizations committed to professionalism, USAID brought groundbreaking fairness and objectivity to the independent media and lasting respect for U.S. development assistance.

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