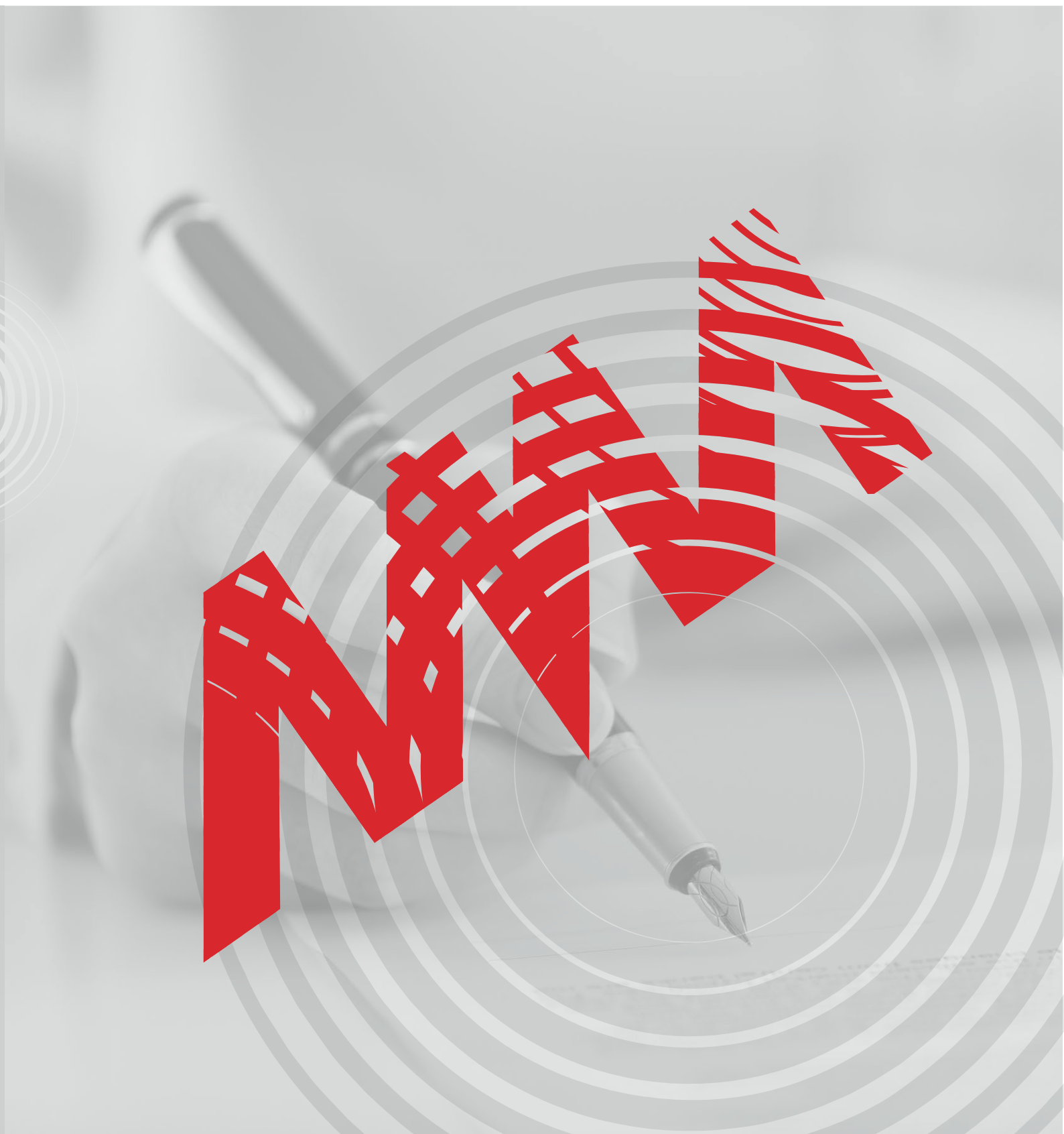




AUDIOVISUAL MEDIA **AUTHORITY** ANNUAL REPORT **2015**



AUDIOVISUAL MEDIA AUTHORITY

ANNUAL REPORT 2015

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MISSION

1.

The Audiovisual Media Authority (AMA) has the mission to ensure that all audiovisual services completely meet the needs of the citizens of the Republic of Albania by respecting the language and variety of traditions, religious beliefs, culture, and civil moral, in accordance with the democratic values set forth in the Constitution, especially with regards to the freedom of expression and the media. In exercising its functions, AMA is specifically concerned with the upholding of moral and legal rights, interests and requirements for the protection of minors.

VISION

2.

Being an independent regulatory authority in the audiovisual sector, AMA is committed to serving the Albanian society through the regulation, support, and stimulation of the audiovisual market, in order for the audiovisual services to best reflect the values, aspirations, and identity of the Albanian society. In its regulator role, AMA stimulates methodologies that make audiovisual services as accessible as possible by the population both the technically and technologically. In addition, AMA strives so that the content provided is in compliance with legal requirements on unbiased content in relation to the right of information, political and religious affiliation, personality, dignity, and other fundamental human rights and freedoms, thus allowing the public to form their own free opinion.



EXECUTIVE SUMMARY

3.

The Authority is committed to meeting all legal and regulatory obligations as the main interaction mechanism between the audiovisual services providers, the public, and state institutions. The activity and developments of the Authority have attracted the attention of many stakeholders.

In follow up of the recommendations issued, in 2015 AMA prioritized the completion of the legal framework with the necessary bylaws for improved cooperation with other relevant stakeholders. In this context the Authority has driven the approval of the relevant bylaws for the implementation of the digitalization process and has continued the public consultation process.

Considering financial autonomy to be one of the key elements for the Authority's good governance from both the operational and enhancement of institutional independence perspectives, the main focus of the AMA administration was to improve the use of financial resources, continuity, and to complete the commitments made by the Authority to the supervisory entities at the end of 2014.

The "Financial income and obligations" line shows that the revenue inflow rate for 2015 was double that of the average inflow rate for the 2011 to 2013 period. The data also clearly show the growing trend of the inflow rate, which is in full compliance with the commitment made at the end of 2014 by the Authority to better implement the legislation with regard to the collection of financial obligations with the predetermined deadlines.

AMA's approach to the piracy phenomenon was part of a well developed action plan including objectives and timeframes, in compliance with the legal functions of the Authority and in line with the recommendations put forward by the Albanian Parliament in its Resolution on the Assessment of AMA's Work for 2014.

In the context of the communication strategy, new and transparent communication channels have been established with the relevant subjects in the form of consultation meetings, official communication, and by establishing contact points for the denouncement of piracy cases and the improvement of measures and sanctions efficiency when enforced for subjects infringing the regulations on piracy.

As a result, in 2015 increased awareness has been noted among audiovisual broadcasters in relation to the obligations they have to comply with broadcast and copy rights. This

awareness was reflected in the content broadcast rights transfer documentation filed by the MSPs and the relevant documentation for obligations to the licensed copy rights collective administration companies.

A review of the AMA administration units engagement in the context of content broadcasted by audio and audiovisual broadcasters during 2015 was undertaken with the main aim to shift from an after-the-fact position, based on the concept of staff taking action only upon receiving complaints and denouncements in relation to various audio and audiovisual content, to a proactive approach, planning and undertaking analytical reviews in predetermined groups of MSPs and for predetermined topics. This was done to identify and detail issues and concerns with content, in addition to negligence in relation to the legislation and regulations in force.

Furthermore, the transparency program has been approved for the Authority to enhance its institutional image. The transparency program includes the decision publication methodology and format, the regulation of the public consultation process, information on measures taken and sanctions enforced through fining, regulatory requirements for MSPs, and accountability for its financial and accounting statements.

In 2015 the Authority coordinated with the ART (Albanian Radio Television) to accelerate the numeric networks implementation process, to assess the compliance with the legal framework and international audiovisual broadcasts standards approved by the International Telecommunications Union (ITU), and to stimulate the administration and completion of AMA – ART joint tasks in the framework of the implementation of the switch to numeric broadcasts Strategy. AMA led the coordination with the private historic national operators with experience in numeric broadcasts for the review of the legal framework regulating the licensing process, which was contested in the courts in 2013 and to set forth the numeric broadcasts technical features in accordance with the standards approved by the International Telecommunications Union (ITU).

In addition, AMA representatives actively participated in all the meetings called by the Technical Secretariat established through an order of the Prime Minister to supervise the audiovisual networks/services digitalization process. In these meetings AMA presented the possible alternatives and solutions to accelerate the process and emphasized the challenges to the completion of its functional duties, which caused considerable delays to the conclusion of this process. AMA raised a concern with the Technical Secretariat in relation to the delays caused by the ART in determining the numeric network implementation phases, in deciding the tariffs to be paid by the local/regional subjects that will use the ART numeric network, and in developing the Service Contract to be entered into by AMA and ART regulating the ART activity

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THE AUTHORITY

4.

The Audiovisual Media Authority (AMA) is the Regulatory Authority in the audio and audiovisual broadcast services sector and other support services in the territory of the Republic of Albania and holds the status of a public independent legal person.

The Authority is composed by the Chairperson, the Deputy Chairperson, and five members, with the Chairperson and the Deputy Chairperson being employed by AMA on a full time basis. Currently the Authority is operating with 6 members, because one council members position remains vacant, as a result of non selection by Parliament. The summarized information on AMA members, their mandate and participation in meetings during 2015 has been provided in the following table



GENTIAN SALA - Chairperson

Holds a degree from the Faculty of Law of the University of Tirana, 2001. In 2008 he completed his Masters Studies for “European Studies” at the University of Tirana. In the 2009 to 2014 period he was director of the “Buy Albanian” project, a non for profit organization promoting Albanian products. Mr. Sala was an activist with the Albanian Helsinki Committee for four years.

Start of mandate	End of mandate	Meeting attendance
Decision No. 94 dated 06.11.2014	06.11.2019	11/11



SAMI NEZAJ - Deputy Chairperson

Mr. Nezaj is an experienced journalist and has held a series of management positions in domestic media companies. He holds a doctorate in journalism from the University of Tirana, where he also teaches subjects related to or directly impacting audiovisual activities in Albania. He is also engaged in writing for a series of publications and in research.

Start of mandate	End of mandate	Meeting attendance
Decision No. 55, dated 22.07.2010	22.07.2015	1/11



SUELA MUSTA - Member

Albanian written and visual media journalist, who worked during the Kosovo ethnic conflict as collaborator with many foreign European media outlets. Ms. Musta holds a degree in journalism and has been Albania’s correspondent to various foreign institutions closely involved with audio and audiovisual activities. For a number of years she was a Spokesperson and Advisor for Public Relations at the Ministry of Tourism, Culture, Youth and Sports.

Start of mandate	End of mandate	Meeting attendance
Decision No. 6, dated 05.11.2009	22.07.2015	1/11
Decision No. 55, dated 22.07.2010		



ZYLYFTAR BREGU - Member

Mr. Bregu holds a doctorate in journalism and communication and has been a professor at the Journalism Faculty of the University of Tirana for many years. He was an activist with the Albanian Helsinki Committee for many years, during which he also contributed in the capacity of public relations specialist.

Start of mandate	End of mandate	Meeting attendance
Decision No. 54, dated 22.07.2010	22.07.2015	11/11



GLEDIS GJIPALI - Member

Mr. Gjipali holds a degree from the Law Faculty of the University of Tirana and worked for four years for the Ministry of Integration. His duties were focused on the harmonization of the EU legislation in the human rights, audiovisual policies, and personal data protection fields. He has been leading the European Movement non governmental organization, working in the European integration and good governance fields for eight years.

Start of mandate	End of mandate	Meeting attendance
Decision No. 74, dated 09.10.2014	09.10.2019	11/11



PIRO MISHA - Member

Mr. Misha is a renowned Albanian researcher, translator and publicist. He is also the Executive Director of the Institute for Dialogue and Communication, while also holding the position of Vice President of the “MOST” UNESCO Program Intergovernmental Committee, in Paris. In 2010 he was listed as one of the ten personalities of the year by the Municipality of Tirana for his book “Escape from the Prison of History”. Mr. Misha is the author of a series of publications in Albania, Italy, the USA, Great Britain, Belgium, etc.

Start of mandate	End of mandate	Meeting attendance
Vendim Nr. 75, datë 09.10.2014	09.10.2019	11/11

AMA Deputy Chairperson Mr. Sami Nezaj and AMA member Ms. Suela Musta issued a note regarding their non participation in the AMA Council meetings. Their declaration was made on 27 November 2014 claiming that illegal procedures were implemented by the Commission for Public Information and Education Means in the selection of two new AMA members and the Chairperson. The declaration noted that articles 9 and 10 of Law 97/2015 “On audiovisual media in the Republic of Albania” were infringed respectively. Thus in the context of exercising its functions in 2015, AMA was not able to achieve the quorum necessary to make qualified majority decisions in 10 of its 11 meetings.

COMPLAINTS COUNCIL

5.

The structure of the Complaints Council was established as a unit in the organizational chart of the Authority in compliance with the legal requirements for its functioning. The structure aims at analyzing audiovisual communication ethics, information and privacy rights reports, and has the priority to protect public interest and respect individual dignity.

The scope of work of the Complaints Council comprises the supervision of the implementation of the code and regulations approved by AMA mainly addressing respect for human dignity and fundamental rights, especially protection of minors, the right to be informed and raise awareness in the public opinion, and the respect of moral and ethical norms in the broadcasts of audiovisual service providers.

Its members are appointed by the Audiovisual Media Authority with a qualified majority and the unit has a chairperson and two members. In the meantime, the Authority has continued and concluded the recruitment process in compliance with the general and special requirements set forth by AMA Decision No. 30, dated 16.04.2015.





GOVERNANCE AND ORGANIZATIONAL DEVELOPMENTS

6.

As a regulator in the audio and audiovisual broadcasts field and other support services, the Authority is committed to fulfill the requirements of the legislation and its bylaws, which guarantee a sustainable and varied market to meet the information needs of the population.

The regulatory role is important in both policy development and policy implementation since the Authority is the main interaction mechanism between the audiovisual service providers, state institutions and other national and international stakeholders. The governance of the Authority and developments therein have been in the focus of many stakeholders in the Albanian society taking under consideration the independent role it should have in the audiovisual market.

Both the recommendations in the Resolution on the 2014 AMA Activity Assessment of the Albanian Parliament, and the recommendations of the Progress Report for Albania, call for AMA to exercise its full functions in order to meet its role as an independent regulator.

Efficiency in fulfilling Authority objectives, is first and foremost to the benefit of the society at large, and is materialized in all forms of influence that audiovisual media activities exert on the general public.

The Authority is aware of this role and is committed to improve on issues identified from a review of the governance of the regulator, as referred by the Organization for Economic Cooperation and Development (OECD) and applied by audiovisual regulators in European countries (Report of the European Regulators Group for Audiovisual Media Services) on the independence of National Regulatory Authorities, December 2015). The report identified the following issues:

- Institutional framework
- Appointment procedures and mandate
- Human resources
- Financial autonomy
- Accountability and transparency
- Decision making
- Decision making implementation

In AMA's reality for the reporting year, elements such as the Institutional Framework, Decision making, and Decision making Implementation have been regulated and set forth by the law on media, which is completely harmonized with European directives, thus ensuring the Authority's institutional independence for its governance. As a result, considering these elements does not provide an insight into further developments in the current period.

As regards the other elements, their consideration has been reflected in the following developments:

- As regards the second element, "Appointment Procedures and Mandates"–in 2015 AMA continued to operate with an incomplete composition, which resulted in the following:
 - Inability to make decisions requiring a qualified majority;
 - Inability to comply with national strategies schedules;
 - Inability to implement processes requiring AMA's function in its entirety, mainly with regards to the digitalization process;
 - Recruitment of the complaints council; and
 - Inability to issue licenses, leading to high financial costs for the Authority.

AMA has continuously notified and maintained correspondence with the Commission for Public Information and Education Means and the Albanian Parliament for the resolution of this institutional impasse.

- As regards the "Human Resources" element, which includes the ability of the regulator to manage these resources and the organization of processes in line with the organizational structure, AMA has been committed to the implementation of this element throughout the second half of 2015.

Upon screening all AMA functions, such as the obligations stemming from the law on audiovisual media, the conclusion that the current AMA administration structure cannot efficiently cover these functions was reached. Some of the main AMA functions such as the supervision of the audiovisual market, the stimulation and promotion of the audiovisual sector development, provision of information on market data and the management of the human resources of the AMA administration, are not covered by specific units within the current structure.

The current law on audiovisual media specifically prescribes AMA's functions and objectives, which should be reflected in the internal organizational structure and through the clarification of each directorate's role.

In December, in its last meeting for the year, AMA discussed the internal draft regulation on the new organizational structure. The proposed changes aim at an efficient structure for improved management, solutions and reaction in the framework of the functions and duties set forth for AMA in Law 97/2013.

AMA's organizational structure internal draft regulation was approved by the AMA Council and has been filed with Parliament and the Public Information and Education Means Committee for approval in February 2016. Process and resources management in full compliance with AMA's functional duties will considerably improve the Authority's governance in 2016.

- As regards "Financial Autonomy", even though the Authority has doubled its financial revenue inflow in 2015 when compared with the average inflow rate of previous years, it continues to face challenges in covering the investments required for the improvement of its technical capacities.

More concretely, the investment in logistics required for the full coverage of the Authority's monitoring function, is a budget line foreseen for coverage with donor funds, because the institution does not have the financial ability to cover it. AMA has been engaged in continuous communication with international organizations and the Albanian Ministry of European Integration, responsible for IPA funds allocation, in order to find successful ways to cover this very important budget line. However, this budget line remains uncovered at the time of this report.

Another budget line threatening the authority's financial autonomy is the obligatory execution of decisions on financial obligations handed down by courts for damages caused in previous financial periods. In this respect, AMA has maintained continuous communication with the Ministry of Finance to address this issue, but even in this case no alternative has been provided for the coverage of this budget line as of present.

In order for the Authority to operate within its financial capacities while enjoying acceptable autonomy and covering its daily activities in 2016, its structures will focus on identifying successful means to cover the abovementioned budget lines.

- As regards "Accountability and Transparency", in the framework of its legal obligations on conflict of interest, AMA has approved the Code of Ethics of the AMA Administration Staff and has also drafted the Code of Ethics for the AMA members, which aims at determining the procedures and principles outlined in the provisions of Law no. 97/2013 and the principles implemented for and guiding AMA membership, deputy chairperson, and chairperson activity during the exercise of the duties and functions prescribed by law.

In this same context, AMA has approved the transparency program including all decision publication channels and formats, the regulation of the public consultation process, information provided on measures taken and sanctions enforced, regulatory requirements for MSPs, and the financial accountability for its financial statements. This transparency program is in full compliance with the law on the right to information and considerably enhances Authority's institutional image, thus improving governance.



ENSURING DIVERSITY PLURALITY AND LAW COMPLIANCE

7.

7.1 Development of relevant bylaws on the activity of the Audiovisual Media Service Providers (AMSP)

In 2015, AMA prioritized the finalization of determining obligations, functions, interaction, and coordination of the units within the Authority and with other institutions. The completion of the legal framework with these bylaws is not only important for work efficiency within the Authority, but also for the improvement of cooperation with other influential stakeholders.

Regardless of the clear outline of the Authority's regulatory activity in the law on media, its complex and multi dimensional nature on one hand and the limited financial and human resources on the other, make the determination of its focus and the main priorities of its activity through a midterm strategy necessary.

The dynamics and complexity of the environment regulated by the Authority includes the guaranteeing of a series of rights and freedoms at the focus of many national and international organizations. AMA's priority engagement was the establishment of a partnership to enhance the synergy necessary to fulfill joint objectives stemming from the drafting of the midterm strategy (also a legal obligations prescribed in article 21 of the law on audiovisual media No. 97/3013). This engagement is currently being materialized through the formalization of an assistance agreement with the Council of Europe, as jointly discussed with the European Delegation in Albania.

AMA has encouraged the establishment of a partnership network in the framework of:

- the technical and professional assistance on the:
 - development of policies ensuring respect for the variety of traditions, religious beliefs, culture and civil moral to best meet the needs of the population;
 - development of stimulating policies on the development of broadcast services and programming in Albanian.

- the contribution of stakeholders in fields of joint interest, mainly but not limited to:
 - the identification and implementation of regulatory acts, agreements, or other regulatory mechanisms ensuring that public and private MSPs provide novel and a large variety and high quality of content, and the promotion of a large variety of free of charge content;
 - the identification of mechanisms promoting a regulatory environment, which facilitates the development of the audiovisual broadcasting sector in Albania and is accountable to the needs of listeners and viewers, especially those with special sensory needs.
- the contribution of the stakeholders in joint interest areas to increase the quality and impact of the public operator content/broadcasts, especially with regard to:
 - the development of policy ensuring the fulfillment of the public service broadcaster objectives, in compliance with legal requirements and the supervision prescribed in the service contract entered into with ART.

During the year concerned by this report, AMA was engaged in the development of the relevant regulatory acts, a part of which have been approved. Among these are direct impact acts, such as:

- The Internal Act on “License update procedures for private audio and audiovisual operators, licensed in accordance with Law No. 8410, dated 30.09.1998 “On public and private radio and television in the Republic of Albania”, as amended, approved with AMA’s Decision No. 2, dated 04.02.2015.
- Decision No. 28, dated 16.04.2015 “On licensing numeric networks and their content through the beauty contest procedure. In accordance with this act AMA approved Decision No. 29, dated 16.04.2015 “On initiating procedures to issue 5 national private numeric audiovisual broadcasting licenses, based on a beauty contest procedure”.
- The regulation on “On procedures and criteria for granting Authorizations” approved with AMA’s Decision No. 56, dated 10.07.2015. This regulation sets forth the rules, requirements, and procedures for licensing audiovisual broadcasting and licensing audiovisual programming services.

Work has also been done in 2015 to develop the following draft regulations, some of which are being developed or are being consulted with the public.

No.	Draft Regulation	Objective	Status
1	“On licensing procedures and requirements for audio broadcasts”	This draft regulation sets forth the rules, requirements, and procedures for licensing audio broadcasting and licensing audio programming services. It foresees the rules, legal, financial, programming and technical requirements and criteria to be complied with by the entities applying for national/regional/local audio broadcasting licenses.	Public consultation is complete. Draft is being reviewed by AMA council.
2	“On free of charge broadcasting of messages of high interest for the general public”	This draft regulation regulates free of charge broadcasting by MSPs. The regulation details and clarifies the cases when the audiovisual media service operators must “free” their airtime to broadcast free of charge content from central and local government bodies that is considered of high interest for the general public, such as cases when these notifications impact the protection of public health, are broadcasted in light of natural disasters, in cases of threat the public order, national security, etc.	Public consultation is complete. Draft is being reviewed by AMA council.
3	“On licensing community audio broadcasting”	This regulation sets forth rules, requirements, and procedures for licensing community audio broadcasting.	Public consultation is complete.

7.2 Approaching the piracy phenomenon in audiovisual broadcasting

In line with its legal functions and in accordance with the recommendations of the Albanian Parliament in its Resolution on the assessment of AMA's work in 2014, the Authority's approach to piracy was part of an action plan with well defined objectives and timeframe. The following were the integral components of this action plan for 2015:

- The communication strategy, which opened direct and transparent communication channels with the subjects through consultation meetings, official communication, and the establishment of contact points to denounce piracy cases;
- The selection of dedicated personnel to undertake inspection functions for alleged cases of piracy, while focusing on their continuous training and the improvement of the logistical tools to provide the best coverage possible in both time and space;
- The engagement in cooperation relations with competent bodies to both make possible the addressing of challenging issues during inspections with the State Police and in coordinating actions with the General Taxation Directorate for debtor subjects that were problematic;
- The improvement and completion of regulatory acts to increase the efficiency of measures taken and sanctions imposed on infringing subjects to stop piracy.

As a result of this efficient communications strategy, during the period of the present report, a series of complaints were filed with AMA, for infringement of copy/broadcast rights, by licensed/authorized or unlicensed/unauthorized subjects, and by other interested subjects. A list of the complaints filed with AMA in 2015 according to their type is provided below:

- 129 complaints filed by satellite numeric platforms;
- 22 complaints filed by cable subjects;
- 8 complaints filed by other interested subjects, three of which against ART;
- 4 complaints filed by collective administration agencies;
- 1 complaint filed by ART for the UEFA 2015 sporting event.

AMA staff has prioritized all complaints for piracy filed with the Authority by inspecting in the field or monitoring on a case by case basis. Upon the conclusion of the relevant administrative procedures, subjects were fined for infringing broadcast rights, for denying inspectors entry in the audiovisual equipment facilities of the licensee and/or authorized subject, or for not providing the information requested of them.

114 inspections were undertaken in 2015, which have led to the following measures:

- 46 fines (10 have been revoked by the AMA Council; 2 sanctions to be reviewed in the next scheduled meeting);

- 30 warnings
- 29 Ceased investigations, because there were no legal grounds;
- 9 administrative measures to seize audiovisual equipment because the activity was illegal.

In line with the transparency program, the updated information on the administrative measures taken can be directly accessed using the link [Pasqyra-e-Sanksioneve-Gjobe-për-vitin-2015-2016.pdf](#) that can be found under the relevant transparency tab on the AMA website at www.ama.gov.al.

In addition, with respect to unlicensed/unauthorized subjects, in 2015 AMA undertook a considerable number of continuous actions to end the informality situation in which some subjects were exercising audiovisual activities.

7.3 Supervision of public broadcasters' legal objectives achievement

AMA also has a legal function and obligation to supervise compliance with law prescribed objectives by the public broadcaster (ART).

Among the main ART objectives for 2015 was the development of national numeric networks. In line with this objective, AMA has always been stimulating an accelerated process during its coordination of the cooperation between the ART and MIAP, to address a series of important issues such as the determination of the timeframe for the implementation of networks, the setting of the tariff that local/regional subjects should pay, the determination of the locations of connection hubs between ART and local/regional subjects, and other technical issues. AMA undertook continuous monitoring to control the use of the frequency spectrum allocated for use by ART to provide analog audio and audiovisual services, and to monitor broadcast quality.

Another law prescribed objective for the ART is the development of the service contract entered into by AMA and ART, which also includes requirements on the payment that local/regional subjects should make to the benefit of ART and technical requirements related to the ART project implementation phases.

AMA remains firm in the fundamental requirement, also stemming as an obligation from Law 97/2013, that the public broadcaster should hold public consultations on the text of the service contract prior to submitting it to the Authority for approval. The AMA developed policy prescribes the channels and means to be used by the public operator in meeting its obligations in compliance with the law and the Service Contract.

An important aspect requiring regulation in this relation with ART is children content,

which relays and cultivates important civic and human values promoting female and male role models, respecting dignity, gender equality, tradition, language and Albanian culture.

The public broadcaster should not only comply with its obligations in quantity, scheduling no less than 10% of air time for children, but also when designing and producing children programs, contents and broadcasts. It should also take under consideration interactive communication methods, convergence of traditional broadcasting with online content, cooperation with social media, etc.

Upon switching to numeric broadcasting, ART should have at least one dedicated children channel, with children content in time slots programmed only for this purpose. During the 7:00 o'clock to 22:30 o'clock time slot, presumed for family viewing, all content broadcasted by ART will be supervised in relation to considerations made towards the mental and physical health of children and teenagers, and their sensitivities and requirements, especially during information programming and entertainment programming and films. This content should also stimulate children participation in audiovisual media, their critical thinking, initiatives and projects benefiting the society and their growth.

As regards the determination of regulatory requirements and measures for joint ART broadcasting infrastructure use, AMA has developed the relevant regulation, which is scheduled to enter the public consultation phase.

This regulation sets forth rights and obligations for AMA licensed subjects in relation to using infrastructure to provide audio and audiovisual services.

7.4 Supervision of frequency range use

In accordance with Law No. 97/2013, the relevant regulatory framework, and international recommendations (ITU, CEPT) AMA has undertaken monitoring of the audio/audiovisual frequency spectrum at frequency points used by the audio/audiovisual subjects. Monitoring is undertaken for the 174 to 230 MHz and 470 to 862 MHz frequency spectrum for audiovisual services and 88 to 108 MHz for audio services.

Monitoring was undertaken in the first half of the year for all broadcast points in Tirana, Fier, Korça, Elbasan, Durrës, Vlora, Lezha, Shkodra, while the rest of the country's broadcast points were monitored during the second half of the year. These monitoring exercises were undertaken from more than one point of view for each broadcast point in order for results to be as correct as possible. Monitoring consists in controlling the broadcast spectrum allocated for use to the AMA licensed audio/audiovisual subject. More concretely, the following is verified during the monitoring exercise:

- Whether licensed subjects are broadcasting;
- Whether subjects the license of which has been revoked have ceased broadcasting;
- Signal quality, which determines broadcasting quality;
- Subjects broadcasting legally.

Signal coverage percentage is calculated using the ICS professional information system recommended by ITU and is based on the technical data of the license. The main issues identified by the monitoring relate to non compliance with technical broadcast requirements set forth in the license. Based on monitoring, the following infringements were identified:

- Subjects broadcasting after AMA has revoked their license.
Out of the 4 radio outlets identified, AMA seized broadcasting equipment for 2 of them, while the other 2 were fined and immediately ceased broadcasting activities.
- Subjects that have not started broadcasting within the legal and regulatory prescribed deadlines.
AMA has initiated the license revocation procedure for these subjects
- Subjects not covering with service provision the area for which they were licensed.
These subjects were warned to reduce the coverage radius within the predetermined timeframe. The infringement thereof would result in sanctions set forth by legal provisions.
- Subjects broadcasting beyond their licensed broadcasting area (they have expanded their broadcasting area without AMA approval).
Audio subjects (FM radio) have been officially warned to close this broadcast within the AMA determined deadlines. Infringement thereof would result in sanctions. As regards audiovisual subject (television outlets), the Authority has focused on concluding the digitalization process for both analog and digital technology broadcasting outlets, as the key factor for the final resolution of the situation.
- Subjects interrupting broadcasting for more than 30 days per year.
Communication has been initiated with licensed subjects found off the air to cease broadcasting and these cases have been followed up until the issues were adequately addressed.
- In some cases the technical broadcast signal parameters were non compliant with international technical standards, especially in rural areas. In these cases, AMA has corresponded with the subjects in writing requesting that they improve technical broadcasting parameters.

Monitoring undertaken in 2015 has identified audiovisual operators not respecting the coverage area set out in their license. In addition, even in 2015, some local operators continue the broadcast using numeric technology. Taking under consideration legal provisions prescribing the switching of broadcasting from analog to numeric within 17 June 2015, AMA has implemented facilitating policies for these audiovisual operators in line with the digitalization process progress, which was hampered in its conclusion phase due to delays in the numeric network implementation process by ART and the blocking of licensing for national private operators and those with experience in numeric broadcasting.

In 2016 AMA will continue to focus on monitoring, infringement identification, and taking administrative measures against all audio/audiovisual subjects infringing the law, regulatory acts, and conditions set forth in their licenses. In addition, in order to improve the logistical equipment used in 2015, technical equipment has been procured to monitor the frequency spectrum even in remote areas (portable equipment), which will considerably improve the monitoring process, especially the identification of unlicensed subjects broadcasting in the DVB-T2, MPEG-4 numeric standard.

7.5 Addressing interference in neighboring countries

In 2015, the Authority has focused on addressing the interference caused in neighboring countries by subjects providing audiovisual services in our country in the 790 to 862 MHz band, known as the digital dividend band.

Complaints of interference have been submitted by Montenegro and Italy. AMA has addressed with priority and has monitored the DD1 band use and in cooperation with the neighboring countries administration, the interference sources were identified. In the meantime, interferences with neighboring countries continue to be caused by subjects broadcasting audiovisual numeric broadcasts in the DD1 band and by subjects licensed by AMA to broadcast in this analog band.

AMA believes that the conclusion of the digitalization process will definitively resolve interference issues and to this end, the Authority has raised its concerns regarding the digitalization process delays in every meeting and conference and its written correspondence with relevant institutions and parties.

Interference complaints have been submitted by neighboring countries (FYROM and Croatia) regarding disturbance caused to their air navigation band by Albanian audio/audiovisual subjects.

AMA cooperates with EPCA (Electronic and Postal Communications Authority) and other institutions charged with the administration of the frequency spectrum for frequency monitoring.

The Authority cooperated with EPCA in 2015 to avoid interference caused to the aeronautical service band in our country and neighboring countries by audio and audiovisual subjects. Joint monitoring groups have been established in the framework of the cooperation to identify and analyze interferences caused, and ultimately the avoidance of interference was achieved within minimal timeframes.



THE AUTHORITY AS REGULATOR FOR A RESPONSIBLE AUDIOVISUAL MARKET

8.

8.1 Analytical assessment of broadcasted content

To fulfill the functions and obligations stemming from Law 97/2013 and the Broadcasting Code in relation to content broadcasted by audio and audiovisual subjects, a review of the Programming Directorate engagement was undertaken with the main aim to switch approaches from the retroactive one, based on the concept of staff deployment only after the institution had received complaints or denouncements about various audio and audiovisual content, to a proactive approach, based on planning and undertaking specific topic analytical assessments in various MSPs groups to identify and detail content issues and concerns, including legal and regulatory avoidance and negligence.

An analytical review was undertaken in March and April 2015 focused on children programming in three national television subjects (TVSH, Top Channel and Klan), and also Vizion Plus. Programming experts monitored and analyzed the performance of these television networks with high impact on the public and identified some fundamental issues in their broadcasts for children, such as:

- The lack of network produced content;
- A focus on only translated and entertaining films or shows produced in previous years;
- Children appearing on screen, without respecting the Broadcasting Code for their protection;
- Irregularities in displaying parental warning signs when broadcasting violent, pornographic, and other unsuitable content.

The issues identified became a ever present part of the communication, meetings with stakeholders, and the position of the Authority in addressing their solution. However, this new approach of the Programming Directorate required a reformatting of this structure, in order for the human resources to be in line with their duties and the work profile changes with regard to some main programming aspects.

Upon conclusion of this reformatting, the first analytical assessment was undertaken in the last quarter of 2015 focused on advertisement and commercial communications as

one of the most problematic audiovisual broadcasting issues. The three abovementioned national television networks (TVSH, Klan and Top Channel) were the focus of this assessment. In general, the issues identified with advertisement broadcasting were the following:

- Length of advertisement broadcasted within 1 hour, surpassing the 12 minute mark, which infringes article 41, paragraph 1 of law 97/2013;
- Cases of uninterrupted split screen advertisement in infringement with article 38, paragraph 3 of the same law;
- Misuse of “Product Placement” in programming directly stimulating purchase or use of merchandise and/or services, especially by specifically promoting these products and services and by paying them exaggerated attention, in infringement of article 44, paragraph 3, letters (b) and (c) of the same law;
- Broadcasting implicit commercial communications, in infringement of article 42, paragraph 1 of the same law;
- Broadcasting inadequate content advertisements, in infringement of article 4, paragraph 1, letter (b), article 33, paragraph 1, letter (d), article 46, paragraph 2, letter (c) and (dh) of the same law;
- Broadcasting foreign language advertisements in infringement of article 4, paragraph 2, letter (b) of the same law.

In addition to the national subjects, infomercial broadcasters will be in the focus of another phase of analytical assessment in the beginning of 2016, as televisions with different features in conceptualizing and selling airtime for advertising by interested parties.

The other important content analytical assessment process phase was communication with audiovisual subjects and awareness raising to meet legal requirements. This was done in a warning format against repetition of such infringements.

8.2 Addressing Complaints

One the novelties of the Authority’s strategy was the establishment of a new communication channel with the public in the form of a dedicated institution electronic address. This address has received approximately 30 complaints only with regard to content broadcasted by national or local MSPs. Complaints regarding content broadcasted have been submitted by individuals, institutions, or actors within the audiovisual market as complaints by subjects against subjects.

Some 60% of them were related to films with violent or pornographic content broadcasted during inadequate timeslots. The rest were related to the identification of children in

reportages or shows, in infringement of the provisions of Law 97/2013 and the Broadcasting Code, and ethical and language use issues during shows.

All complaints have received an institutional reply, informing them on the procedural steps taken by AMA for the concrete cases that were reported. Information has been chronologically listed for warning documentation issued by the Authority to subjects for addressing the relevant cases of complaint.

8.3 Regulating policy for content of public service broadcasters

In its role as programming regulator, AMA has decided in its 2015 policy the establishment of a content, quality, and values monitoring and assessment system, prioritizing public approach and interest in order to continuously improve the programming provided.

AMA believes that the implementation of this supervisory methodology will need the combination of planned topic assessments by the Programming Directorate focused on specific content information, education, entertainment, advertising, and other aspects, with a rigorous follow up of all complaints filed with the public broadcaster and legal compliance verification, including a comparison with the conditions and commitments stemming for ART in accordance with the approved service contract.

In line with this policy, ART’s programming should always consider the obligation to create a civic positive perception of the public broadcaster services. This is also in line with the subscription tariff charged and the fulfillment of its mission the the benefit of the public interest, for which the public radio and television has been established and operates.

The ART audiovisual product is also monitored by AMA with regard to the promotion and protection of the Albanian language, literary and linguistic culture, correct spelling and pronunciation. This sets forth the obligation to produce special content on the role and importance of Albanian language, history, its development and evolution as an identifying national feature.

Part of AMA’s monitoring of the ART service will also be the latter’s efforts to avoid any type of discrimination against disabled persons in its programming, the inclusion in the programming structure of one daily newscast in sign language and one close captioned newscast. Content dedicated to disabled persons and other content should stimulate and promote the efforts, challenges and achievements of disabled persons and the elderly to become integrated in the country’s social, political, cultural and sports developments.

In addition, the widening of the informative, cultural, and scientific content addressing complex arguments will serve to educate the civic, critical and ethical sense, thus

responding to current social, democratic and cultural requirements in relation to cultural diversity and national culture integration and cohesion in the Republic of Albania, Kosovo and other territories where Albanians live, and to fulfill European and independent broadcasting quotas.

8.4 Content monitoring

Broadcast monitoring for MSPs content is undertaken systematically for national subjects, while it is partial for regional and local broadcasters and based on topic review planning, complaints filed by subjects, institutions, or individuals, and based on the recording capacity of the Monitoring and Archives Studio.

Form 1 October 2015, with the purchase of the new LTO recording equipment, the content record archives establishment process started. This process will continue in line with quality and safety standards and with a chronological filing of content for subsequent accessibility by Studio experts of other AMA units.

Approximately 69,000 hours of audiovisual programming and approximately 5,000 hours of audio programming have been recorded in the Studio infrastructure in 2015. The main reasons for these recordings are the following:

- Programing obligations;
- Advertisement and commercial communications;
- Primetime newscasts of national subjects;
- Complaint review for specific content.

The following statistics were gathered with regard to monitoring:

- A total of approx. 3,500 hours of audiovisual subject content monitoring related to programming obligations;
- A total of approx. 14,000 hours of advertisements broadcasted by national audiovisual subjects monitored;
- A total of approx. 900 newscasts of national audiovisual subjects and approx. 600 newscasts of national audio subjects monitored;
- A total of approx. 1,240 hours of audio subject monitoring;
- Approx. 500 hours of monitoring to verify respect for broadcasting and copy rights (including local television platforms and subjects);
- Approx. 750 hours of monitoring of broadcasting rights during sports broadcasting.

The monitoring of the main newscasts for national subjects is focused on the time they

have allotted to political party activities, state and independent institutions, various political stakeholders, social and economic activities, etc. In addition, detailed information is also gathered on the live presence and connections with political and public figures. Part of the monitoring is also the time allotted to topics such as politics, international news, economy, Parliament activities, government activities, art and culture, accident related news, health, crime news, business, sports, etc.

The Programming Directorate, in compliance with Law No. 97/2013, article 62, paragraph 12, has continued to monitor in 2015 the volume of advertisement broadcasted by the national subjects, namely TVSH, TOP CHANNEL and KLAN. Data has been collected per month and has been aggregated into an annual figure.

MSPs	NUMBER OF ADS	TOTAL SECONDS
TVSH	8,672	394,113
TOP CHANNEL	57,551	1,873,931
TV KLAN	49,695	1,815,201

Note: The data above has been collected within the 12:00 to 24:00 timeslot; product placement, notifications on sponsorship, and MSPs advertisement of its own products have not been taken into account, and the days when technical difficulties were experienced were also excluded.

8.5 Monitoring studio

One of functional duties of the Audiovisual Media Authority, AMA, in accordance with Law No. 97/2013 “On audiovisual media in the Republic of Albania”, is the complete monitoring of content broadcasted by the media service providers. Recording, reviewing, and archiving content broadcasted is one of the fundamental AMA activity processes. Analysis of various programming aspects are undertaken based on this content cache, to evidence legal compliance, needs for intervention against Broadcasting Code infringements, but also to stimulate various and quality products for the audience. The Studio’s database is useful in verifying broadcasted content copyrights infringements, and cases of unlicensed or unauthorized broadcasting.

From a technological point of view, the current Monitoring Studio is equipped with outdated machines, resulting in a large portion of the viewed material archiving and analyzing processes to be done manually, which requires considerable time. In addition, the capacity of the Studio is insufficient for the monitoring of all the content in compliance with the legal requirements. Currently the content of 15 subjects is being monitored, two of which are radio stations. At the same time the depreciated infrastructure creates the risk of losing recorded material resulting from the insufficiency of the supporting capacity. AMA believes that this situation can be overcome through sustainable solutions in line with the technological development of the audiovisual market.

The high cost of the necessary systems and infrastructure implementation has resulted in AMA not being able to self fund these improvements, and to this end the Authority has developed an implementation project seeking support from international organizations present in Albania. At the same time, AMA has applied for funding with IPA projects managed by the Ministry of European Integration. However, the funding of this project through third parties is still not possible.

8.6 Frequency range planning and administration

AMA, in compliance with its functional duties, makes an assessment of the free frequencies for which licensing competitions are opened for audio and audiovisual subjects. In 2015 no frequencies were allotted for audiovisual services, because Law No. 97/2013 has forbidden licensing of terrestrial analog television services (article 136), while the licensing of subjects providing numeric audiovisual services has been closely related to the national private numeric networks digitalization process. In addition, no requests were filed with AMA for any audio frequencies (FM radio frequencies). For these reasons, Republic of Albania territory coverage percentages by audio and audiovisual subjects have not changed when compared to the previous year.

In the frequency spectrum planning framework, AMA has undertaken technical studies in relation to the ART request on changing the technical features of numeric networks, consisting in computer estimations to avoid domestic and foreign interference and to achieve a full national coverage with audiovisual services.

In addition, technical studies were undertaken in relation to the optimization of national private numeric networks, increasing their number from 3 (three) to 5 (five). The technical features of these networks, developed based on these studies, were integrated in AMA's technical requirements for national private operator licensing according to the "Beauty Contest" procedure.



PROMOTING DEVELOPMENT IN BROADCASTING SECTOR AND EMPOWERING AUDIENCES

9.

9.1 Engagement of the Authority in the audiovisual market technological development

In line with its function to promote a high variety of audiovisual services, the Authority focused on the review and assessment of development in the broadcasting field, taking under consideration quality, coverage, novelties and investments, in order to precede these developments in its regulating and promoting role.

The assessments and analyses on a variety of impact on this market undertaken in cooperation with stakeholders, institutions, and media services providers, found that the Albanian audiovisual media market is headed towards digitalization and the new services being provided in the Albanian market along with applications based on these services (IPTV, OTT, Video on Demand, etc.) have considerably increased service quality and have widened the content range provided to the public. For this reason, this is a growing trend in the market.

Taking this under consideration, AMA undertook an action plan that aimed to develop cable systems in Albania in order to improve service quality for the consumer and to ensure a sustainable market.

One of the main steps taken for the implementation of this plan, was the regulation of the market by approving the regulation “On procedures and criteria for granting Authorizations” approved in July 2015, which regulates the authorization of entities interested in providing audiovisual services based on IP networks (such as IPTV, OTT). These options would provide numerous applications for the Albanian public (such as video on demand, catch up, time shift, etc.). New entities applying to provide audiovisual services based on cable systems are now stimulated by AMA to provide their services only based on digital technology. This will increase service quality for Albanian consumers.

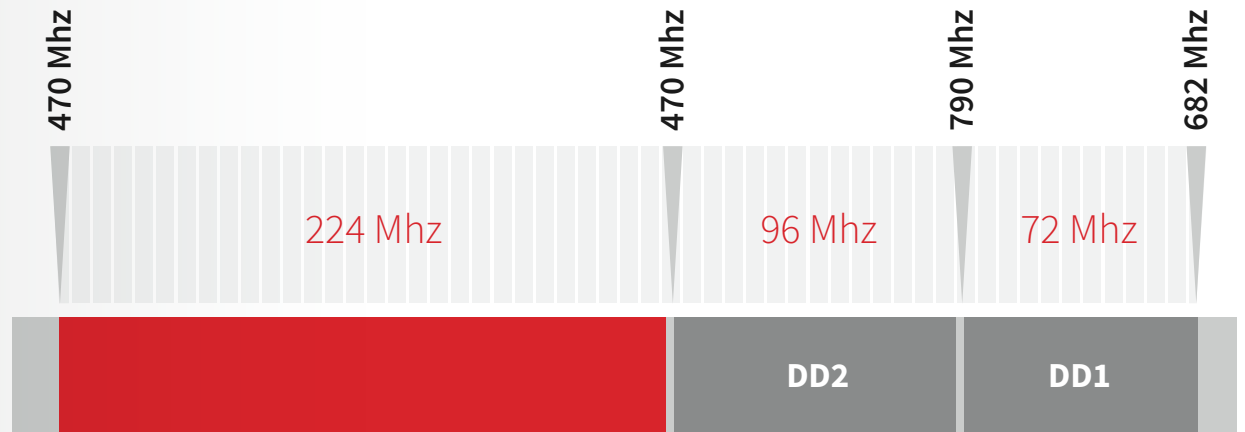
Another step undertaken in the framework of this plan was the determination of coverage areas for subjects providing new IPTV, OTT services to assess the impact of these new developments. It resulted that the applications filed for provision of these services sought to cover urban areas with high population density such as Tirana and Durrës.

In addition, AMA undertook data collection from market operators on service quality indicators, technology used, and number of complaints from consumers, in order to attain the necessary information to analyze effects of promotion in the audio/audiovisual broadcasting market.

The above was part of the AMA communication strategy, and the Authority has stressed the importance of introducing new digital technology service in all the meetings held with licensed/authorized subjects in 2015 and in all conferences or workshops organized in relation to the audiovisual media sector.

AMA was part of the World Radiocommunication Conference 2015 (WRC-15) held in Geneva from 2 November to 27 November 2015. The conference held special importance, because the administrations of Regions 1, 2 and 3 (our country is part of Region 1) discussed and made decisions on the use of frequency bands, and on determining the services for which these frequencies are to be used.

In conclusion the conference decided that the 470 to 694 MHz band will only be used for audiovisual services, while the 694 to 790 MHz band (known as the Digital Dividend band) will be used also for mobile services in addition to audiovisual services. Each administration will decide on the use of the 694 to 790 MHz band (DD2) based on the specific conditions of each country.



The conclusions of this conference will have an impact on the Albanian audiovisual media market and the electronic communications market, because the Albanian government will need to decide on the use of this band based on the necessities of the Albanian market.

Based on the WRC-15 decisions, the State Ministry of Innovation and Public Administration (MIPA) is expected to review the National Frequency Action Plan. In accordance with Law No. 97/2013, AMA cooperates with the Ministry for the development of this plan. The cooperation consists in the establishment of a joint group between all institutions administering frequencies to provide a contribution to the plan's development. An

important part of the National Frequency Plan will be the determination of the 694 to 790 MHz band (known as digital dividend 2) use in our country, in the current conditions of the country.

The MIPA issued Order No. 4770, dated 9.10.2015 in relation to the use of this frequency band, which established a working group to plan the use of the second numeric dividend (DD2). AMA participated in the meetings of the working group and has provided arguments in relation to the current audiovisual market situation in Albania.

9.2 Cooperation in regulating the audiovisual market

In the second half of 2015, AMA has given its contribution and has cooperated with other institutions involved in the Albanian intellectual property system to develop the National Intellectual Property draft Strategy 2016 – 2020, which aims at raising awareness, strengthening the registration system, administration and protection of rights stemming from Intellectual Property, as rights with a considerable impact on economic development and progress.

AMA cooperates with the Albanian Office for Copyrights (AOC), as both institutions are involved in the protection of broadcasting and copy rights.

Upon approval of the draft law on copyrights, the new Memorandum of Understanding between AMA and AOC will be finalized. The memorandum will set forth concrete coordination between the institutions, in line with the legal provisions in force. However, AMA and AOC have cooperated in 2015 for the protection and respect of broadcasting rights, mainly through information exchange.

From the programming point of view, AMA has established communication with a series of public institutions in 2015, such as the State Agency for the Protections of Child Rights, the Ministry of Social Welfare and Youth, the Commissioner for Personal Data Protection and the Right to Public Information and the Journalism and Communication Department of the University of Tirana.

The focus of the communication with these public entities was information exchange on Albanian audiovisual market phenomena and trends, focusing on concrete broadcasted content issues, identifying MSP ethical and professional gaps in covering specific issues, which have threatened human rights and freedoms.

The cooperation and coordination with these institutions has increased AMA information sources to address and review audio and audiovisual content issues. At the same time

support was provided for the quality of products and respect for third party content broadcasting rights.

In the framework of the partnership spirit with MSPs, meetings were held in 2015 with stakeholders, radio and television broadcasters, digital platform broadcasters, etc. AMA has carefully considered the issues raised by the operators, while relaying their managers and staffs identified aspects requiring compliance with relevant laws and bylaws, such as honest competition and counter monopoly tendencies mechanisms in the audiovisual market, in order to provide quality and varied service to the public.

A stimulating tool was applied for the first time in 2015 in MSPs newsrooms, in light of the partnership AMA has with some of the institutions and organizations working in the media and communication field. The main objective of the cooperation with these partners was the organization of various professional qualification sessions for journalists, editors, and reporters of the audio and audiovisual subjects in the form of workshops, seminars, round tables, fora, etc. focused on some of the fundamental programming challenges of radio and television channels, while also considering audience interest at the commune, local, regional, and national level for public and private broadcasts.

AMA started achieving this objective with a cooperation project with the Albanian Media Institute (AMI) in Tirana. On 16 and 17 December 2015, the “Improvement of child issues reporting in audiovisual media” training module was organized, involving a group of 20 journalists and editors employed in public and private, national and local audiovisual media. AMI is the only professional standardized structure, also recognized by international institutions, working in the media and communication training and qualifications field. A central topic for the project was the on screen protection of minors as not only a sensitive aspect for the audience, but also very problematic for the professional and ethical performance of MSPs.

The experts involved in this project discussed with participants, in separate sessions, topics related to the legal and regulatory framework on audiovisual broadcasting; constitutional provisions and the Convention on the Rights of the Child; reporting formats, interview sources and techniques, specifics for reporting child issues on audiovisual media; work in the newsroom and the knowledge necessary for a social journalist for a complete and efficient report; familiarity of journalists with the AMA Code of Broadcasting, the role and impact of the Public Broadcaster; children and youth programming as means of expression, etc. The module also discussed study cases related to ethics and children, taken from Albanian audiovisual media.

The “Improvement of child issues reporting in audiovisual media” project is designed to continue with other channels outside of Tirana in 2016. The beneficiaries of this phase will be journalists, editors, and reporters from MSPs in various regions of the country, such as Elbasan, Korça, Gjirokastra, Shkodra and Vlora. In the meantime, other qualifications

and discussions with journalists will focus on other issues identified as problematic in audiovisual broadcasting, such as Albanian language use, gender equality, marginalized groups, commercial communications and advertisement, etc.

9.3 Contribution of the Authority in supporting scientific research

2015 was especially novel in the approach to institutions and organizations working in the media and communication field. The partnership was focused on organizing scientific and research activities in line with AMA's functions and objectives, as set forth by organizational Law No. 97/2013. The digitalization of terrestrial broadcasting has been one of the main Albanian audiovisual challenges and AMA along with other institutional actors in the country, has a very important role in this process.

Since the Journalism and Communication Department at the University of Tirana is a leading public structure in research work in the media and communication field, in addition to organizing important national and international research events, a cooperation agreement was reached between the two institutions in March 2015 for the organization of an international conference in Tirana in November.

This event was not just planned as a gathering point where national and international researchers would present their points of view on the current state and perspective of digitalization, but was also considered as a multidimensional investigation arena of the modern market and literature. For this reason, the “Terrestrial television broadcasting digitalization: challenges, paradoxes, hope” Conference was preceded by a research activity consisting in data gathering by the professors and students of the Department. This was done to investigate the process from the point of view of television operators, their managers, digital platforms, newsrooms and other departments responsible for content, the role and impact of the regulator authority, etc.

The four-month research made possible the establishment of a library and document center at the Journalism and Communication Department, including foreign books and research in English on the digitalization process, which was made available to the research group and speakers of the Conference. All surveys and interviews done with television operators and sufficient quantitative information on audience and journalist behavior was also made available to this group.

The international scientific conference held on 25 November 2015 focused on the main discussion pillars between domestic and foreign experts, such as technical and technological challenges to digitalization, financial and economic impact, information quality in digital broadcasting, internet provision in audiovisual broadcasting, the role, impact, and adaptation of the regulatory authority with the features of the digital landscape.

The documentation of the conference, the field research, the national and international literature investigation, the speeches and panel discussions – in a summary printed publication and in the format of a Youtube video publication – are a valuable cache for students and professors of journalism and communication in Tirana and other cities, stakeholders, and anyone seeking information and expertise in this field.

In May 2015, the 41st meeting of the European Platform of Regulatory Authorities (EPRA) was held in Bern, Switzerland. An AMA delegation also participated in this meeting. The main issues discussed were in relation to ensuring a sustainable ecosystem for European media content, focusing especially on consumption and distribution aspects, and on current alternatives aimed at media monitoring and pluralism. Working groups composed of regulators from different countries were set up in order to exchange experiences on:

- Determining the scope of work of public services and financial challenges in the digital age;
- Tendencies and challenges in audiovisual commercial communications;
- Regulators and research methodology focused on issues related to the collection and analyzing data to provide a “baseline evidence”, so that these regulators can achieve their objectives.

In the framework of prioritizing the programming field, AMA participated in the second working group and gained the necessary experience in the audiovisual commercial communications field.





DIGITALIZATION

10.

10.1 Engagement of the Authority in completing all analog to numeric broadcast switching process phases

In 2015, AMA implemented important activities in the framework of its engagement in completing all the phases of the switch from analog to numeric broadcasting process. These activities focused on the administration of the various phases of the digitalization process, such as:

- The coordination with ART to accelerate the numeric networks implementation process, to assess compliance with the legal framework and international audiovisual broadcasting standards approved by the International Telecommunications Union (ITU), and to stimulate the administration and execution of joint AMA and ART duties in the context of the Switch to Numeric Broadcasting Strategy;
- The coordination with national historic private operators with experience in numeric broadcasting to review the bylaws regulating the licensing process, which was contested in court in 2013 and to determine technical features for numeric broadcasting according to international standards approved by the International Telecommunications Union (ITU);
- The coordination with local analog operators on the administration of the transfer of the current analog broadcasting on the networks of the public operator and the national private operators.

10.2 Development of ART digital networks

AMA's main role in the ART broadcasting digitalization process relates the determining frequencies and supervising the Geneva 06 agreement implementation, ratified by the Albanian Parliament in 2007. Since February 2013, AMA has approved the maximum spectrum set forth by law and has allotted the public broadcaster 2 national networks. The argument behind this is the special importance attached to the achievement of the public mission of the ART and the establishment of a maximal spectrum for existing local analog operators that will select to rely on the ART networks for their switch to numeric broadcasting. This AMA decision paved the way for the ART networks development process for the digitalization of the public operator's broadcasting.

After a two-year period without development in the ART network building process, the ART project for their development submitted to AMA in September 2015 included considerable changes to AMA decisions. As a result, AMA undertook all necessary activities to assess the compliance of these changes with the Ge06 agreement and ITU standards. Upon calculating the project technical features as proposed by ART, it was concluded that approximately 80% of the broadcasters had considerably exceeded the broadcasting strength determined by AMA and approved by ITU. The calculations were done with certified information systems recommended by ITU. In the beginning of October, AMA informed ART on these incompliances and issued the relevant recommendations, which were included in the network establishment project. Work on the ART numeric networks implementation started in October 2015.

Continuous written correspondence and a series of meetings were organized in 2015 with ART and MIAP representatives to discuss technical issues, including deciding on the implementation phases for the implementation of numeric networks and determining the locations of ART networks connection hubs with local/regional private subjects and technical connections methodology.

Deciding on network implementation phases enables AMA to coordinate the process with local/regional operators that want to use the ART network, and to continue the public information process. Coordination consists in determining technical details for local/regional operator signal behavior at the points determined by ART in each allotment, in the ability to determine frequencies for the simulcast broadcasting period for AMA licensed subjects, in the frequency migration process, and in determining the timeframe for vacating the Digital Dividend 1 band (determined for use by mobile telephony services upon conclusion of the digitalization process).

10.3 Licensing of national private broadcasters and entities with experience in numeric broadcasting

In order to accelerate the licensing process, which was suspended due to court proceedings, AMA started the consultation phase with the national historic subjects and those with experience in numeric broadcasting in January 2015 to gather their opinions as stakeholders in this process. This was done in the framework of the approval of the regulation: “On licensing networks and their programming through a Beauty Contest

procedure”. Upon conclusion of administrative procedures, AMA approved the “On licensing networks and their programming through a Beauty Contest procedure” and opened the procedures for issuing five national private licenses for audiovisual digital broadcasting, in accordance with the Beauty Contest procedure, with Decision No. 28, dated 2015/04/16 and Decision No. 29, dated 16.4.2015.

AMA reviewed the possibility to optimize the networks assigned to private operators in the beginning of 2015 increasing the number from 3 (three) to 5 (five) national networks. The optimization review was undertaken based on the requirements of Law No. 97/2013. Article 139 charges AMA with determining the number of national private numeric broadcasting licenses and determining national historic private operators and existing operators with experience in numeric broadcasting that are invited to participate in the Beauty Contest selection for the numeric networks.

Taking under consideration developments in the audiovisual broadcasting market, where 2 national AMA licensed operators (Top Channel and Klan) are currently operating and 3 subjects (Digitalb, Supersport and Tring TV) provide digital technology audiovisual services to approximately the entire national territory with content consumed with interest by a considerable part of the population, AMA decided to optimize the national private numeric networks. In its logic on the optimization of the national networks, AMA took under consideration ITU recommendations and the identification of potential technical solutions as well.

In accordance with the GE06 agreement, which has determined frequency channels for the development of local/regional and national numeric networks in the Republic of Albania, 7 national networks have been allotted to the UHF band (2 of them are the ART networks and 5 are national private networks), 1 network has been allotted in the VHF band and 9 channels will be allotted by AMA for the development of local/regional networks. The following table shows that two national networks (networks 6 and 7) are missing frequency channels in two allotments (Lezha and Vlora), because channels 64, 66, and 68 determined for these allotments are part of the 790 to 862 MHz band (digital dividend 11), which has been assigned for use by mobile services.

In order to complete these networks with frequencies for the Lezha and Vlora allotments, AMA started a negotiation process nearly one year ago with the Communications Department at the Italian Ministry of Economic Development. The negotiations resulted in a preliminary agreement for the allocation of two Italian channels for networks 6 and 7 in the Lezha and Vlora allotments.

Allotments											
Networks	Shkodër	Kukës	Dibër	Lezhë	Tiranë	Elbasan	Fier	Berat	Korçë	Gjirokastrë	Vlorë
Network 1	22	26	24	23	21	23	22	24	21	26	23
Network 2	28	32	25	29	34	33	27	25	27	29	39
Network 3	34	36	30	33	39	40	28	30	28	35	43
Network 4	41	40	38	43	41	42	29	32	43	37	46
Network 5	45	42	54	46	53	46	31	36	45	38	57
Network 6	51	50	55	66	57	48	35	47	51	44	64
Network 7	59	52	60	68	59	49	45	52	55	48	68
8 (VHF)	9	8	9	10	7	10	5	6	8	8	6
		56	63		61	56	51	54	57	50	
		65	69			58		61	59	53	
						62		65	64	56	
						68		66		58	
										60	
										63	
										67	
										69	

1 Frekuencat e shënuara me ngjyre të kuqe në tabelën 1 i përkasin brezit të Digjital Dividend 1 (kanalet 61 - 69) i akorduar për përdorim në telefoninë Mobile. Si rrjedhojë, këto frekuenca nuk mund të përdoren për transmetime audiovizive.

During the optimization phase, AMA undertook technical studies to determine technical features for the 5 national private numeric networks and opened the competition for their licensing. Avoiding domestic and international interference, and the fulfillment of the Republic of Albania coverage requirement were taken into account in setting out the technical features. AMA has developed the bylaws for licensing numeric networks after the transitional period in accordance with article 70 of Law No. 97/2013 and will start the public consultation phase within February 2016.

Technical decoder features. With Decision No.03 dated 04.02.2015, amended with Decision No. 38, dated 11.05.2015, AMA determined technical specifications of terrestrial numeric receivers in order to protect the end user. The specifications clearly set out terrestrial receiving equipment typology and specifications, so that only equipment compliant with the technical features of numeric networks for audiovisual broadcasting are distributed in the market.

The frequency coordination and notification process. The coordination on the use and optimization of frequencies with neighboring countries in line with the GE06 plan, is undertaken in accordance with ITU radio regulations and the GE06 agreement. The final recognition of technical broadcasting features (frequency, broadcasting point, broadcasting strength E.R.P) by neighboring countries and the ITU will be done after digital broadcasting has started in the Republic of Albania. This recognition methodology is used because interference could be caused in neighboring countries requiring a review of technical broadcasting features. After no interferences are present, final recognition by the relevant neighboring country and the ITU will be sought for the technical broadcasting features of each frequency (channel).

10.4 Coordination with the ART in fulfilling joint legal obligations in the analog to numeric broadcast switching process

- Determining requirements for and the number of broadcasted (free of charge) public programs and limited access programs.

In the last two years AMA has intensively intervened both in writing and during meetings held with ART management with regards to the finalization of this process. We would like to note that TVSH is still to submit Board of Directors approved content, as prescribed by legal provisions.

- Principles and requirements of contracts between TVSH and existing local private operators.

Preceding approval AMA has made a series of proposals and comments, which should be reflected in the draft contract regulating the local private operators use of ART networks use.

There is still no proposal on a draft contract preliminarily approved by the ART Board of Directors.

- Criteria for setting existing private analog operator tariffs to use the TVSH numeric network and setting tariffs for each category.

The strategy sets out a methodology for the calculation of existing analog operator tariffs to use the TVSH network. AMA has provided its assistance and suggestions on this issue in face to face meetings and the meetings of the Technical Secretariat. However, it is the competence of ART to set out tariffs for the services it will provide to existing analog operators, which will then be approved by AMA.

In 2015, ART proposed a series of tariffs that were not approved by the ART Board of Directors. However, these tariffs are high when considering research undertaken by AMA regarding the current tariff level for broadcasting infrastructure which is being used by local operators in the market.

This brings obstacles to the progress of the of switchover process of analogue broadcasting considering the fact that important local operators are obliged to start digital broadcasting.

In June 2015, AMA organized a consultation meeting with local and regional television operators focusing on main issues related to these operators using the TVSH network and on the estimation of relevant tariffs during the digitalization process. The consultation stressed the importance of a transparent process and in line with the Albanian legislation and the national strategy on switching from analog to numeric broadcasting, for a better and cost efficient product for the public.

The switch from analog to numeric broadcasting strategy has foreseen that the tariff to be paid by local analog operators when using the ART network, is to be determined based on the network development costs. According to an estimation of the relevant lines, the tariff to use the ART network resulted to be 2,880 Euro per month per allotment.

After a series of bilateral meetings between AMA and ART, the parties agreed to revise the tariff estimation methodology.

An agreement was reached for the estimation methodology to consider only those financial lines related to the maintenance of the numeric network and not those related to its development. This proposal was accepted by the Cross Institutional Committee for the implementation of the switch to numeric broadcasting Strategy.

As per the above, the ART Board approved in January 2016 the tariff for analog operators using the numeric network at the level of 1,073 Euro per month per allotment. In February

2016, AMA organized another series of consultation meetings with local and regional television operators, who again stressed their financial difficulties in affording the tariff to use the ART numeric network. Upon taking under consideration compliance with the legal and regulatory framework regarding the estimation methodology and the financial information provided by ART, AMA will publish its opinion on the approval of this tariff within February.

Public service contract (AMA - ART)

The public service contract will regulate many important ART activity aspects, as set forth in Law No. 97/2013. AMA has submitted its various proposals, changes and comments to be included in the ART proposed draft contract. In expectation of the finalization of the public consultation process and subsequent approval of the draft contract by the ART Board of Directors, AMA has developed a policy paper in relation to the assessment of the final draft.

One of the topics discussed in the joint meetings with ART in 2015 was the content selection to be provided by the public broadcaster through its platform. From AMA's point of view, the switch from analog to numeric broadcasting cannot be focused on only technical and technological aspects and arguments about cost related to other stations using the network. AMA believes that adequate attentions should be paid to the design and implementation of a series of channels meeting citizen needs, so the latter are provided more access and selection through the public broadcaster's platform and can fulfill their needs for information, education and entertainment free of charge. The final objective is to meet the two baseline features of content selection, which are quality and variety at the service of all groups of society, including ethnic minorities.

10.5 Vacating the Digital Dividend band

The 790 to 862 MHz band, known as the Digital Dividend 1 (channels 61 to 69), should have been vacated at the close of the analog broadcasting period, which according to legal provisions should have ended on 17 June 2015. This deadline being missed resulted in considerable anomalies in relation to electronic communication transmissions in neighboring countries, especially in Italy, which has filed continued grievances in relation to interference from Albanian audiovisual subjects in these bands. The development of ART's numeric networks and licensing of the national private numeric operators would lead to the vacating of channels being occupied by local/regional operators.

In the meantime, the subjects currently using the channels of the frequencies part of this band have been identified in the framework of frequency spectrum planning. AMA will coordinate with operators using this band and ART following up for each allotment the frequency migration process, in order to determine the timeframe for the complete vacating of the Digital Dividend 1 band.

The ART network development process and the coordination between AMA and ART on joint tasks in the framework of digitalization has faced challenges last year. Some of the issues that should have been addressed with more priority and that directly impact the progress of the process are the following

:

- Development of ART network development project and solution of incompliance of this project with AMA decisions and international audiovisual broadcasting standards determined by ITU.
- The setting of the tariff of use for local television operators, which has hampered the process progress. This is true because the conclusion of the digitalization process and vacating of the DD1 frequency band is not only in line with the finalization of ART numeric networks, but also with the stopping of analog television broadcasts. The transfer phase of local operators' analog broadcasts to ART numeric networks is a very delicate phase of the digitalization process, because in addition to ensuring the public right to information, it also entails technical and financial elements. The solution of these issues requires proactive coordination and approaches from all involved parties. Delays in determining this tariff have seriously hampered the coordination process that AMA has planned with local analog operators.
- ART delays have also been identified in relation to the public service contract development, which includes regulatory elements regulating important aspects of the digitalization process, such as number of programs to be broadcasted on one ART network, quality criteria for broadcasting, etc.
- Even though the development of ART networks is ongoing, AMA has not been informed on the works schedule setting forth the first allotments that will be ready of numeric broadcasting, and the finalization timeframes. This will considerably challenge the progress and efficiency for the public information campaign to be implemented based on a schedule directly related to the progress and finalization of the network for each allotment. This situation threatens timely public information on process features and measures to be taken to gain access to the new numeric broadcasts. At the time of this report, AMA is still to be informed on the first allotments, and where and when the numeric broadcasts will start, which would in turn dictate the start of the public information campaign.

Vacating of the DD1 band by operators experienced in numeric broadcasting is directly related with the migration of their broadcasts to the frequencies assigned by AMA in their

licensing documentation. As addressed above, the licensing process for national private operators and operators with experience in numeric broadcasting is not complete.

10.6 Digital Dividend 2 administration

Upon initiative of the State Ministry for Innovation and Public Administration and with the participation of AMA, EPCA and other stakeholders in the audiovisual broadcasting and telecommunications market, a series of meetings were held in 2015 to address the administration of the second Digital Dividend band. AMA's main arguments and suggestions on the administration of this band were the following:

- Frequencies for the licensing of national audiovisual operator networks and those of operators with experience in numeric broadcasting have been assigned by AMA in compliance with the legal framework in force:
 - Law No. 97/2013 "On audiovisual media in the Republic of Albania";
 - DCM No. 292, dated 2.05.2012 "On approving the switch from analog to numeric broadcasting strategy" (The Strategy);
 - DCM No. 466, dated 27.02.2013 "On approving the National Frequency Plan" (The National Frequency Plan);
 - Final acts of the Regional Radiocommunications Conference (RRC 06), ratified by the Albanian Parliament with Law No. 9851, dated 26.12.2007;
 - Regulation on licensing national private numeric networks through the Beauty Contest procedure.
- The Digital Dividend 2 Band frequencies impact all national networks to be licensed and that will be developed by national private operators and operators with experience in numeric broadcasting and are also in line with the frequencies assigned for the development of networks by local and regional operators.
- Taking under consideration the audiovisual media market in the country, composed of 70 local operators, two national operators and 3 numeric platforms, and when compared to the population number of the country, the number of operators is higher than in other regional countries. This indicates that Albanian consumer demands for audiovisual services are high.

Even with the development of audiovisual broadcasting through cable networks and online in recent years, the infrastructure of current audiovisual operators and the platform accessed by the majority of the viewers is terrestrial broadcasting.

- In addition, fast technological changes in the audiovisual media field have been followed by millions of Euros invested by audiovisual operators. It is the duty of state institutions to protect these investments in the framework of the benefits they

provide to the Albanian public and state.

- The timeframe of the licenses for terrestrial numeric networks have been determined in the framework of these investments and national licenses are granted for 15 years, while local licenses for 8 years. In addition to these timeframes having been decided based on the experience of the majority of European countries, they also take into account economic and financial factors related to the development of numeric networks, while guaranteeing the necessary time for investment return.
- The solutions provided for vacating the DD1 band as soon as possible and that are supported by all the stakeholders involved in the process, are in contradiction with the implementation to vacate DD2 in the short and even midterm.
- As regards discussions on the use of the DD2 band, we are of the opinion that more in depth research and analysis by all the institutions involved in this process are necessary. The research should focus on the demand in the audiovisual media market and the electronic communications market (mobile telephony operators). In addition, an in-depth analysis on the technology development trend in the audiovisual media and electronic communications fields are also necessary, in order to adequately assess the demand for the use of this band.
- This research and these analyses should focus on guaranteeing and protecting audiovisual services in the framework of protecting cultural and national values broadcasted to the public by audiovisual media, and guaranteeing the protection of investments undertaken by the audiovisual media operators in the framework of their networks and services digitalization.

10.7 Public information campaign and coordination with audiovisual operators

In accordance with Law No. 97/2013 “On audiovisual media in the Republic of Albania”, the Switch from Analog to Numeric Broadcasting Strategy, and the Action Plan on the implementation of this Strategy, AMA was engaged in the development of the public and audiovisual market stakeholder information campaign on the switching methodology to numeric broadcasting.

In this context, AMA has developed a series of tools to inform audiovisual operators about the regulatory framework and the public on the process of switching to numeric broadcasting, to communicate to both public and the operators the start and progress of the process, the coverage spread schedule in the country, and any issues that might be encountered during the process.

AMA has foreseen these communication methods for the digitalization process:

- Television spots
- Brochures
- Leaflets
- Call center structure
- Meetings with MSPs – 1 national and 3 regional
- Television programs, publications, columns, etc.

Audio and Audiovisual Spots

During 2015, AMA realized three audiovisual informative spots for public awareness, broadcasting of which, will be launched before the analogue broadcasting stops. These spots contain visual information regarding digitalization process, including the technology that is going to be used, decoders’ characteristics and their ways of installation and distribution scheme for families in need.



STRENGTHENING THE TRANSPARENCY AND ACCOUNTABILITY

11.

11.1 Transparency compliant communication strategy

The Authority considers the communication strategy to be a concrete method to build and develop transparency in its institutional work. In this context, the Authority is committed to update and enhance the efficiency of all communication channels in use.

The information published in detail on AMA's website www.ama.gov.al aimed at providing transparency on the work of the Authority and to enhance compliance with the law and its Institutional Image. AMA's official website is designed to provide clear information to the public, which is easily understood and fulfilling not only requirements stemming from the law, but also improving daily work as a result of good coordination and clear information provided to the stakeholders. Another important element of this strategy was to the establishment of dedicated and easily accessible communication channels.

The engagement of the Authority in enhancing transparency and institutional image was made more concrete in September with the signing of the cooperation agreement with the Commissioner for the Right to Information and Data Protection in the framework of the development and review of transparency programs, development of audiovisual media code(s), and awareness raising regarding the protection of personal information in media reporting.

The approach of the Authority to newspapers, media newsrooms, etc. was part of the communication strategy in 2015, and the Authority has invested in cooperation relations to develop an independent, pluralist, and professional media. The cooperation agreement with the Media Council to use the archives was one of the steps taken towards information exchange between parties and building connection bridges.

The Authority considers its relations with stakeholders in Kosovo an integral part of the communication strategy. In this context AMA has become engaged in cooperation relations with IMC to manage frequencies, to regulate program content related issues,

to exchange information on the development and implementation of the audiovisual communications regulatory framework, to protect broadcast rights and copyrights, and to exchange information on various operators broadcasting in the Republic of Albania and the Republic of Kosovo.

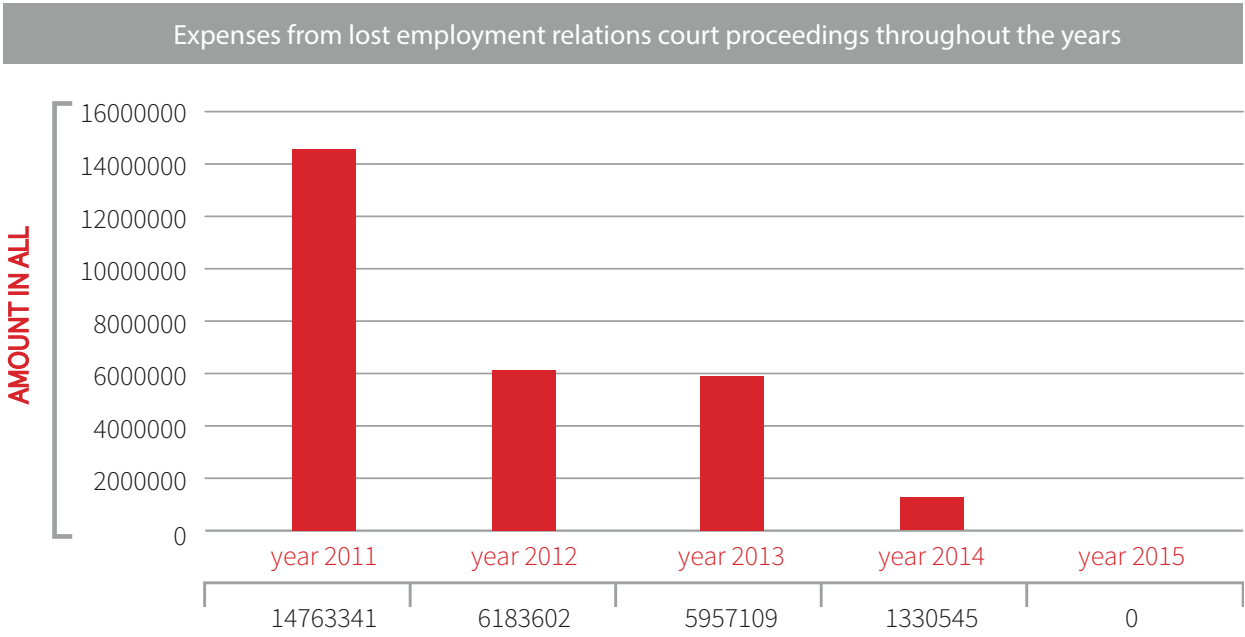
11.2 Human Resources performance management

Considering human resources management, a fundamental element for the development of a professional, sustainable, efficient, and accountable civil service, AMA has aimed at improving and harmonizing the human resources management and administrative system with the best European media field standards and practices.

Further improvement of AMA’s administration performance has been a continued objective of the Authority’s work. AMA has aimed to retain and recruit civil servants that can overcome challenges and processes stemming from technological development and can meet legal standards and practices. AMA’s Human Resources Directorate has organized and led the work for full compliance with the civil service legislation, by enhancing the merit principle in recruiting, increasing mobility, career development within the civil service, and improvement of the staff training system.

Taking into account poor Human Resources management within AMA and infringements of the civil servant law in previous periods, which translated into economic damages in the current period as shown in the tables below, the Authority has considered legal compliance and efficiency in managing human resources to be its main objective in 2015.

Amount in ALL	2011	2012	2013	2014	2015
Expenses from lost employment relations court proceedings throughout the years	14,763,341	6,183,602	5,957,109	1,330,545	-



AMA staff necessitated training regarding fulfillment of its functions as an audiovisual activity supervisory and regulatory authority, and the strengthening of the integrity and independence of the Authority in line with European media and legislation compliance control policy and development standards. The training process was managed by clearly identifying staff training needs, based on challenges identified during daily activities. Training was implemented in various formats, starting from direct training within the institution, in job training, trainings developed by the Albanian School of Public Administration (ASPA), and even experience exchange with international organizations. ASPA trained a total of 9 employees in 2015.

In addition, with the assistance of a foreign expert, AMA organized in September a training module on “Institutional Motivation and Behavior” where 22 of its employees participated and were trained in relation t ethics, motivation in the work environment, ethics and institutional behavior, performance improvement during their functional duties, etc.

Engaging employees in all institutional objectives, informing them in institutional activities, exchanging ideas and best practices with each other, serve as the main pillars to enhance the individual performance of each employee and institutional performance. Thus, to enhance work quality and for employees to improve and develop their professional skills, AMA organized a workshop in October with the participation of the entire staff aimed at a more detailed and professional work process division, setting objectives for each unit, deciding on reporting lines, setting timeframes and discussing thoughts and experiences related to future challenges AMA is expected to face.

AMA also provides for students who have graduated or are in the process a learning internship, aimed to provide a practical point of view and professional growth. Their academic education and then the learning practice provided by AMA would increase their chances of speedy employment, and would allow them to be better prepared for their work and their interest in research. These learning internships are managed in cooperation with the public universities of Tirana and Kosovo, and the Faculty of Journalism that has a cooperation agreement with AMA.

11.3 Work environment

As regards the work space currently used by AMA, DCM No. 468 dated 03.06.2015, set forth the transfer of administration responsibilities for the ground, first, and second floor of the building called “Atelier for the Radio and Television décor” from the Albanian Radio and Television to the Audiovisual Media Authority, and has revoked administration responsibilities for the administration of the fourth and fifth floor of the former Drini Hotel building.





FINANCIAL INDICATORS AND RESOURCE MANAGEMENT

12.

12.1 Use of financial resources

Considering financial autonomy as one of the key elements for the Authority’s good governance from both functionality improvement and enhancement of institutional independence points of view, the AMA administration mainly focused on improving to use of financial resources, and on following up the commitments made by the Authority to supervisory organizations at the end of 2014.

This focus produced the Authority’s communication strategy with audiovisual service providers, intensifying official correspondence and notifications on law implementation, execution of financial obligations and respecting legal deadlines for these executions. Another important component of the strategy was enhancing transparency and accountability in relation to addressing issues stemming from infringement of legal provisions. Another important link was structuring and formalizing the follow up of the revenue collection process by the relevant AMA administration unit. This considerably improved use of resources and increased the revenue inflow rate.

The following table shows the realization of the “Revenue from financial obligations” line for the 2011 to 2015 period. It can be noted that the revenue inflow rate for 2015 is 80% higher and twice as much than the average revenue inflow rate for the 2011 to 2013 period, which was 39%. In addition, the data clearly show the inflow rate growth trend, which is in full compliance with the commitment of the Authority at the end of 2014 to increase compliance with the law on financial obligations execution within the determined timeframe.

TABLE OF REVENUE COLLECTION FROM MSP FINANCIAL OBLIGATIONS

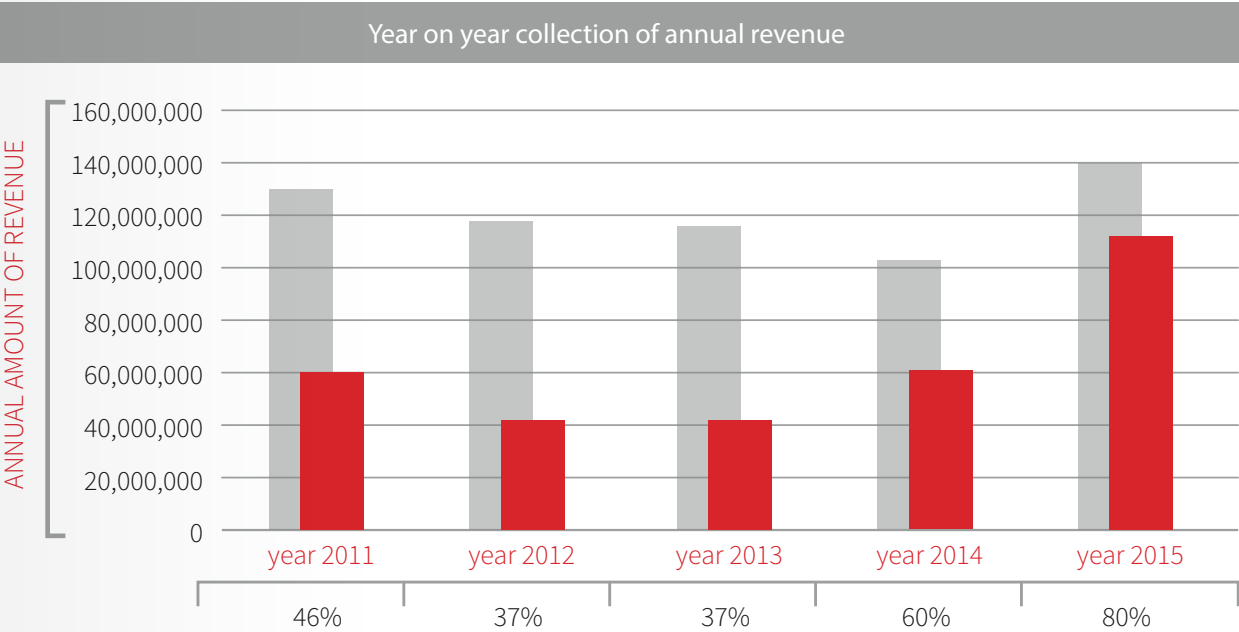
Year on year collection of annual revenue	2011	2012	2013	2014	2015
Amount of annual revenue	131,455,318	118,061,085	116,958,810	102,413,197	140,277,514
Collected annual revenue	60,363,439	43,291,430	42,899,741	61,525,629	111,769,232
Realization in %	46%	37%	37%	60%	80%

12.2 Financial resources management

In 2015, the Authority has managed financial resources in line with the forecasts budgeted at the beginning of the year and reviewed for the second half of the year, in order to better reflect functionality improvements in accordance with legal functions. Compared to previous years, the Authority has considerably increasingly focused on its supporting and stimulating role in relation to research in the audiovisual market, and the challenges that will be brought about by the digitalization process in Albania. The Authority is fully aware of its responsibilities in regulating this market and the important role in the digitalization process determined by the national strategy. To this end the Authority decided to prioritize financial resources management, implementation of projects planned in the digitalization process and national strategy frameworks.

Another priority in financial resources management, was the improvement of the institutional image through membership in audiovisual regulatory organizations, and participation in conferences and roundtables. Budgeting,in the context of financial resources management, was also focused on the organization of training sessions and workshops in order to enhance technical knowledge and build staff capacities.

GRAPHICAL REPRESENTATION OF MSP FINANCIAL OBLIGATIONS COLLECTED AS REVENUE



12.3 Financial statements

ACCOUNTING BALANCE ON 31 DECEMBER 2014 AND 31 DECEMBER 2015		
	(në Lek)	
ACTIVES	31.12.2015	31.12.2014
I. Total of short term actives	385,826,039	344,347,540
-Inventory Situation	2,582,335	2,098,503
- Collection requests to third parties	302,138,821	302,342,284
• Licensing	72,043,762	97,231,993
• Radio and Television service tariff	12,436,424	8,748,959
• Sanctions (Fines)	216,650,608	196,361,332
• Late fees	1,008,027	-
- Other	191,782	197,889
- Coffers and Bank	80,913,101	39,708,864
II. Total of Long Term Actives	19,897,564	20,465,939
Unimplemented sustainable actives	3,798,277	90,000
Net sustainable actives	16,099,287	20,375,939
III. Total of Actives	405,723,603	364,813,479
IV. Baseline funds	197,709,647	212,924,734
V. Annual operations result	(123,250,627)	(15,215,087)
VI. Obligations to third parties	331,264,583	167,103,832
• Obligations to clients	218,937,286	167,103,832
• Obligations to suppliers	67,590	-
• Obligations to the state for taxes and contributions	911,137	-
• Obligations to creditors for previous years	111,348,570	-
VII. Passive total	405,723,603	364,813,479

TABLE OF REVENUE AND EXPENSE FOR THE 2014 – 2015 PERIOD			
		(in ALL)	
No.	Title	Year 2015	Year 2014
A	Actual revenue of the period	151,734,678	125,674,955
1	licensing/authorizations revenue	132,362,046	108,643,403
2	Revenue as taxation agent	865,594	846,475
4	Administrative processing revenue	3,720,000	2,060,000
5	Bank interest income	185,796	104,987
6	Other revenue from fines, late fees	14,601,242	14,020,090
B	Administrative expenses	192,196,676	67,860,095
1	Operational expenses	10,450,671	6,593,378
2	Staff expenses	59,705,639	56,218,621
3	Local taxes	11,770	0
4	Legal expenses	122,028,596	5,048,096
C	AMA functional activity expenses	14,540,828	4,634,761
1	Conferences and market research	2,622,134	-
2	Membership fees and representation expenses	5,981,894	4,634,761
3	Digitalization process expenses	5,936,800	-
D	Exceptional expenses	50,600,500	60,869,812
1	Fine revocation	40,120,000	400,000
2	License/authorization revocation	10,480,500	60,469,812
E	Depreciation of implemented actives	16,528,633	7,525,375
F	Transfers for foreign organizations	1,118,667	-
G	Financial bottom line	(123,250,626)	(15,215,088)

1. The “Exceptional expenses” line includes loses from revocation of unexecuted fines from previous years and loses from debtors the license/authorization of which has been revoked or is no longer valid as a result of an AMA/National Radio Television Council (NRTC).
2. In 2014, AMA decisions no. 18, 20 – 23, dated 17.12.2014, have revoked a series of sanctions, and financial obligations of debtors the licenses of which have been revoked by AMA/NRTC in previous years, have also been accounted as losses.
3. In 2015, with Decision No. 68, dated 10.07.2015, AMA revoked fines, which in line with legal deadlines must be written off for as long as their execution has not been enforced within the legal deadlines. In addition, with AMA decisions No. 47 – 52, dated 11.06.2015, the licenses and authorizations of some debtor subjects have become invalid.
4. The “Legal expenses” line includes court proceedings from previous years, translated into executive titles in 2015. The amounts for these expenses are 2,901.940 ALL for 2011, 117,188,278 ALL for 2013 (obligation to Media+ Shijak TV), and 775,281 ALL for 2014 respectively.

12.4 Subject financial indicators

In compliance with paragraph 1/g of article 33 of Law No. 97/2013 “On audiovisual media in the Republic of Albania”, and Law No. 9901, dated 14.04.2008 “On merchants and trade associations”, AMAinformed radio and television subject active in 2014 on the legal obligation to submit annual financial statements developed in line with the legislation on accounting and confirmed by the posting date and number.

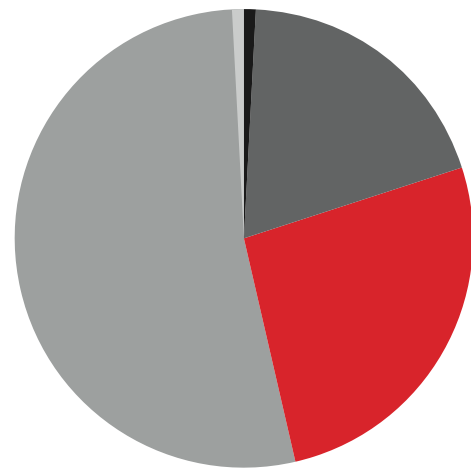
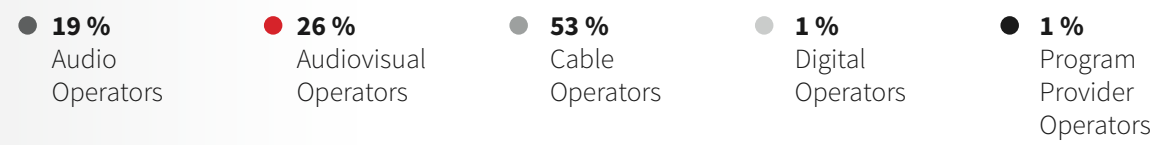
At the end of 2015, out of the 255 operators active in 2014, financial statements were submitted by 183 operators or 71% of the operators.

Financial statements were filed by 45 radio operators, 50 television operators, 84 cable television operators, 3 numeric television operators, and 1 content provider operator.

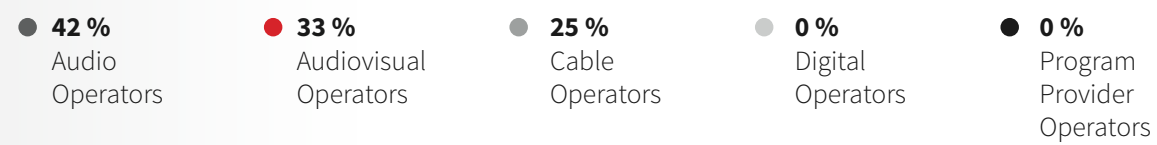
The financial situation of the operators that filed their financial statements is shown in the following table and graphs:

No.	TITLE	Profitable operators	Breakeven Operators	Receding operators
1	Radio	26	2	17
2	Audiovisual	35	2	13
3	Cable Television	72	2	10
4	Numeric	2	1	0
5	Content Providers	1	-	-
	Total	136	7	40

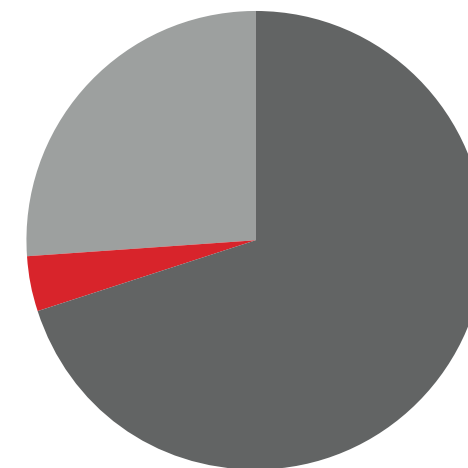
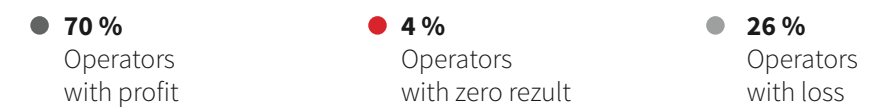
Dispersion of profitable operators



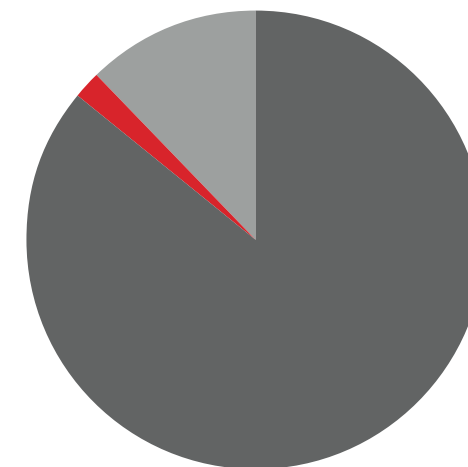
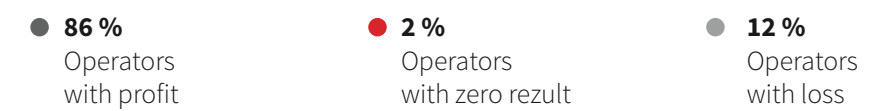
Dispersion of receding operators



Dispersion of audiovisual operators



Dispersion of cable operators



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