THIRD QUARTERLY
REPORT
ON AVMS AND AEC PERFORMANCE

PROformance
WATCH

PROformance WATCH

THIRD QUARTERLY
REPORT
ON AVMS AND AEC PERFORMANCE

PROformance
W**A**TCH

**THIRD QUARTERLY REPORT
ON AVMS AND AEC PERFORMANCE**

CONTENTS

1. INTRODUCTION

The project "Monitoring Efficiency, Effectiveness, Transparency and Accountability of Media Regulatory Authorities – PROformance Watch" is implemented by Eurothink – Centre for European Strategies, in cooperation with NGO Info-Centre, Transparency Macedonia and the Macedonian Helsinki Committee of Human Rights. This monitoring programme will be implemented in the period September 2016 – March 2018, with the support from the British Embassy in the Republic of Macedonia. More specifically, the project team monitors efficiency, effectiveness, transparency, accountability and protection of public interest demonstrated by two regulatory authorities, those being: the Agency for Audio and Audiovisual Media Services (AVMS) and the Agency for Electronic Communications (AEC).

This quarterly report, third in a row, covers performance track records of AVMS and AEC in the period April – June 2017 and is developed pursuant to "AVMS and AEC Performance Monitoring Matrix"[1] designed in consultations with the two regulatory bodies and published in January 2017. The methodology developed for this monitoring programme accommodates the specificities of both regulatory authorities and monitors their operation in terms of transparency and accountability, efficiency and independence, performance and protection of public interest.

[1] AVMS and AEC Performance Monitoring Matrix, available at: http://eurothink.mk/documents/sHGS5RQrpszZA2TfG

2. AGENCY FOR AUDIO AND AUDIOVISUAL MEDIA SERVICES (AVMS)

2.1 Transparency and accountability

In the second quarter of 2017, AVMS maintains satisfactory level of transparency and accountability. AVMS Council's sessions and decisions are publicly available, public meetings are organized regularly and are marked by increasing inclusiveness, i.e. involvement of media industry and civil society representatives, while the official website is continuously updated with new information, documents and other contents related to AVMS's operation.

2.1.1 Sessions of AVMS Council

In the second trimester of 2017, AVMS Council held seven sessions, i.e. twice as less compared to the previous quarter. All sessions were streamed live on the Agency's *YouTube* channel.

In this period AVMS Council adopted decision on awarding music and talk–show radio broadcasting license of general format (in Macedonian language) on the territory of the Municipality of Krivogastani, and decision on announcing an open call to award non-profit radio broadcasting license in Roma and Macedonian language on the territory of the Municipality of Stip.

At the same time, AVMS Council did not approve AVMS Director's proposal and decided not to announce an open call to award national television broadcasting license carried on digital terrestrial multiplex. In that, all four broadcasting entities (*Kompani 21-M, 24 Vesti, TV Senja and GBC Komunikacii*) which have submitted applications for television licenses were informed that AVMS will not announce an open call because it has failed to comply with deadlines set for development and publication of the relevant feasibility study on announcing an open call and for adoption of the decision on awarding television broadcasting license. According to AVMS, the main reason for their failure to comply with these deadlines concerned the early parliamentary elections held in December 2016.

In this monitoring period, AVMS made two adjustments to its 2017 financial plan and amended its annual plan on public procurements in compliance with the anticipated amount of annual expenditure. One reason behind AVMS's budget adjustment concerned forthcoming organization of the International Media Regulatory Conference. Total amount of expenditure anticipated for organization of this conference accounts for 744,000 MKD. Moreover, AVMS's budget adjustment resulted in allocation of increased funds under the budget item on equipment procurement from 300,000 MKD to 595,000 MKD.

2.1.2 Public meeting

On 29th June, AVMS complied with its legal obligation and held its second public meeting for 2017, which was streamed live on the Agency's YouTube channel. The thematic portion of this meeting was focused on professional principles in journalism and manners in which they can be improved. Representatives from AVMS Council, the Council of Media Ethics, media associations and non-governmental organizations participated in these discussions. (*Conclusions based on discussions from this public meeting are integrated in this report under item 2.4: Public interest and item 2.4.3: Professional standards in journalism*).

At this meeting, AVMS Director presented the regulator's activities in the second quarter of 2017.

2.1.3 AVMS's website and *YouTube* channel

In this reporting period, AVMS's official website remained unchanged in terms of design and functionality. According to information from AVMS, activities on website redesign are underway and are expected to be completed in the third quarter of 2017.

In terms of contents, AVMS's website is regularly updated, i.e. enriched with information and documents pertaining to its operation and performance.

AVMS's *YouTube* channel is functional and is used for livestreaming sessions of AVMS Council and public meetings. As regards presence in the social media, AVMS plans to open and active its official profile on Facebook together with the launch of the redesigned website.

2.2. Effectiveness and independence

2.2.1 Independence and reforms

In this quarter, the need for AVMS's complete political and partisan independence emerged as an exceptionally important and crucial issue that affects operation of this regulatory body.

The Government of the Republic of Macedonia adopted the Reform Plan 3-6-9,[2] which is based on the Przino Agreement and recommendations from the Priebe Report, including reforms at AVMS. In that, the executive government announced it will free the media space from any institutional or personal influences, including its financial dependence, and that, in the next nine months, it will draft "*amendments to the media legislation that would ensure merit-based selection of members in the Council of the Agency for Audio and Audiovisual Media Services (AVMS)*".

In the wake of upcoming media reforms, the Association of Journalists in Macedonia (AJM), the Independent Trade Union of Journalists and Media Workers (SSNM), the Council of Media Ethics in Macedonia (SMEM), the Macedonian Institute for Media (MIM) and the Institute of Communication Studies (ICS) submitted proposals for legislative changes. Inter alia, these proposals include: "*changes to provisions of the Law on Audio and Audiovisual Media Services concerning the*

[2] Government of the Republic of Macedonia, Plan 3-6-9, http://vlada.mk/sites/default/files/Plan3-6-9MKD.pdf

7

PR(O)formance
W(A)TCH

manner in which members of AVMS Council are nominated and appointed, aimed at departization of this regulatory body; having in mind the ineffective collection of the public broadcasting fee, there is need to find a solution for long-term, stable and independent financing of the Agency". [3]

Moreover, AVMS presented the Ministry of Information Society and Administration with its positions and opinion,[4] whereby it urged *"all legislative changes to be well designed and to be adopted as part of inclusive and transparent process, which will ensure active participation of all stakeholders"*.

In the second trimester of 2017, AVMS's 2016 Annual Operation Report entered in parliamentary procedure. On 20th June, the Committee on Transport and Communications at the Parliament of the Republic of Macedonia initiated reconsideration of AVMS's annual report. AVMS Director presented this report before committee members, but by the cut-off date for this quarterly report, the Parliament has not adopted/approved it. AVMS's Annual Operation Report sparked fierce discussions among parliamentary committee members, whereby the parliamentary majority announced that, in spite of being developed in expert manner, they would not approve the annual report because *"AVMS has failed to find control mechanisms that would prevent influences in the media pursued by the government, which resulted in Macedonia's bottom rank-position according to media freedoms."* [5]

2.2.2 Efficiency

The previous monitoring report established that differences among AVMS, Basic Prosecution Office (BPO) and Commission for Protection against Discrimination (CPD) negatively affect efficiency of this regulatory authority in terms of detecting, preventing and sanctioning hate speech and incitement of discrimination, intolerance and violence in media contents. This situation was not changed in the second quarter of 2017, because CPD presented AVMS with a communication,[6] indicating that it has not established discrimination on the basis of ethnicity in the case initiated by AVMS against TV Sitel.

In its complaint, AVMS provided detailed and argument-based explanations that, in early December 2016, the central news aired at this television outlet included four stories which focused on the bilingualism in the Republic of Macedonia and were abounding in messages that incite and spread discrimination, intolerance and hatred.[7] According to the Commission for Protection against Discrimination, these stories were not discriminatory, but featured reports in the context of the election campaign: *"[presenting] an offer of one political option and [expressing] support for the other political option".* [8]

Four entities *(Kompani 21-M, 24 Vesti, TV Senja, and GBC Komunikacii)* submitted applications for announcement of open call to award national television broadcasting license carried on digital terrestrial multiplex. AVMS developed a feasibility study which establishes justification for announcement of an open call for television programme broadcasting of general format with all three media functions and for television programme broadcasting of predominantly educational format. Based on the findings from this feasibility study, AVMS Director presented the Council with proposal on announcement of two open calls. AVMS Council did not approve the proposal and did not adopt decision on announcement of an open call, indicating that the reason thereof implies breach of deadlines stipulated in the Law on Audio and

[3] Demands for Urgent Media Reforms, available at, http://znm.org.mk/?p=3494

[4] AVMS's positions and opinion concerning media reforms proposed and covered under the Government's Work Programme, Reform Plan 3-6-9, Demands for Urgent Media Reforms submitted by five associations/organizations and Draft Law on Amending the Law on Audio and Audiovisual Media Services from March 2016, available at: http://avmu.mk/index.php?option=com_content&view=article&id=3323%3A2017-07-28-11-13-55&catid=88%3Asoopstenija-media&Itemid=313&lang=mkmedia&Itemid=313&lang=mk

[5] AVMS's 2016 Annual Operation Report before the Parliamentary Committee on Transport and Communications, A1on, 20.6.2017, available at http://a1on.mk/archives/754351

[6] Opinion of the Commission for Protection against Discrimination, available at, http://avmu.mk/images/Mislenje_od_Komisija_za_zastita_od_diskriminacija.pdf

[7] Report on Programme Supervision Performed at TV Sitel, 2nd – 5th December 2016, AVMS, 30.12.2016, available at: http://www.avmu.mk/images/TV_Sitel_vonreden_nadzor_po_sluzbena_dolznost.pdf

[8] http://www.avmu.mk/images/TV_Sitel_vonreden_nadzor_po_sluzbena_dolznost.pdf

Audiovisual Media Service governing decisions of this type, due to announcement of the early parliamentary elections, held in December 2016. Breach of deadlines for announcement of open call to award national television broadcasting license carried on digital terrestrial multiples and discontinuation of the licensing process negatively affected efficiency of this regulatory body. Although the objective reason indicated for this course of action referred to the general elections, the fact remains that AVMS failed to timely respond to applications submitted by the four broadcasters.

2.3 Performance and law enforcement

2.3.1 New employments

n this quarter, AVMS Council approved and adopted decisions on announcement of vacancy calls for employment of two staff members, as follows: senior associate for public procurements and administrative-technical matters; and senior associate for technologies and IT maintenance, both at AVMS's Sector for IT Support and General Matters. For AVMS to be able to recruit new staff members, the Council had to make changes to the Rulebook on Internal Organization and Operation and the Rulebook on Job Systematization at the Agency for Audio and Audiovisual Media Services. Decisions on new employments and changes to internal organization and job systematization at AVMS were taken on the basis of recommendations made by the external auditor.

2.3.2 Participation in meetings and debates

AVMS representatives participated in the 45th Meeting of the European Platform of Regulatory Authorities (EPRA) held in Edinburgh, Scotland and hosted by the United Kingdom's Communications Regulator, Ofcom.

On the occasion of 3rd May, the World Press Freedom Day, AVMS representatives participated in the panel-discussion "Media Literacy and Citizens' (Dis)Trust in the Media", organized by the EU Delegation in Macedonia.

In this reporting period, AVMS representatives participated as panellists, moderators and contributors in various workshops: "Legal Protection for Journalists In Compliance With International Standards and Domestic Legislation", "Media Awareness and Practices Related to the Right to Personal Data Protection and Free Access to Information in the Republic of Macedonia", "Personal Data Protection and the Media", workshops organized for development of the National Plan on Gender Equality (2017-2020), "Professional Standards Between Regulation and Self-Regulation", panel discussion "Gender in the Media", national conference "Media Self-Regulation and Ethical Challenges in the Media", and international conference "Future of the Commercial Terrestrial TV Channels on National Level: What is the Formula of Success?"

.

2.3.3 Supervisions and measures

In this quarterly period, pursuant to its law-stipulated obligations and competences AVMS performed regular supervision of broadcasters, providers of on-demand audiovisual media services, public electronic communications network operators and printed media publishers. At the same time, AVMS conducted series of extraordinary supervisions, implemented as ex officio initiatives and based on several legal provisions, including the principles governing performance of broadcasting activity, prohibition of hate speech and compliance with broadcasters' obligations to air music programmes, publish an impressum and report any changes to their ownership structure.

These supervision activities resulted in 21 letters of warning issued to broadcasting entities, 4 letters of warning issued to cable operators and 2 letters of warning issued to printed media publishers.

2.3.4 Studies, analysis and research

In the period April – June 2017, the Agency for Audio and Audiovisual Media Services published several research, analysis and studies, as follows:

–research on ranges of radio stations and shares in total viewership of individual television stations with national, regional and local concessions, in the first quarter of 2017;

–analysis of misdemeanour procedures initiated against broadcasters, public electronic communications network operators and printed media publishers, in the period 1st January – 31st December 2016;

–feasibility study for announcement of open call to award non-profitable local radio broadcasting license on the territory of the Municipality of Stip

2.4 Public interest

In this monitoring period, AVMS demonstrated greater pro-active engagement in topics and issues of public interest, and showed greater openness to civil society and media community representatives.

2.4.1 Strategy on Audio and Audiovisual Activity Development

AVMS initiated activities on drafting the Strategy on Audio and Audiovisual Activity Development 2018 - 2022. Overall goal of this strategy is to map current state-of-affairs in the field of audio and audiovisual media services, to establish developmental goals and guidelines, and to design specific activities for their attainment.

In particular, AVMS plans the strategy to be developed as a result of broad consultations with involvement of all stakeholders, i.e. media community, civil society and experts. For the purpose of ensuring inclusiveness and public debate, AVMS organized a meeting with media and civil society representatives. According to the announcements made, these consultation meetings and discussions will continue in the future.

At the same time, AVMS designated one e-mail address[9] where all interested citizens can send suggestions and proposals which they believe should be integrated in this strategic document.

2.4.2 Media Literacy Network

AVMS launched the Media Literacy Network of the Republic of Macedonia, whose goal is to promote cooperation among various societal actors engaged in policy creation and adoption and implementation of media literacy activities and projects.

The Media Literacy Network has 35 founders: education institutions, civil society organizations, media outlets and public institutions, including two line ministries, i.e. the Ministry of Education and Sciences and the Ministry of Labour and Social Policy. This network is open for new members and will make efforts to get actively engaged in international activities.

Thus far, the Media Literacy Network was welcomed and supported by the Head of the EU Delegation in Macedonia, Samuel Žbogar, who believes that media literacy is of particular importance for any healthy democracy, media freedoms and media pluralism, as well as that media literacy is closely related to development of critical thinking among citizens and their ability to keep up the pace with technology changes in the society.

First activity of this network concerns development of DVD featuring media literacy materials and information, intended to be used at primary schools. Materials for this DVD were secured by several network members and will also include the animated feature titled "AVMS Watch: What does AVMS work?", which was produced as part of this monitoring project.

In the meantime, AVMS printed a leaflet with information on media literacy, which will be distributed together with the DVD and will be disseminated to the general public as one of AVMS's activities on public awareness about the importance of media literacy.

In this period, AVMS initiated activities on designing separate website dedicated to media literacy.

2.4.3 Hate speech and discrimination

AVMS performed extraordinary programme supervision at TV Alfa, with focus on central news aired on 15th May 2017 at 17:30 and 23:00 hours.

In that, AVMS established that[10] the news story "At almost all crossroads, Roma people bother citizens: is there a strategy to deal with this problem?" aired at this television outlet has actually incited and spread discrimination against Roma on the basis of their ethnicity and their status as marginalized group.

In its programme supervision report, AVMS underlined that, apart from issuing a letter of warning, this regulatory body is unable to impose any other measures against the media outlet, but informed that, pursuant to the Law on Prevention and

[9] strategija2022@avmu.mk

[10] Report on Programme Supervision Performed, available at:, http://avmu.mk/images/TV_Alfa_23.05.2017.pdf

Protection Against Discrimination, it will present the Commission for Protection Against Discrimination with relevant footage from central news and its programme supervision report wherein it has established incitement of discrimination.

2.4.4 Professional standards in journalism

In this period, AVMS supported the reaction issued by the Council of Media Ethics and urged all broadcasters to strictly comply with professional principles governing performance of broadcasting activity, making due consideration of their role in information provision for citizens.

Moreover, thematic section on AVMS's second public meeting was dedicated to professional standards in journalism and compliance therewith. All participants agreed that media outlets and journalists should protect the public interest; report in objective manner, with integrity and independence; create information based on facts; and make sure their contents respect and reflect pluralism of opinions.

2.4.5 Media and events at the Parliament from 27th April

AVMS strongly condemned violence against journalists and reporting teams during the events at the Parliament from 27th April 2017: "*At such moments of tension, it is of outmost importance for media workers to be allowed unhindered and safe performance of their work. They are there to inform the public about current societal and political developments and, therefore, any violence against them is unacceptable and represents direct attack on the freedom of expression.*"

At the same time, AVMS underlined that the media should live up to the weight of their role in society, report in objective and unbiased manner, refrain from reporting speculations and unverified information, refrain from hiding facts and avoid adding fuel to inflammatory situations.

AVMS addressed the Programme Council at the Macedonian Radio Television with a request to "reconsider reporting practices" applied by the public service broadcaster to cover events at the Parliament. In its communication, AVMS reminded MRT's Programme Council that the public service broadcaster is obliged to ensure continuous, truthful, complete, unbiased, fair and timely information about all important political developments. According to AVMS, this letter was drafted due to the fact that MRT failed to provide timely coverage of events at the Parliament, that portion of live reports failed short of the role and function performed by the public service broadcaster and that this public service has failed to organize current-affairs programme to debate these societal and political developments.

In the context of events at the Parliament, AVMS performed extraordinary programme supervision on contents aired by *TV Nova* on 27th April 2017.[11] This supervision established that coverage of events at the Parliament aired by this television outlet failed to respect professional principles governing performance of broadcasting activity, which means that the television has failed to ensure objective and unbiased presentation of events, with equal treatment of opposing views and opinions, and thereby prevented viewers to freely develop their opinion about certain events and issues. In his communication, AVMS Director informed this media outlet

[11] Report on Programme Supervision Performed, 5.5.2017, available at:http://www.avmu.mk/images/Izvestaj_TV_Nova_05.05.2017.pdf

that it has acted in breach of law–stipulated principles that govern performance of broadcasting activity.

2.4.6 Threats to journalists

On two occasions (TV 24Vesti[12] and tele–channel A1[13]), AVMS strongly condemned attacks and threats against journalists and reporting teams. According to AVMS, security of media workers must not be endangered under any circumstances, i.e. media workers should be allowed to perform their professional duties in dignified and safe manner.

[12] AVMS Press Release, 8.6.2017, available at: http://www.avmu.mk/ index.php?option=com_ content&view=arti- cle&id=3273%3A--------- 24-&catid=88%3Asoop- stenija-me- dia&Itemid=313&lang=mk

[13] AVMS Press Release, 23.5,2017, available at: http://www.avmu.mk/ index.php?option=com_ content&view=arti- cle&id=3261%3A2017- 05-23-08-37- 48&catid=103%3Astari-in- fo-srd-srd&lang=mk

3. AGENCY FOR ELECTRONIC COMMUNICATIONS

3.1 Transparency and Accountability

3.1.1 AEC's websites

Main source of information on AEC's transparency and accountability was the main website of this regulatory body.[14] In this quarter, the project team regularly visited AEC's website and established that most documents and data were uploaded in timely manner.

As indicated in the previous report, in addition to the main website AEC hosts two other websites. This situation could be confusing for visitors and users. According to AEC representatives, each of these three websites serves a different purpose and hosts different contents and therefore their existence should not create any confusion among users.

Nevertheless, our analysis shows that explanation provided in terms of intended purpose of individual websites is insufficiently clear and insufficiently visible to website visitors, in particular because it is given in the bottom left corner of all websites hosted by AEC. Hence, it is proposed for AEC's main website, in addition to links leading directly to other service-oriented websites, to also include clear explanation of intended purposes for all three websites and which website should be consulted for information and services needed.

According to AEC representatives, **e-agencija.mk** is designated as website for submission of complaints by end-users and operators. All interested entities can register on this website and submit inquiries about matters falling within AEC's scope of work (award of numbers and radiofrequencies, complaints, insight into underground infrastructure, reporting defects, expert supervision, measuring emissions, etc.) and receive feedback or response in electronic form. The registration procedure is straightforward and the website features a manual that guides users through all steps of the registration process. Nevertheless, all of them must be registered in order to be able to submit inquiries or lodge complaints. It would be in the interest of citizens for the website section on lodging complaints by end-users to be hosted also on AEC's main website[15] because, according to AEC's Annual Operation Report, this was the most visited website compared to the other websites.

Komuniciraj.mk[16] is the third website hosted by AEC, where citizens can find information about matters of public interest, for example, information on **nonionizing radiation**, coverage range of operators' networks, tariff lists and new tools introduced by AEC.

The website menu tariffs is comprised of two items: calculator, which citizens can use to post their demands for mobile, landline and internet services and calculate the average price offered by service providers, and overview, which hosts information on all tariffs offered by individual operators. In this quarter, website users experienced technical difficulties when opening the menu item overview. In consultation with AEC representatives, the project team was informed that, at this moment, technical
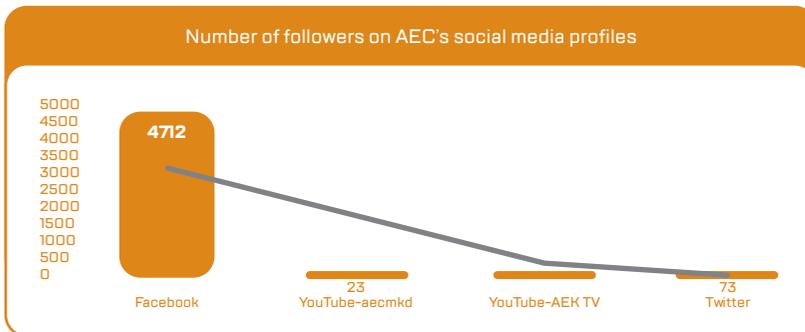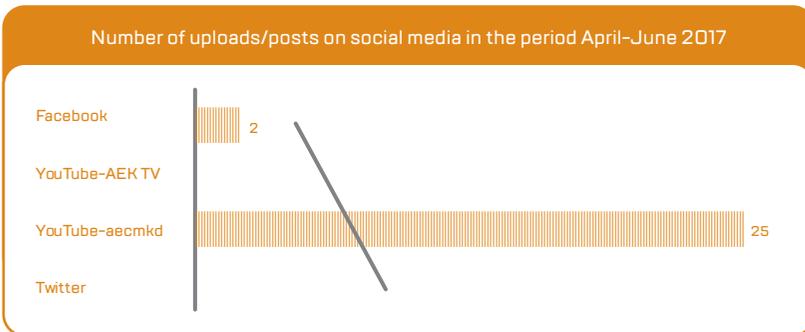
[14] http://www.aek.mk/
[15] http://www.aek.mk/mk/
[16] http://www.komuniciraj.mk/

changes are underway to improve presentation of said information, including complete redesign of two websites, komuniciraj.mk and aec.mk. These activities have rendered menu overview on website komuniciraj.mk temporary inaccessible, resulting in display of the message "website is under construction". The ultimate purpose of website redesign is to improve usability of both, website and services.

3.1.2 Social networks

In this quarter as well, the project team monitored AEC's activity on social networks. In that, this regulatory body was most active on its YouTube channel,[17] where it has uploaded 25 videos, most of which concerned footage from the 2017 International Regulatory Conference, held in Ohrid. In this reporting period there were no new uploads on AEC's second YouTube channel,[18] which is most often used for presentation of informative materials and videos intended for citizens.

In order to achieve greater efficiency, AEC should merge its YouTube channels into single channel, thereby preventing dispersion of information and undermining their primary goal – to inform the citizens.

Number of uploads/posts on social media in the period April–June 2017

- Facebook — 2
- YouTube-AEK TV
- YouTube-aecmkd — 25
- Twitter

Number of followers on AEC's social media profiles

- Facebook — 4712
- YouTube-aecmkd — 23
- YouTube-AEK TV
- Twitter — 73

In this three-month period, AEC posted two new contents on its Facebook profile,[19] while its Twitter profile[20] did not feature any new posts.
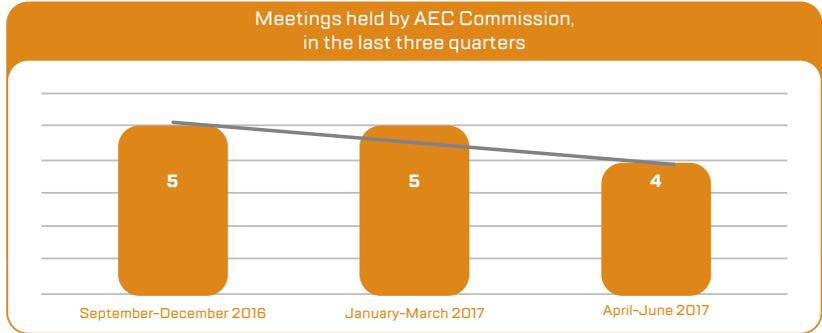
[17] https://www.youtube.com/user/aecmkd/videos
[18] https://www.youtube.com/channel/UCH5h_AlZADe-qUFT1ynkTqA
[19] https://www.facebook.com/aecmk?fref=ts
[20] https://twitter.com/aecmk

3.1.3 Social networks

In this quarter, AEC Commission held four meetings. According to the Law, these meetings are closed to the public and the only way to obtain information about their work includes press releases and meeting minutes which should be published on AEC's website within a deadline of seven days after the meeting.[21]

Meetings held by AEC Commission,
in the last three quarters

September–December 2016	January–March 2017	April–June 2017
5	5	4

In this quarter, AEC complied with the law–stipulated deadline for publication of minutes from all four meetings held by AEC Commission.
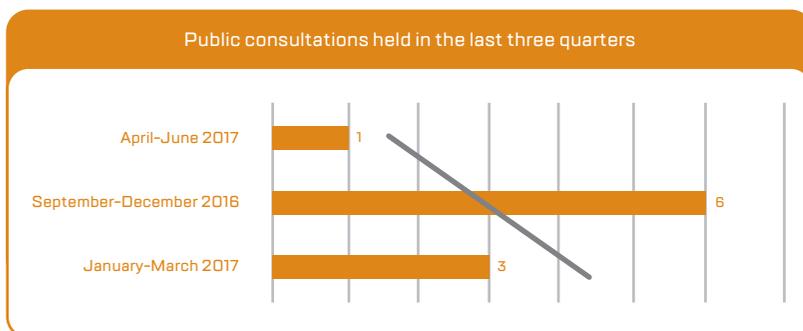
Recommendations

- Through the prism of public interest, meeting minutes are brief and use technical vocabulary which makes them insufficiently informative for citizens.

- Except for several public procurements, meeting minutes do not provide sufficient information about issues and topics discussed and decided by members of AEC Commission.

- In the interest of AEC Commission's transparency and accountability before the citizens, it would be useful for meeting minutes to include discussions on individual agenda items.

3.1.4 Public consultations

In the period April – June 2017, AEC opened one public consultation concerning amendments to the Rulebook on Calculation Method for Annual Spectrum Fees. These amendments resulted in decreased spectrum fees for radiofrequency ranges intended for in–country mobile services offering broadband internet, which makes them attractive for the operators.

Public consultations held in the last three quarters

April–June 2017	1
September–December 2016	6
January–March 2017	3

3.1.5 *Public meetings*

In this quarter, AEC held its first public meeting for 2017. Topics covered at this public meeting included:
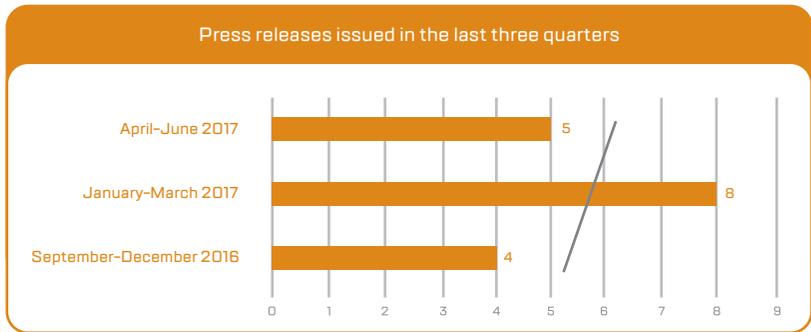
- regulatory measures taken by AEC in the first half of 2016;
- radiofrequency management and operation in the Republic of Macedonia;
- National Centre for Computer Incident Response; and
- protection of the rights of end-users.

3.1.6 Press releases

In the second quarter of 2017, AEC published five press releases[22] on the following topics:

- Final version of the analysis on access to local and central market infrastructure (comments and final responses thereto), which can be downloaded, together with comments provided by Macedonian Telecom and One.Vip to the draft market analysis.

- Analysis on applicability of national and European legislation for OTT service providers, which can also be downloaded. This document does not represent a legislative act and does not create any rights or obligations for operators or other stakeholders.

- Livestream from the 2017 International Regulatory Conference, allowing the viewers to follow live coverage from this conference on AEC's YouTube channel.

- Memorandum of Understanding in the field of electronic communications, signed with the Communications Regulatory Agency of Bosnia and Herzegovina – detailed explanation concerning the importance of this document.

- Amateur Radio Exam – notification on the date and time when this exam will take place.

[22] Press Releases, available at: http://www.aek.mk/mk/za-nas/soopshtenija

Press releases issued in the last three quarters

April–June 2017	5
January–March 2017	8
September–December 2016	4

3.1.7 **Cooperation with AEC**

For the purpose of this monitoring project, the team maintained continuous communication with AEC representatives and organized several meetings with them. In that, openness of AEC representatives to the project team in this reporting period should be commended. In particular, they regularly responded to our requests for meeting, at which all issues were openly discussed.

3.2 Effectiveness and Independence

3.2.1 AEC donations

The previous two monitoring reports indicated that AEC has awarded donations to matters unrelated to development of electronic communications. In this reporting period, AEC awarded one donation to the swimming club "Beta" from Skopje. Again, minutes from AEC Commission's meeting do not indicate the amount of funds involved or the purpose for which these funds were disbursed.

In the past, lack of information on donation amounts triggered reactions in the public. On several occasions, the media called AEC to discontinue its "sponsorship" to PTE Skopje concerning construction of the Ferris Wheel.

In the meantime, AEC adopted decision on amending its 2017 annual financial plan, whereby the budget item "assistance, donations and other expenditure" was reduced from 75,385,000 MKD to 4,615,000 MKD.

After addressing AEC with inquiries for clarification, the project team was informed that AEC is an independent regulatory body which makes autonomous decisions and that the budget adjustment was adopted exclusively due to internal needs at AEC.

Minutes from the meeting dedicated to budget adjustment discussions were uploaded on AEC's website immediately after its adoption.

3.2.2 Analysis of changes made to AEC's 2017 Annual Financial Plan

AEC Commission adopted decision on amending its 2017 annual financial plan. For the purpose of this monitoring report, changes made to AEC's financial plan were analysed and allowed the following conclusions:

Revenue and Expenditure

The new annual financial plan anticipates unspent funds from previous years (in the amount of 53,471,514 MKD) to be rolled over to AEC's 2017 budget. Total revenue planned for 2017 amounts to 545,471,514 MKD, although at the beginning of the year this sum was projected in the amount of 492 million MKD.

Changes to AEC's annual financial plan anticipate expenditure in the amount of 545,471,514 MKD, i.e. in the same amount as projected revenue.

The highest increase of funds is observed under budget item "*construction of antenna tower (Vodno Tower)*" in the amount of 91,726,918 MKD, whereby the total amount of funds to be spent for this purpose in 2017 is increased to 194,373,166 MKD, while the highest decrease of funds is observed under budget item "*assistance, donations and other expenditure*", which is reduced from 75,385,000 MKD to 4,615,000 MKD.

3.1 Performance and law enforcement

3.3.1 Training for AEC staff members

By using the tool available on AEC's websites (Q&A), the project team obtained information on training sessions attended by AEC staff members in the course of 2017. The purpose of this inquiry was to establish whether AEC invests in knowledge and capacity building of its staff members, especially because electronic communications are a dynamic field and staff members should be up to date with the most recent trends and processes in this field. In 2017, AEC staff members attended different training courses, meetings and conferences, as follows:

  – the notion and content of lawsuit, definition and preconditions necessary for lawsuit motion on establishing liability as separate type of lawsuit referred to under Article 177 of the Law on Litigation Procedure, with special focus on labour lawsuits led before the court;
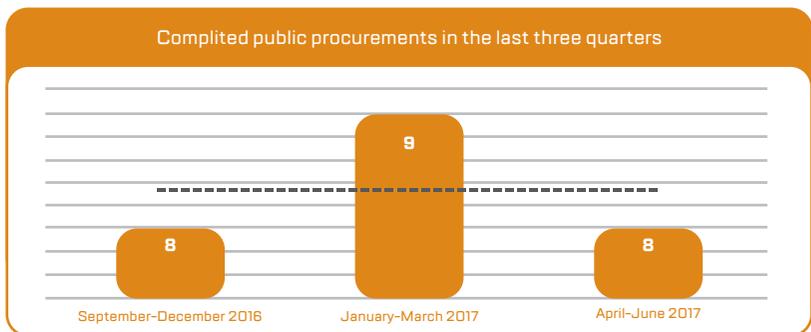
  – clarification of economic and legal regulations: restrictions arising from the Law on Transformation of Temporary into Regular Employment, Law on Volunteering, Law on Salaries in All Areas, Law on Public Administration, Law on General Administrative Procedure, excerpts from the Law on Misdemeanours, office work and other regulations related to personal income;

  – dequate enforcement of the Law on Public Procurements in terms of the roles played by the Bureau of Public Procurements, the Council of Public

Procurements and the State Commission on Public Procurement Appeals;

–6th Conference organized by the Association of Internal Auditors of Serbia;

–the culture of checks;

–communication skills as challenge in contemporary work;

–labour relations and execution procedure in labour relations, pursuant to the new Law on Execution;

–meeting with lawyers;

–developing efficient performance assessment and motivation system for staff members as important mechanism for development;

–training on radio monitoring.

3.3.2 Public Procurements

In the second quarter of 2017, AEC organized and completed eight public procurement procedures, including procurement of septic tank cleaning services, health examinations for AEC staff members, internet access and data connection, office supplies, UPS and power generator, promotional materials, fire–fighting equipment maintenance and servicing, digital certificates.

Complited public procurements in the last three quarters

September–December 2016	January–March 2017	April–June 2017
8	9	8

In this reporting period, AEC published on the website its 2017 plan on public procurements.[23]

3.3.3 International Regulatory Conference, 24th to 26th May 2017

In the period 24th–26th May 2017, AEC organized its 5th International Regulatory Conference in Ohrid, attended by representatives of electronic communications regulatory authorities from the broader region, network operators, technical sector, as well as experts coming from the government and non–governmental organizations.

Main topics discussed at this conference included telecommunications market, internet operation and management, challenges to broadband Internet and new trends, role of media literacy, privacy and personal data protection, and introduction of 5G network.

вањето со Интернетот, предизвиците во широкопојасниот интернет и новите трендови, улогата на медиумската писменост, приватноста и заштитата на податоците, како и воведувањето 5Г мрежа.

Introduction of third mobile operator in Macedonia

One of the topics discussed at the International Regulatory Conference concerned introduction of third mobile operator in the Republic of Macedonia. According to AEC Director, Saso Dimitrijoski, this regulatory body has taken all activities necessary to ensure conditions for market entry of new operator in the Republic of Macedonia. Moreover, contacts have been established with potential operators interested to enter the telecommunications market in Macedonia, but the political situation in the country at that point in time has probably deferred potential investors from making the final decision. This information was confirmed by AEC representatives during interviews conducted for the purpose of this monitoring project.

3.3.4 AEC issued recommendations for the dangerous WannaCry virus

In May 2017, the worldwide Internet network was plagued by new malicious ransomware called "WannaCry", i.e. malicious software that encrypts the user's computers and demands ransom to decode it. The European Police Agency – Europol announced that this attack has affected more than 100,000 organizations. Immediately after these events, AEC organized an urgent meeting, attended by representatives of the Ministry of Information Society and Administration (MISA) and the National Centre for Computer Incident Response (MKD-CIRT), and issued recommendations for protection against this malware.

3.3.5 Memorandum of Understanding with the Communications Regulatory Agency of Bosnia and Herzegovina

At the 5th International Regulatory Conference, AEC signed a memorandum of understanding in the field of electronic communications with the Communications Regulatory Agency of Bosnia and Herzegovina. The purpose of this document is to intensify cooperation between the two regulatory authorities in the field of electronic communications. AEC's website does not host detailed information about what kind of improvements could citizens from both state expect from this memorandum of cooperation.

3.4 Public interest

3.4.1 Care for end-users

In this quarter as well, the project team analysed AEC's website window care for end-users.[24] and observed improvements, especially under the section Q&A where citizens can complete an online form and request information, i.e. post questions to AEC.

The project team tested this option by making several inquiries and received responses thereto within a period of 24 hours.

According to AEC, on monthly basis citizens post an average of thirty inquiries using the website section Q&A.

3.4.2 AEC mobile and web-applications

AEC Calculator[25] is mobile and web application which allows users to make rough estimates of monthly fees for landline and mobile telephone services on the basis of current offers available on the market of electronic communications. This calculation is based on the methodology of rough estimates for landline and mobile telephone services. To present, this mobile application was downloaded 500 times and has an average score of 3.5 from maximum 5 on Google Play Store.

AEC Directory [26] is mobile application that displays information about mobile and landline operators as carriers of contact numbers stored on mobile phones. In addition, this application calculates monthly statistics on outgoing and incoming calls. To present, this application was downloaded more than 1,000 times and has an average score of 4.4 from maximum 5 on Google Play Store.

In order to familiarize users with these applications, AEC's website **komuniciraj.mk** hosts user manuals with images and videos.

Number and variety of mobile phone applications is increasing in parallel with the rising use of smartphones. They include useful and interesting applications developed by companies or individuals from Macedonia.

Given that, for longer period of time, the system on migration of mobile numbers from one network operator to another is functional and allows users to keep their prefix numbers, AEC developed a directory which provides citizens with information about the operator they communicate with when making calls.

[24] Care for End-Users, http://www.aek.mk/mk/grizha-za-korisnici

[25] AEC Calculator, available at: https://play.google.com/store/apps/details?id=com.or.calc.aek

[26] AEC Directory, available at: https://play.google.com/store/apps/details?id=com.aecphonebook