

MONITORING OF MEDIA REFORM PROCESS AND THE WORK OF AVMS AND MRT

Report Covering 3rd and 4th Quarter of 2019



Kingdom of the Netherlands

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INTRODUCTION

The need for comprehensive reforms of the media sector in the Republic of North Macedonia, which has existed for quite some time if not from the very moment the media system was created, was formally recognized and condensed in the recommendations listed by two important documents - the so-called «Pribe Report» (Recommendations of the Senior Experts' Group on systemic Rule of Law issues related to the communications interception revealed in Spring 2015), and the Urgent Democratic Reforms document prepared by the European Commission.

The reforms need to ensure adequate solutions for the open issues in several areas - sustainability of the media sector, independence of media from political and economic pressure, ensuring that the citizens shall have access to quality information, education and entertainment/cultural contents.

The Media Development Centre, with support from the MATRA Programme of the For-

ign Ministry of the Kingdom of the Netherlands, under the auspices of the “Monitoring and Policy for Reformed Media Sector”, monitors the implementation of the media legislation by the Agency for Audio and Audiovisual Media Services (AVMS) and the Programming Council of MRT, as well as the overall process of media reforms. At the same time, under this project, MDC will prepare comments to all eventual legislative proposals and policy briefs and documents that will aim to assist the process of achievement of reform goals and objectives.

The other priorities set by the Government, the focus on foreign relations issues and the coming elections have all contributed for reforms of media sector to proceed at a painfully slow rate, lagging far behind the initially outlined timeframe. Due to the lack of actual progress of the process, MDC decided to publish the two quarterly reports for 2019 (3rd and 4th Quarter) in a single longer report. This Report covers the period from July 1 through December 31, 2020.



Kingdom of the Netherlands

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The REFORM PROCESS

The need to reform the media system in the Republic of North Macedonia was identified almost at the very start of its creation, or at best, in the second half of the 1990s. In 2015, that need was formally recognized and condensed in the recommendations listed by two important documents - the so-called “Priebe Report” (Recommendations of the Senior Experts’ Group on systemic Rule of Law issues related to the communications interception revealed in Spring 2015)¹, and the Urgent Democratic Reforms document prepared by the European Commission².

While the two documents touch on some of the most important issues of Macedonian media sector, it is evident that they are primarily motivated by the need to eliminate the main instruments and levers used by the former Government (led by VMRO-DPMNE) to pressure and control, and also reward the obedient and to punish the disobedient media. It did that, above all, through generous abuses of public funds. Therefore, the Priebe Report focuses on: The need to liberate the media from political pressure to allow them to distance themselves from party politics; the need for the public broadcasting service to be fully impartial and independent of external influence and interference; the need to remove, to the extent possible, defamation as instrument of pressure on the press; the need to eliminate government advertising spending as means to “buy” media support; as well as the need to recognize the role of the media as control of the way in which power is exercised, including the obligation of the government to promote and support the media in their performance of that role.

Similarly, the Urgent Reform Priorities focused on the public broadcasting service, that is, the reforms that should contribute to the elimination of causes for the lacking political independence and balanced reporting and to allow the public service to offer quality and informative contents; on government advertising, that is, the need to define clear and transparent rules and criteria for placement of advertising and promotion budgets; as well as the issues of access to information and defamation (the removal of offences of «insult» from the legislation, resolution of small cases through mediation and the use of self-regulatory bodies and instrument, as well as self-control and self-restraint by politicians and public officials from filing defamation action lawsuits against journalists).

When they signed the 2nd Przino Agreement in July 2016, the signatory political parties (VMRO-DPMNE, SDSM, DUI and DPA) accepted the obligation, in addition to measures directly tied to the snap elections that took place in December 2016 (an *ad hoc* body to monitor the implementation of Electoral Code’s provisions on media coverage, halving of fines prescribed by the Law on Audio and Audiovisual Media Services, interim editor-in-chief of MRT appointed by the opposition), to create a 24-hour programming service in Albanian language and to implement the necessary changes to the media legislation within 15 days from the day of the signing of the Agreement.

The 2nd Priebe Report of September 2017³, drafted after a new round of consultations with all stake-holders, in its recommendations for the media sector, has a much broader and more

1. [The Priebe Report](#)
2. [The Urgent Reform Priorities](#)
3. [The 2nd Priebe Report](#)

strategic approach, without a focus on the burning urgent issues tied directly to the political crisis. The recommendations of the 2nd Report, in addition to listing specific points (measures to support print media, demand for all media to adopt internal codes of conduct, priority given to investigation and prosecution of cases of attacks on journalists, encouragement and support for investigative journalism, as well as a series of demands for improved situation in the Macedonian Radio and Television), ask for reforms to adopt a more strategic approach, to be based on credible data and to be implemented in consultations with all stake-holders.

WHAT WAS IMPLEMENTED AND HOW?

The new Government, once it took office, adopted two plans for implementation of necessary reforms, including the reforms in the media sector. First, in the “Plan 3-6-9” of July 2017⁴, which contained the timeframe for the urgent reforms for the first nine months in power, in the section dedicated to the media, focused on promotion of the Ethical Code of Media Reporting, the question of government advertising (abolishment and publication of information on media spending of previous Government), preparation and adoption of changes of media legislation and appointment of new regulatory bodies (the Council of AVMS and the Programming Council of MRT) through proper consultation process, overview of cases of attacks on journalists and, within the framework of its media relations operations, introduction of a regular weekly briefing for the media.

On the other hand, the Plan 18⁵, presented to the public at the end of May 2018, doesn't mention the media at all.

Two main factors influenced the process of implementation of media reforms. The first is the almost total focus and dedication of the Government to issues related to European and trans-Atlantic integrations. More specifically, the Government focused on the resolution of various ongoing disputes with the neighbouring countries and the elimination of obstacles to NATO membership and start of negotiations for EU membership. Primarily, there was the long-standing dispute over the name of the country we had with Greece. The second factor is closely connected to the first, that is, the need of political horse-trading in the Parliament in order to secure the qualified, two-thirds majority necessary to ratify the agreements that arise from those efforts. In addition, we should note that the Government decided well in advance to reduce all regulatory interventions, including those in the traditionally regulated area of audiovisual media services, to the minimum and to leave the reforms to be led primarily by self-regulatory initiatives in the media community and in the media market.

Those factors resulted, first, in constant delays of media reforms (or, at least, pushing them to the margins), and second, with inability to secure that same qualified majority for the selection of the new Council of AVMS and the Programming Council of MRT.

4. Look on the website of the [Government of the Republic of North Macedonia](#)
 5. Available on the web-site of the [Government of the Republic of North Macedonia](#)

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Changes to the Legislation

In the period since the new Government took office, and even before that, after the publication of the Priebe Reform and the Przino Agreement, several rounds of changes to the media legislation were adopted - in August 2016, September 2017, December 2018 and February 2019.

The changes of August 2016 aimed to operationalize the provision of the Przino Agreement that prescribed the establishment of a new programming service of the Public Broadcasting Service in the language spoken by at least 20% of citizens and is different from the Macedonian language, as well as a new programming service in the languages of the other non-majority communities. In September 2017, another round of changes were voted in, aiming to terminate the broadcasting tax and transfer the institutions that were financed from the broadcasting tax to financing from the State Budget (0.5% of the Budget). The change came as a surprise, knowing that there was an agreement in principle, expressed by the Government and the majority of the other stake-holder in the media community, for different percentage of the Budget to replace the broadcasting tax.

The adoption of the Law on Changes and Amendments to the Law on Audio and Audiovisual Media Services on December 31, 2018, differed from the previous two rounds of changes in that it was preceded by a proper public discussion that allowed all stake-holders to comment on the proposals, including on the ENER electronic system. In spite of expectations that those changes will be more systemic by nature (the CSOs that work in the area of media, un-

der the “Blueprint” initiative, prepared a list of systemic changes that needed to be integrated in the reform efforts), the Law was limited in scope to several specific issues, above all, to the partial change in procedures and manner of election and appointment of members of the Council of regulatory body AVMS and the Programming Council of MRT.

The main problem of the process of adoption of the Law was the constant delays and postponements. Although media reforms were explicitly listed as priorities in the two relevant European documents, it took 18 months since the Government took office to adopt the Law. The reasons, as noted above, lie in the priorities that the Government set for itself, primarily in the area of foreign relations, relations with the neighbouring countries and the European integrations and the related need to secure the majorities necessary to adopt the important documents that regulate the good neighbourly relations. The general impression in the media community is that the media reforms, materialized above all in the Law on Changes and Amendments to the LAAVMS, and was used as an additional bargaining chip in the political horse-trading that secured the necessary votes.

The appointment of the new compositions of the AVMS Council and the Programming Council of MRT is another example of failure to implement reforms otherwise defined as urgent. The matter of appointment of new members of the two bodies is of special importance, knowing that it is them that should take the lead in the reform processes in the area of audiovisual media services and in public broadcasting. Although the Law on Changes and Amendments to LAAVMS prescribes clear deadlines for appointment of new members of

the two bodies (the whole procedure should have been completed in about two and a half months, by the end of March 2019, at the latest), at the moment of preparation of this report it has hardly reached the halfway point. The decisions to announce a public call for applications for selection of members of the two bodies were adopted by the Parliament on January 16 (and published in the Official Gazette on January 31, 2019). We then waited until July 29 for the Parliamentary Commission on Elections and Appointments to define the list of candidates. At the same session, the Commission decided, before it continued the procedure, to send the list of candidates to the State Commission for Prevention of Corruption to be checked for possible conflicts of interest. Knowing that snap Parliamentary Elections are scheduled to take place on April 12, 2020, and in view of past failures to reach a consensus in the Parliament on a number of bills, we can hardly expect any positive progress in the short run. We find it far more likely that the whole procedure will be repeated from the start. We would also recommend to the policy makers to consider the possibility to change the legislation to remove the requirement for qualified, two-thirds majority so that the members of AVMS Council and the Programming Council of MRT can be appointed with an absolute majority of the MPs.

Some of the changes in the legislation resulted from direct negotiations and lobbying by various stake-holders. This primarily refers to the new provisions that impose on the operators of public communication networks responsibility for the foreign programming services

they retransmit, that is, if those foreign services have regulated broadcasting copyrights and associated rights for the territory of the Republic of Macedonia. In spite of comments that such obligation is impossible, knowing that operators of public communication networks are not party in agreements for sale or transfer of rights, and that those provisions may be in collision with EU's SatCab Directive (Directive 93/83/EEC), as well as the latest changes to that directive listed in the Directive EU 2019/789, the provisions were adopted (Article 35 of the Law on Changes and Amendments to the LAAVMS)⁶. On the other hand, the efforts of cable and IPTV networks resulted in a new round of legal changes, adopted on February 5, 2019, postponing the implementation of those provisions until 60 days have passed from the day of appointment of the new AVMS Council which shall adopt the necessary by-laws to precisely regulate the procedure for determination of responsibility and manner of registration of legal representatives of foreign broadcasters. In the period covered by this Report, the efforts of both sides of that conflict to lobby with the Government and decision-makers to ensure solution in their favour intensified.

The second issue on which legal changes were implemented after direct negotiations with the broadcasters is in the area of quotas for broadcasting of musical works in Macedonian language and languages of ethnic communities. According to the changes, the radio broadcasters can now choose themselves which percent of the total musical broadcasts will be dedicated to Macedonian music, and in

6. On a request of the regulatory authority, the Association for ICT and the Ministry of Information Society and Administration, the EU Delegation to Skopje conducted consultations with competent offices of the EC and confirmed that such a provision is unnecessary. The obligation to regulate broadcasting rights is considered matters of private contractual relations between broadcasters and holders of rights. In EU member-states there is no similar practice for public bodies to care for regulation of copyrights and to demand from operators of public communication networks such declarations „of honour“.

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return they will have the annual compensation for the broadcasting licence they hold cut by the same percent. The by-law that operationalizes the new provisions has not been adopted by the regulatory authority. AVMS has adopted “Guidance for Voluntary Application by Radio Stations to Broadcast Domestic Music”, but that document is not a true by-law and doesn’t produce any legal effects and can’t be seen as true operationalization of provisions of Article 80 of LAAVMS.

One of the potentially most important changes in the Audiovisual Media Services Law is the termination of possibility for bodies and institutions that dispose of public budgets to earmark funds for media buying⁷. However, according to the investigation of the Association of Journalists of Macedonia, a number of municipal administrations continue to invest serious funds for promotion of their policies and media buying in local and regional media (practices have different forms - production services, live broadcasts of sessions of municipal councils, etc.). In a situation of low, if any, sustainability and very limited available advertising budgets, public funds can play, and do play a key role in securing mere survival for the media in the oversaturated market. On the other hand, it is evident that journalism focused on matters of public concern faced huge difficulties trying to survive without assistance from public funds. In addition, a large number of broadcast media are almost totally dependent on media buying and promotional budget spending of, above all, local self-governments.

Although some steps to introduce programmes to subsidize media were taken, we need to approach the matter in a far more serious and systematic manner. The system of linear distribution of subsidies for print media (by the way, similar initiatives have been launched by regional and local broadcasters, and national TV networks don’t sit idle on that matter, either) across the board and to all players in the market doesn’t correspond well to the needs in the new digital era. The approach should be much better designed and well thought out in order to ensure that public funds will be directed towards certain types of journalism and not to publishing platforms, and that they will be distributed in line with strict rules and public interest criteria.

The changes to the Electoral Code, in the chapter on media presentation of election campaigns, adopted right before the 2019 Presidential Elections also had tangible influence on the media scene. Those changes meant that the media buying spending by political parties’ and candidates’ campaigns will be paid from the state Budget, without a possibility for additional advertising that campaigns would finance from their own sources. Also, the changes introduced different distribution of available advertising time among candidates and campaigns participating in the elections.

The novelties produce several dilemmas. Primarily, there is the decision to fully tie political advertising to the media coverage of election campaigns. It is not clear, for instance,

7. See in Article 25 of the Law on Changes and Amendments to LAAVMS (Official Gazette of RSM, No. 247/2018) which changes article 102 of the Law on Audio and Audiovisual Media Services.

how the forms of Out-Of-Home advertising will be regulated (billboards, posters, public buses, etc.) which are the segment of increasing placement of available advertising budgets in the country? How will OOH campaign advertising be financed? Also, and probably even more important, is the buying of advertising space in the large global tech platforms (Google, Facebook, other social networks), and it is also unclear if media outlets that won't cover the elections in their news and specialized programmes will or won't be able to sell political advertising (or whether such advertising will be financed with public funds).

The decision to finance the total political advertising in an election campaign with public funds, distributed on bases of media plans presented by the organizers of election campaigns, yielded predictable results. The bulk of the funds, following the laws of advertising industry, ended with the broadcasters with highest audience ratings. Also predictable was that everybody will note the practice of political parties to do their media buying (loyalty is included in the price) from the media that are close to them and are supportive of their policies, regardless of their individual ratings. The reactions in the media community indicate that they expected for the funds, coming from the Budget, to be distributed equally (either proportionally or linear) to all media, as a form of indirect subsidy.

Such dilemmas need to be resolved. The Media Development Centre believes that we should abolish the possibility to finance cam-

paigned advertising of political parties and candidates with public money. The decision to limit the prices of advertising time and space is also negative, knowing that in the digital era, marked with huge losses of advertising revenue for traditional and legacy media (especially those in the business of news), elections are a sort of "bonanza" that everybody wait for to make the best of it.

Some media reforms are implemented outside the legislative process, by the competent regulatory bodies and other institutions charged with the implementation of the law. The Programming Council of the Macedonian Radio and Television, in line with changes of the LAAVMS after the 2nd Przhino Agreement, in its 77th Session of December 25, 2018, adopted the decision to establish new programming services - 24-hour channel in Albanian Language, entertainment, culture, music and sports channel, a documentary and ethnic communities channel, and children's channel⁸. The Programming Council adopted the necessary decisions to established new channels for the Macedonian Radio, too.

What has been missing was the financial support necessary to implement that decision, as well as proper financial support that would ensure full functioning of the public broadcasting service. According to the Programming Council, after the termination of the broadcasting fee, the Government has failed to fully meet its obligations to secure the funds from the state Budget prescribed by the LAAVMS⁹.

8. See the Minutes of the 77th Session of the Programming Council of December 25, 2018, [available in Macedonian on the address](#)

9. We should note that the prescribed Budget support is not nearly enough to finance a complex system such as the Macedonian Radio and Television, having in mind all obligations related to its remit to inform, educate and entertain, or the special obligation of MRT to air programmes in 9 languages.

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While LAAVMS prescribes that the budget line replacing the broadcasting fee shall increase from 0.7 to 1% of the realized budget year on year, the funds transferred to MRT in 2019 amounted to 0.6% instead of the prescribed 0.8% of the Budget.

There were several initiatives in the media scene for self-regulatory regulation of a number of burning issues. In addition to the initiatives to secure public subsidy programmes for the media (print and broadcast), we should note the effort to create some order in the online domain, an issue that has produced fierce polemics on the scene for quite some time. The

Council of Media Ethics of Macedonia (Macedonian abbreviation SEMM) and the Association of Journalists of Macedonia launched an initiative for creation of a voluntary registry of online media that will accept clear rules and professional standards in their operations and reporting. The Chamber of Commerce of the Republic of Macedonia also joined the initiative¹⁰ and an official Agreement of Cooperation was signed in August 2019. On December 18, 2019, AJM and SEMM presented the Registry of Professional Online Media “Promedia”¹¹, which aims to help the public to differ professional media from those who spread and disseminate propaganda and misinformation.

10. Clearly, the presence of the Chamber of Commerce aims to influence the placement of scarce advertising budgets of Macedonian companies and direct them towards the online media that function in line with good practices of traditional newsrooms. The fact that it gives the corporate sector an opportunity to influence the identification of “true” and “fake” media is a matter of great concern and should be addressed.

11. See on [URL](#)

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The Programming Council of the Macedonian Radio and Television, like the AVMS Council, has found itself in “no-man’s-land” since the adoption of the changes to the LAAVMS. The Law prescribes that the incumbent compositions of the two bodies will perform their duties until new members are appointed. Because of the delays of the procedure and breaking of all deadlines for selection and appointment of new members of the Programming Council, we find ourselves in a situation in which the current composition - their term in office expired in December 2019 - will continue to perform the office as acting members, probably until some unknown moment after the Parliamentary Elections scheduled to take place in April 2020.

Judging from what has transpired in the competent Parliamentary Commission and the political horse-trading that ensued, the election of the new Programming Council might not take place at all. Regardless of the results of the Elections, a new public competition, new rounds of legal changes or completely new Law on Audio and Audiovisual Media Services are far more likely. The two-thirds majority for the members of the Council of AVMS and the Programming Council has evidently been transformed from an instrument to prevent political interference into its opposite. Political parties will rather agree to divide the “loot” along the “our and your candidates” principle than live those to be applied in the public competition to impose themselves on the public and the MPs with their qualifications in a public hearing process. The question is if we should use the meth-

odology applied to the appointment of the Anti-Corruption Commission, which had the candidates questioned by an external scoring committee, in the process of selection of the steering bodies of the audiovisual regulator and the public broadcasting service.

In spite of expectations that it will perform its functions only formally and in a short period of time (the whole election and appointment procedure should have taken two and a half months after the adoption of changes to the Law), the Programming Council was probably the most diligent of all institutions and actors in taking up the tasks related to reforms in the public broadcasting service.

First of all, the Programming Council elected new President and Deputy President of the Council. Those changes were expected to bring a positive impulse and a step forward in opening the Council to the public. The positive energy and the changes towards more open, critical approach and initiative in the operations of the PBS, indicated in the discussions prior to the election of the new President – Smilka Janevska Sarkanjac, and the new Deputy President of the Programming Council – Vedat Memedalia (at the end of 2017), quickly subsided and the work turned to the old routines and habits.

At least four members of the Programming Council remain in a position of conflict of interest, and they will remain involved in the work of the PBS, in collision with the Law and despite repeated protests voiced by media CSOs and professional associations of journalists. In addition, according to available informa-

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tion, one member of the Programming Council, Ivana Trajkovska, has been working at the Intelligence Agency for some time now. She previously was employed in the cabinet of the President of North Macedonia.

The Association of Journalists of Macedonia has raised this issue in public on multiple occasions over the past two years and demanded from the Parliament to dismiss those members from the Programming Council. It is for that reason that the AJM disputed the reappointment of Marjan Cvetkovski, the incumbent Director General of MRT, for another three-year term in office at the start of 2018.¹² At least four members of the Council that voted for Cvetkovski have themselves been elected to this body in violation of the Law. Article 119, paragraph 1, indent 2 of the Law on Audio and Audiovisual Media Services prescribes that persons who have held public office over the period of previous five years cannot be appointed to the Programming Council. We call on the Parliament to establish a case of incompatibility of offices and dismiss from the Programming Council Jagnula Kunovska and Kosana Mazneva, former MPs for VMRO-DPMNE, Agim Leka, former ambassador, and Snezana Klincarova, former spokesperson of Butel Municipality¹³, demanded AJM¹². The Ministry of Information Society and Administration also called publicly¹³ the members of the Programming Council and the Council of AVMS to “demonstrate personal courage and integrity and to assist the media reforms by resigning from their positions”¹⁴.

It is not clear why the Programming Council did open a public call for appointment of MRT Director General, having in mind the fact that the Law on Changes and Amendments to the LAAVMS, in Article 43, paragraph 1, clearly stipulates that the Programming Council, the Director and the Deputy Director of MRT will perform their offices until the election and appointment of new Programming Council, Director and Deputy Director. The fact that the incumbent Director General was reappointed makes this a moot point, but we have to stick to the conclusion that the Programming Council went out of the scope of competences prescribed to it by the Law on Changes and Amendments to LAAVMS. It is worth noting again that, as in so many cases listed in this report, this development is also due to the enormous delays of prescribed timeframes for implementation of reforms and new legal solutions.

The Programming Council adopted the correct position and took proper actions regarding the criminal charges filed against MRT Director Cvetkovski by the Financial Police Administration. The Financial Police charged the Director over the decision to mortgage the total assets of the PBS in order to raise a loan with a domestic bank, acting on his own without first consulting the Parliament as founder of the public broadcasting service. The Financial Police’s investigation also determined that the mortgaged assets’ value was double that of the 140 million MKD loan, and that a sizable amount of that loan, about 30 million MKD

12. See on the website of [AJM](#)

13. See [the report](#) published by META (in Macedonian) on

14. At the same time, we should note the general impression that MISA and the other Government and state institutions with some competences in the matter have done little to ensure that legal deadlines will be respected, in which case, this and similar appeals would have been unnecessary.

were immediately paid to the same bank which has previously purchased MRT's debt to the central heating utility company BEG¹⁵.

MRT denied the allegations of the Financial Police and claimed it followed the Law to the letter, noting that the decision to apply for a loan was adopted by the Supervisory Board and that the funds were used for intended purposes. The Programming Council backed the Director General with an explanation that the PBS is independent in its decisions and that it acted in line with legal procedures.

The Office of Organized Crime and Corruption Prosecutor dismissed the charges filed by the Financial Police in August 2019, noting in the rationale that Cvetkovski committed no offence¹⁶.

The public discussion of the matter raised another issue that will probably warrant intervention in the Law. The Office of Organized Crime and Corruption Prosecution didn't pay any attention to the main grounds presented by the Financial Police that is the claim that the PBS didn't consult the Parliament as its founder. Clearly, the inertia from the socialist times, when the Parliament really was the founder of the PBS and appointed the Director General, maintains a strong pull. Today, the Parliament reviews the annual working and financial plans and reports of the public broadcasting service, but the appointment of the Director and the Supervisory Board do not fall within its competences. The Parliament does

elect the members of the Programming Council who later, in public competition procedures, appoint the Director and the members of the Supervisory Board. The misunderstanding arises from the unclear legislation which doesn't explain who will exercise the founders' rights on the behalf of the Republic of North Macedonia, the actual founder of MRT. The Law on Public Enterprises states that the public enterprises are founded by the Government, on behalf of the state. On the other hand, it prescribes that public enterprises in the area of broadcasting are founded under conditions and in a manner defined by law¹⁷, in this case, the Law on Audio and Audiovisual Media Services. The LAAVMS states, on the other hand, the MRT is founded by the Republic of North Macedonia, but doesn't define which institution will exercise the founders' rights on behalf of the state¹⁸, that would appear as official institutional titular holder of rights in such investigations and other procedures.

The Government and the public administration, as well as the local self-governments have been excluded from any competences and obligations towards the media with the 2005 Law on the Broadcasting Activity and the Law on Local Self-Governments, when municipal administrations were prohibited from founding media outlets, although the then existing 30 public radio stations demanded that they are placed under the cover of local self-governments to avoid the obligation to privatise. One exception was the intervention in the Law on the Parlia-

15. See the list of articles and reports published on that issue on the news aggregator Time.mk

16. [The report of the Investigative Reporting Lab](#) (in Macedonian)

17. See in [Law on Public Enterprises](#) (in Macedonian) (Official Gazette of RSM, No. 38/96, 6/02, 40/03 and 49/06), Article 3, paragraph 1

18. In Croatia, the Law on the Croatian Radio-Television, in Article 1, paragraph 2, states that HRT is founded by the Republic of Croatia, and "founders' rights are exercised by the Government of the Republic of Croatia".

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ment and the Law on the Broadcasting Activity to allow the Parliament to own and manage the Parliamentary TV channel. Event that solution has produced “hermaphrodite” situation in which it is not really known who will cover the costs, who will be charged with editorial policies and the programming concept, and even abuses of the channel by the Parliamentary majority and the executive branch.

The Programming Council of MRT also addressed its obligations under the Prespa Agreement and the resulting changes to the Constitution that stipulate that the PBS will have to change its name¹⁹. The Government has written three times to the Programming Council with guidance and recommendations to change the name of the Public Broadcasting Enterprise “Macedonian Radio and Television” to “National Radio and Television”. The Programming Council insisted that the change of the name should be based on changes to the Law on Audio and Audiovisual Media Services and advised the Government to address the Parliament with proposed changes to the Law. The Programming Council consulted the Central Registry Office which responded that they cannot change the name of the institution on their own, since such a decision ought to be based on adequate legal provisions. The LAAVMS states that the name of the public broadcasting service is Public Broadcasting Enterprise “Macedonian Radio and Television”.

“The impression is that the inter-portfolio group formed by the Government is stuck with some institutions that use the adjective “Macedonian” in their names and that it will

need more time to change the respective laws to change their names”, states the information on Government’s obligation to change the name of the Macedonian Radio and Television, reviewed and discussed in the 83rd Session of the Programming Council²⁰.

In the period covered by this report, the Programming Council held 12 or 13 sessions²¹. After the short period of increased transparency, the sessions of the Programming Council in 2018/2019 continued to be held away from public eyes, returning to the old practice to schedule and hold sessions without prior announcement or presence of media and members of the public. We note, yet again, that the Law on Audio and Audiovisual Media Services clearly prescribes that the sessions of the Programming Council are public²². The provisions in the Book of Rules and Procedures also remain unchanged and demands from journalists and external parties to inform the Programming Council in writing, prior to the session which points on the agenda they are interested to observe. The Programming Council still doesn’t announce its sessions and their respective agendas on the web-site of the PBS, on MRT’s programmes or in other media.

The minutes recorded in the sessions are not regularly published, that is, some of them are published and some are not. Also, MRT’s website doesn’t have a section dedicated to the work of the Programming Council which would carry the minutes and other documents. They are available only through searching option on the website.

19. Check [the article](#) on the website „Pravdiko” (in Macedonian)

20. See the Minutes of the [83rd Session of the Programming Council](#) (in Macedonian)

21. Due to the practice of not publishing all minutes on the MRT web-site, as well as lack of announcement of scheduled sessions of the Programming Council, it is not clear if session 101, 102 and 103 were held in December 2019 or January 2020.

22. Article 122, paragraph 1 of the [Law on Audio and Audiovisual Media Services](#)

The contents and the proceedings in the sessions indicate that the cooperation between the Programming Council and the management continued and has even improved, with frequent dissenting opinions voiced by Vedat Memedalija, the AJM nominated member of the Council. His reactions managed, at least, to secure a more regular presence of the Director and other managerial staff, as well as the editors of different programming services and sections in the sessions of the Council.

In its 90th Session²³, the Programming Council voted unanimously, and without discussion, the Financial Report of PBE MRT for the 2nd Quarter, covering the period from April 1 to June 30, 2019²⁴.

According to the Report, the PBS realized income of about €3,7 million.

The state Budget contributed 98.2% of the total earnings for that period, in accordance with LAAVMS. The income generated through sales of advertising time and services, sponsorships and other marketing activities amounted to a total of €4,700.

The total expenses in the same period amount to €2.5 million, with salaries amounting to almost two-thirds of the total expenditure, at €1.48 million. MRT spent €20,700 on transmission of programmes and events, and €162,400 were spent to purchase sports broadcasting rights, coproduction projects for documentary films, and realisation of programmes covering fashion, music, talk shows, educational programmes.

Under other programming rights, MRT spent €74,100 on exchange of news footage, coordination of radio news and sports on radio, production of the Presidential Elections 2019 project, etc. MRT spent €29,500 to purchase programming contents from independent production companies – series of information programmes “Agenda 35” for the First Programming Service.

Other Operational Costs covers the costs of engagement of external personnel and free-lancers, costs to organize and realize the EuroSong 2019 Contest, small copyright fees to ZAMP, etc.

In the second quarter, MRT spent just €4,800 to upgrade the recording system at the Macedonian Radio.

PBE MRT’s total liabilities on June 30, 2019 amounted to €12 million, which is €2.7 million less than at the start of 2019.

PBE MRT, on June 30, 2019, employed a total of 794 persons, with a loss of 6 positions compared to the end of the first quarter of 2019.

In the 91st Session, the Programming Council reviewed the new Collective Bargaining Agreement²⁵ that prescribes funds for increase of salaries and awards for the employees. The members of the Council supported the proposal, with exception of the remark by member Zlatko Jankovski if it wouldn’t be better if the money is used for early payment of company’s debts, procurement of new equipment and contents to improve the general perception of the citizens.

23. See on the web-site of [MRT](#)

24. See on the web-site of [MRT](#)

25. See on the web-site of [MRT](#)

PROGRAMMING COUNCIL of MRT

According to the member nominated by AJM, only an increase of salaries will motivate the employees which, in turn, will elevate the overall operations of the company.

MRT Director Marjan Trajkovski explained that the Budget of the PBS has sufficient funds for salaries and planned increase in the Collective Bargaining Agreement, and for new programmes and equipment, as well as to service the debts that have been reduced to the minimum.

The Collective Bargaining Agreement²⁶ was voted in and signed in the 92nd Session²⁷, in spite of the presented opinion of the Supervisory Board which, some members of the Council noted was “without head or tail”, without clear position. According to Darko Stefanovski, the Supervisory Board believes that salaries should increase, but that the proposed increase would be too much of a burden on the company and that funds should be used elsewhere, for instance, to upgrade the equipment and procure programming rights.

The management’s claim that there was enough money to increase the salaries without any further financial implications on the work of MRT was sufficient for the Programming Council to adopt the Collective Bargaining Agreement which, it was noted, would improve the public image of the company and restore its past prestige. The salaries of MRT employees were increased linearly in 2019 by an average of 3,000 MKD (€50).

The amending of the Programme for Development of new programming services of MRT²⁸, in accordance with the changes to the Law on Audio and Audiovisual Media Services, provides for changes in the number of programming services of the Macedonian Radio. It should establish one 24-hour radio programming service in the language spoken by at least 20% of the citizens, different from the Macedonian language, and one 24-hour radio programming service in the languages of the other non-majority ethnic communities. To implement these changes, Macedonian radio will have to establish two new programming services: A 3rd Programming Service in Albanian and 4th Programming Service in the languages of non-majority ethnic communities.

In addition to these, Article 107, paragraph 2 of the LAAVMS provides for creation of programming services that will serve the local and regional diversity in the Republic of North Macedonia. Along those lines, a 5th Programming Service was proposed, the Kanal 103, which would enrich the programming offer of Macedonian Radio with contents dedicated to alternative music and alternative cultural scene, in general.

This matter was discussed in the 95th Session of the Programming Council, regarding the request for information on the expected €6 million from the rebalancing of the State Budget. MRT Director General Marjan Cvetkovski informed the Programming Council that Minister

26. See on the website of [MRT](#)

27. See on the website of [MRT](#)

28. See the [PDF document](#) on the website of MRT

of Finance Angelovska refused to give consent to the request to engage 15 persons for MRTs correspondent centres without explanation.

MRT claims that it is fully prepared to launch the new programming services, but can't because the Ministry of Information Society and Administration has not responded in any way to the request for consent on the new Rulebooks on Internal Organisation and Systemisation of Jobs and Positions.

MRT wrote to MISA and it confirmed that there are funds of MRT ear-marked in the Rebalance of the 2019 Budget, but after a while, there was information that MRT won't receive any funds.

The Programming Council proposed that all media are informed about the inability to implement the Programme for development of new programming services, to open correspondent's centre and about the fact that MRT won't receive the promised funds from the Rebalanced Budget.

It also proposed changes to the new Statute of MRT to emphasize that the number and contents of the programming services is determined by the Programming Council, acting on proposal submitted by the Director General of MRT, and that the Parliament shall not have competences to decide on the creation of new programming services.

In its 94th Session, the Programming Council discussed the draft-Report of the Media Freedom Mission to Macedonia and noted that the authors didn't list the sources for the pre-

sent perception that MRT dedicates greater share of its air-time to the opposition party VMRO-DPMNE.

It was noted, among other things, that PBE MRT loses its independence in the area of human resources policies, having in mind that the procedure for creation of new positions needs consent from the Ministry of Finance and the Ministry of Information Society and Administration²⁹.

Those points were reiterated in the 99th Session of the Programming Council and were integrated in the 2020 Annual Working Programme of PBE MRT, adopted in that session.

On December 25, 2019, MRT published a Public Call for procurement of programming contents, inviting production companies, authors and all citizens to apply with their ideas and programming projects for radio and television contents in the call for financing of co-production projects and purchase of audio and audiovisual programmes.

From the aspect of its programming, we should note that, in addition to make the news and information programmes of MRT as neutral in its approach to different actors in the political scene as possible, MRT procured new popular contents, such as sitcoms, feature series (although limited finances push it towards older contents, such as reruns of sitcom "Friends" which has been aired in the country on several occasions in the past), as well as rights to quality European football and American sports league competitions, in cooperation with a regional specialized sports channel..

29. This is contrary to the clear provision in the Law on Audio and Audiovisual Media Services, Article 104, paragraph 9 (Official Gazette of RSM, No. 184/13), which prescribes that journalists and editors, as well as other employees directly involved in the production of programmes at MRT shall not have the status of civil servants.

AGENCY FOR AUDIO AND AUDIOVISUAL MEDIA SERVICES

The Agency for Audio and Audiovisual Media Services (AVMS), that is, the AVMS Council as its steering body, finds itself in a situation similar to the Programming Council of MRT. The Law on changes and amendments to LAAVMS clearly prescribes that the AVMS Council shall perform its function until the election and appointment of the new Council. The Law on changes and amendments to LAAVMS also prescribes that the new Council, appointed in accordance with the changes to the Law, shall adopt the necessary by-laws resulting from the new legislation (to specify the provisions on obligations of public communication networks regarding copyrights and related rights, the implementation of provisions of article 80 on percentage of Macedonian music as grounds for reduction of the fee for the licence to broadcast programmes, etc.).

Therefore, the Agency and the Council found themselves in a situation in which the expectations were to deal only with regular activities, such as supervision of broadcasters and print media. The assumption, of course, was that the relatively short deadlines prescribed in various plans and political agreements, as well as the Law on changes and amendments to LAAVMS shall be respected and that the new Council of the Agency would be relatively quickly appointed and would start performing its office in full capacity. The damages of the new situation are multiple, especially if we knew that true reforms of the industry/sector of audiovisual media services, by the nature of position in the system and functions it performs, will have to

be led by AVMS, primarily with the goal to find solutions for the currently unsustainable situation in the overcrowded and polarized sector.

The Agency also protested, on repeated occasions, the fact that the funds from the Budget that replace the terminated broadcasting license are not paid in accordance with prescribed dynamic, and the amounts don't meet the legally defined percentages and growth year on year.

The AVMS Council, in its 45th Session held on December 6, 2019, authorized the Director to announce a public competition for employment of ten persons in the Agency administration. The rationale for the decision was that the regulatory body has engaged a number of persons hired through temporary employment agency or as part-time employees for a long period of time, and it should prepare to monitor the coming Elections and fill in two vacancies created when persons that held those jobs resigned. All ten new employees will be employed on time-limited contracts.

In the period that is subject to this Report, the Agency dismissed two requests to allocate permit to broadcast programmes. The first decision referred to a request for licence for radio broadcasting on local level, for the territory of Struga, and the second covered a request to allocate a licence for television broadcasting without public call in Tetovo. In the first case, the feasibility study indicated that there was no justification for a new license for radio broadcasting. In the second case, the documentation was

incomplete. The Agency also decided to allocate one permit for television broadcasting, without public call, for the Tetovo-Gostivar region.³⁰

The Agency opened a Public Call for allocation of license for radio broadcasting in Macedonian and Albanian language for the territory of Debar Municipality. The call failed after the interested party that requested the feasibility study on basis of which the Call was opened, failed to present the necessary documentation within the prescribed deadlines³¹.

The saga surrounding the new nationally broadcasting radio with programmes in Albanian and Macedonian language continued in this monitoring period. The controversies that surrounded the allocation of the license to JON Radio (when two other applicants were eliminated before the scoring stage, resulting in active lawsuits at the Administrative Court) continued with multiple extensions of the deadlines for start of operations of the radio station, which failed to establish regular transmission of signals even after the extension of the initial deadline. The Agency, in the vote to extend the deadline, invoked past precedents. The question is, if the Broadcasting Council that created the precedent made a mistake and possibly broke the Law, why should the current Council repeat the same mistake and establish it as precedent practice. Different stakeholders and broadcasters have appealed the decision of the Agency at the competent courts. In the meantime, the Agency allowed for changes in

the ownership structure of Jon Radio, after the entry of an equal partner in the Radio³². In the period that is subject to this Report, the Agency started two procedures to revoke permits to broadcast programmes. The first procedure covers TV Iris, regional TV broadcaster headquartered in Stip, over its failure to pay the annual license fee within the prescribed deadlines. After the decision was appealed at the Administrative Court and after TV Iris managed to secure the funds it needed to pay the fee, the decision to revoke the license was annulled and the broadcaster accepted the obligation to cover all costs of the procedure³³.

This is an extremely frequent occurrence (the Agency faces a flood of such cases usually in the first quarter of any given calendar year, when annual instalments of the license fee are to be paid by the largest number of radio and television companies), due to the poor and unsustainable market. A great number of broadcasters, especially those that transmit programmes on regional or local level, face huge problems in securing the funds to pay the annual license fee, resulting in large number of procedures to revoke licenses. We need to work on policies that would focus either on clearing up the market from players that exist well below sustainability lines, or to help them meet their financial obligations. The latter is hardly possible without a solution that would consist of some substantial public subsidy programme. Such subsidies, in the area of audiovisual media services are incomprehensible and unacceptable.

30. Both cases refer to broadcaster TV Kiss, Zlate DOOEL, which first requested to change its license from DVB-T regional to DVB-C. Later, after the death of the owner of TV Kiss, several local businesspeople from Tetovo launched an initiative to establish the new entity KISS & MENADA (the name contains the name of two former broadcasters that operated in Tetovo, TV Kiss and TV Menada).

31. See the Minutes of the [46th Session of the Council of AVMS](#), of December 20, 2019

32. See the Minutes of the [47th Session of the Council of AVMS](#), of December 25, 2019

33. See the [Decision to Annul the Decision to Terminate the License for Television Broadcasting](#)

AGENCY FOR AUDIO AND AUDIOVISUAL MEDIA SERVICES

During this period, the Agency revoked the licence from 1TV, after several initiatives to investigate the situation and the status of the broadcaster, after the emergence of the “Racket” case. Acting on a submission from the public, it investigated the extent to which the TV station adhered to its programming concept and format, its protection of children and minors practices, and it launched an investigation to check the ownership structure and allegations of secret co-owner at 1TV, after Bojan Jovanovski’s public statement that he, and not his father, was the real owner.

During the period covered by this report, the Agency was particularly engaged in the area of promotion and advancement of media literacy. AVMS continued the development and expansion of the Media Literacy Network, as well as with the implementation of the Media Literacy Policy, adopted in March 2019. Its activities culminated with the first Media Literacy Days, which took place from October 22 to November 15, 2019. Within the Media Literacy Days, a number of activities, workshops, roundtable discussions, conferences were held and organized to promote the issue of media literacy and to identify solutions to the related problems and issues. The Agency’s deserves nothing by praise for its efforts in the area of media literacy.

During this period, the Agency also paid attention to gender issues and published the “Journalists’ Guide: Ethical Reporting on Transgender Persons and Issues that Concern

Them”, presented at the 4th Public Meeting of the Agency. The Agency also prepared and published the Report on Gender Structure in Ownership of Television and Radio Broadcasters.

AVMS prepared and presented, in its 3rd Public Meeting, the regular annual Analysis of Audio and Audiovisual Media Services Market for 2018. The report indicates continuation of the trend of shrinking markets with all segments, with exception of national DVB-T broadcasters, recording net loss.

Implementation of Changes to the LAAVMS

As noted earlier, the current AVMS Council is expected to deal primarily with the regular activities within the Agency’s scope of competences, without getting into issues related to policies in audiovisual media services. The Law on changes and amendments to LAAVMS prescribes that the new Council, appointed in accordance with the changes to the Law, shall adopt the necessary by-laws resulting from the new legislation (article 43, paragraph 3 of the Law). The Law demands two such by-laws to be adopted³⁴.

The first by-law needs to regulate the issue of reduced license fee for radio broadcasters on grounds of voluntarily applied percentage of broadcast music in Macedonian and in languages of ethnic communities as a share of total music broadcasts (article 12 - refers to article 80 of LAAVMS - paragraph 9).

34. It should be noted that the provisions, in both cases, we introduced to the Law after the conclusion of the series of public consultations (but not before the draft was uploaded on the ENER system for comments) and are result of the lobbying efforts and direct negotiations with the stakeholders, primarily radio and television broadcasters who see them as possibilities to ease their economic situation and to protect their positions in the limited audiovisual media services market in the country.

The second by-law needs to specify the procedures for determination of responsibility for violations and registration of legal representatives of foreign broadcasters related to the new copyright-related obligations for public communication networks' operators that retransmit programming services (article 35, paragraph 4 of the Law on Changes and Amendments to LAAVMS).

At the same time, the Law on changes and amendments to LAAVMS, in article 43, paragraph 3 (covering the obligations of the incumbent compositions of the AVMS Council and the Programming Council of MRT) prescribes that "the AVMS Council and the Programming Council of MRT, appointed in accordance to this Law, shall adopt the by-laws within 60 days from the day of their appointment.

In that regard, it is interesting to review the Agency's behaviour on the first of the two issues, that is, the opportunity offered to radio stations to apply, voluntarily, a certain percentage of music broadcasts in Macedonian and languages of ethnic communities, and to have the annual license fee reduced by the same percentage. According to the changes to LAAVMS, the Agency and its Council can't adopt the corresponding by-law, which is an issue that has to wait for the new Council to be appointed. We should note that the situation was due to the long delays in the implementation of the Law on Changes and Amendments to the LAAVMS.

AVMS, aiming to bridge that gap, adopted the "Guidelines for Voluntary Application by Radio Stations to Broadcast Domestic Music" on February 4, 2019, with detailed instructions and guidelines on the implementation of article

80 of LAAVMS. The Guidelines, among other things, define that the selected music quota needs to be aired in the period between 6.00 and 0.00 hours. The Guidelines, we should note, themselves declare, in the General Provisions section, that they will be in power only until the adoption of the by-law mentioned in article 80, paragraph 9, by the new Council.

Several legal experts from the Faculty of Law "Justinian I" from Skopje that we consulted while preparing this report³⁵ agree that, while the Agency may adopt such Guidelines, they are not to be considered a by-law and produce legal actions and obligations for the broadcasters. Therefore, until the appointment of the new Council the Agency can implement the provisions as listed in the Law, without details on the period of broadcasting or gender distribution of music works in Macedonian and languages of ethnic communities. It means that the radio stations that applied for a certain percentage of music in Macedonian and languages of ethnic minorities need to meet it measured against the total broadcast music for the whole day (or other defined period of time – a week, as month), and not in a specific period of the day.

In the last quarter of 2019, on basis of monitoring and supervision activities conducted at the start of November 2019, the Agency launched several procedures against radio stations for failure to meet the Macedonian language music quotas they voluntarily applied for at the start of the year and asked them to pay the difference to the full amount of the license fee. In at least one case, the Agency found that the violation of the Guidelines, which, we repeat, shouldn't produce any obligations

35. In the process of preparation of this Report, we contacted associate professor Neda Zdraveva, Ph.D., expert in obligations and intellectual property law, professor Vlado Buckovski, Ph.D., expert in Roman Law, and professor Borce Davitkovski, expert in administrative law and public administration.

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for the broadcasters, was committed through failure to broadcast the respective percentage of Macedonian music in the period from 6.00 to 0.00 hours³⁶. We believe that the Agency, in the cases when it issued warnings against radio stations or demanded that they pay the full amount of the license fee because they failed to broadcast the music quota in a given period of time during the day, but met the quota over 24 hours period, acted wrongly and against the law and had no right to take those actions.

We are aware that the Agency should take care of the implementation of changes to the LAAVMS, but in this case, its hands are tied by the provisions of the law that effectively make the Council a caretaker institutions until a new Council is elected. In view of the fact that the LAAVMS has went through several changes after December 31, 2018, it might have been prudent to consider the need to further specify some of its provisions.

Article 80, paragraphs 7, 8 and 9 should be revisited also to set an upper limit of applied percentage of music in Macedonian and languages of ethnic minorities to level it with the maximum possible reduction of annual license fee set at 30%. Namely, the Council of AVMS reviewed the case of a radio station which broadcast less than the 35% quota it applied for (and got the maximum 30% reduction of the license fee). AVMS Council found itself facing a dilemma what to do in that case³⁷. The radio station failed to meet its quota in the period from 6.00 to 0.00 hours, which at the moment is non-existent obligation, but over the whole day, the total broadcasts of Macedonian music well exceeded the requisite 35%. Nonetheless, even the quota for the period between 6.00 and 0.00 hours is above the maximum reduction of the license fee. The Council ruled that violation has been committed, but without obligation to order for the full amount of the license fee to be paid.

36. See the [Report on Conducted Programming Control](#) (in Macedonian), that checked the situation after the public warning issued against Radio Kanal 77 for violations of Article 80 of LAAVMS, which was discovered in an extraordinary control (see the [Report on conducted programming control](#) (in Macedonian)). In both cases, the total broadcast Macedonian music well exceeds the voluntarily accepted 25% quota over a period of 24 hours, but the same quota wasn't reached in the period from 6 am to midnight.

37. See the Minutes of the [47th Session of the Council](#), of December 25, 2019

CONCLUSIONS AND RECOMMENDATIONS

The general impression is that the media reforms implemented so far are limited in their scope, are slow, chaotic and not thought-out, and have been largely pushed to the margins of Government's list of priorities. The coming snap Parliamentary Elections, scheduled for April 2020, mean that the process, already burdened by unacceptable delays, will suffer further postponement.

Equally important is the impression that the Government holds the position that the changes to the legislation adopted so far are sufficient intervention and that the reforms should now be managed by the media community, mostly through self-regulatory initiatives. That position collides with the inertia on the overcrowded scene, which doesn't accept that some media and their editorial offices will have to pay the price of the needed drastic and deep cuts. We should also note the lack of understanding, or preparedness to take into account the prevalent global trends, the comprehensive process of digital disruption and "disintermediation" and the novelties they brought to the media scene, public communication and information, in the process of preparation of reforms.

The apparent view that the interventions in the media legislation so far are sufficient to reform the media system also has influence on the media reforms and the manner of their implementation. To the contrary, we believe that the media legislation, especially the Law on Audio and Audiovisual Media Services needs to be subjected to serious review. Special attention needs to be paid to the provisions and policies that regulate the allocation of licenses

to broadcast programmes, media concentration and other issues related to ownership of media, as well as the issue of public broadcasting (or public media services). In all those areas we need new policies and rules that will reflect the new reality in audiovisual media services. We also believe that we should integrate the changes to the EU Audiovisual Media Services Directive as soon as possible.

Finally, in order for the media reforms to respond to the needs, they - as recommended by the senior experts' group in the 2nd Priebe Report of September 2017 - need to be based on facts and adequate strategic documents. For that reason, we think that the first priority of the Government and the media community needs to be the preparation of a national media strategy, following a comprehensive public discussion that will involve all stakeholders. The strategy should lay out the directions in which the media scene should move, the policies and measures (regulatory and self-regulatory) that will take us to the desired goal - sustainable, free and democratic media system. It should also outline the roles of different sectors - public broadcasting, commercial broadcasting, where the online domain should be going, etc. For that reason, we believe that the national media strategy is an absolute requirement and only foundation for any future reform efforts.

Knowing the problems surrounding the selection and appointment of new compositions of AVMS Council and the Programming Council of MRT, and in view of past failures to reach a consensus in the Parliament on a number of bills, we can hardly expect any positive progress in the short run. We find it far more likely



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that the whole procedure will be repeated from the start. We would also recommend to the policy makers to consider the possibility to change the legislation to remove the requirement for qualified, two-thirds majority so that the members of AVMS Council and the Programming Council of MRT can be appointed with an absolute majority of the MPs.

We need to approach the matter of introduction of media subsidies programme in a far more serious and systematic manner. The system of linear distribution of subsidies for print media (by the way, similar initiative have been launched by regional and local broadcasters, and national TV networks don't sit idle on that matter, either) across the board and to all players in the market doesn't correspond well to the needs in the new digital era. The approach should be much better designed and well thought out in order to ensure that public funds will be directed towards certain types of journalism and not to publishing platforms, and that they will be distributed in line with strict rules and public interest criteria.

The uncertainties surrounding the provisions of the Electoral Code that allow the possibility to finance campaign advertising of political parties and candidates with public money should be resolved. The Media Development Centre believes that we should abolish those provisions. The decision to limit the prices of advertising time and space is also negative, knowing that in the digital era, marked with huge losses of advertising revenue for traditional and

legacy media (especially those in the business of news), elections are a sort of "bonanza" that everybody wait for to make the best of it.

The Government needs to translate the declared support for reforms and development of MRT into adequate financial support for the public broadcasting service, in line with percentages and the dynamic defined in the Law on Changes and Amendments to the LAAVMS.

One necessary intervention in the Law on Audio and Audiovisual Media Services is the definition of an institutions that will exercise the founder's rights on behalf of the Republic of North Macedonia, in order to avoid current dilemmas as is the case of the charges against MRT management on charges of illegal operations because they didn't seek approval from the Parliament when applying for a bank loan.

Because of the lack of progress of reforms other than the changes to the LAAVMS, and the dependence on future movements on the appointment of new AVMS Council and the Programming Council of MRT, we have no specific recommendations for the two institutions at this time. We should note, however, that their efforts on the implementation of the Law on Changes and Amendments to the LAAVMS are limited with the actual provisions in the Law, as generally worded they may be, because the current AVMS Council and Programming Council of MRT can't adopt the necessary by-laws to further detail and specify the implementation of such provisions.

MONITORING OF MEDIA REFORM PROCESS AND THE WORK OF AVMS AND MRT

Report Covering 3rd and 4th Quarter of 2019



FEBRUARY 2020