

Private sector investment and public sector support for the media in Sierra Leone: A binding constraints analysis

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1. Introduction

This Binding Constraints Analysis is part of the process of building a business case for private sector investment and public sector support for the media in Sierra Leone. Informed by the findings of the State of the Media report, this analysis is aimed at presenting an overview of the risks, challenges, opportunities and benefits of investing in the media in Sierra Leone. The analysis is expected to serve as the main discussion paper for the National Media Viability and Investment Forum.

Since the end of the war in 2002, the media and communication sector in Sierra Leone has seen significant diversification and decentralisation. There are currently more than 500 registered media institutions in the country, comprising newspapers and magazines, radio, television and Direct to Home (DTH) services¹.

Media institutions are divided into: radio (174 active and 38 inactive); television and digital satellite services (17 active and 7 inactive); newspapers (123 active and 107 inactive); and magazines (10 active and 14 inactive).² Radio and television stations are further categorised as public service, commercial, community, and religious institutions.³

2. Perceived needs and priorities and potential solutions for the media industry

2.1. Perceived needs

- Stable electricity supply
- Print and broadcast media equipment/logistics (transmitters, printing presses, newsprint, computers, sound-recorders, cameras, microphones etc.)
- Better conditions of service (payment of staff salaries and other social security schemes)
- Capacity-building: training for all categories of staff and investment in technical training
- Digital transformation
- Transparency of ownership
- Support for community media
- Market research to inform content generation and production
- Independent producers for broadcast media institutions
- Private sector partnership and investment
- Press freedom

1 Data extracted from the List of Registered Media Institutions in Sierra Leone

2 Independent Media Commission Sierra Leone IMC-SL Media Watch February 2022, Vol.7 No 1 and IMC's submission to the Technical Committee of the Media Investment Conference, Organized by the Ministry Of Information and Communications and National Media Organizations and the BBC Media Action

3 PART VI (A and B) of the IMC Act 2020

2.2. Priorities

- Sustainable electricity (renewable energy, solar power etc)
- Media equipment, transmitters, mixers, printing presses and printing materials etc.
- Structured media governance, management and policies in line with international best practice
- Better conditions of service, including clear policies in relation to annual leave, particularly for female journalists
- Capacity-building: training workshops/seminars/special scholarship schemes for journalists, training for all categories of staff, investment in technical training
- Private sector investment in the media
- Gender parity in the media
- Clear advertising policies
- Market research and an Audit Bureau of Circulation to inform content generation and production and to generate feedback
- Digital transformation

2.3. Potential solutions

- Strong political will to enhance investments in the media
- The Government should allocate at least 3% of the annual national budget to media investment and development
- Develop and implement the Digital Migration Policy
- Provide access to standard digital broadcasting and printing equipment
- Tax incentives to the media and support to community radio
- Reduced taxation for importing modern media equipment
- Establishment of governance/management structures
- Mergers and alliances between media institutions
- More space for media investment and development by promoting media freedom, improving the enabling environment and reviewing laws that act as barriers to media investment
- National media organisations should partner with educational institutions to build the capacity of their staff. This should also include scholarship schemes for the media from both the government and the private sector.
- The Government and development partners should provide and encourage scholarship and training programmes for journalists. They should improve the capacity of media personnel through trainings on national laws, media laws, codes of ethics, reporting skills and techniques and computer education.
- The Ministry of Tertiary and Higher Education (M.T.H.E) should ensure there is an annual quota for grant-in-aid for media practitioners to study in universities/colleges.
- Regular seminars/training workshops and peer exchange programmes for media persons should be provided by IMC, MRCG, BBC Media Action, etc.
- Private sector investment: partnerships should be established with stakeholders for institutional support.
- Applications should be made for potential grants
- Mainstreaming gender/ gender policy for the media

- Promote community ownership and solicit contributions from institutions and individuals in target communities
- Local councils should support radio stations from their own budgets
- Project writing and resource mobilisation should be initiated

3. Overview of the risk and challenges of investing in the media in Sierra Leone

3.1. Legal framework

There are various laws used to regulate the media in Sierra Leone, ranging from constitutional provisions to statutes and codes. These include:

- The Constitution of Sierra Leone (1991)
- The Independent Media Commission (IMC) Act (2020),
- The Defamation Ordinance (1961)
- The Media Code of Practice
- The Sierra Leone Association of Journalists (SLAJ) Code of Ethics

There are no specific laws or policy regulating the advertising market (e.g. advertising laws, particularly in relation to government advertising), nor are there options for statutory market regulation (through, for instance, the IMC).

The Undesirable Advertisement Ordinance, Cap 114 in the Laws of Sierra Leone (1960) deals with the “prohibition of advertisements relating to certain diseases (Section 3); restriction of advertisements of patent or proprietary medicine (Section 4); disclosure of composition of medicines (Section 5); prohibition of advertisements relating to abortion (Section 6) and penalties (Section 7)”. These provisions share similarities with sections of the Pharmacy and Drugs Act 2001 (Section 35: Control of publication of descriptive matter).

Section 4 of the IMC Code of Practice 2007 deals with advertising, but mainly outlines the rules and regulations for the production, broadcast and publication of advertising contents. There are few provisions relating to policy issues for the sector under the chapter entitled “Implementation Strategies”. The document gives responsibility for implementing the Code of Practice to the IMC, “stipulating the standards of training to be attained by those who wish to engage in advertising practice” and “ensuring prompt payment for all advertisements”.

3.2. Lack of credible tools for measuring audiences and securing return on investment

There are no tools and systems for credible audience measurement and potential return on investment. There are, however, two key studies that have been conducted by BBC Media Action and the Fondation Hirondelle with data on audiences and their preferred media outlets.

3.3. Models of media ownership

The types of ownership of media institutions are outlined in the IMC Act (2020). They are:

- A corporate body established by an Act of Parliament or registered under Act No. 5 of the Companies Act (2009);
- A partnership registered under the Partnership Act (1890).
- Sole proprietorship.⁴

Regarding radio ownership, data shows that four are partnerships, 189 are companies, 12 are sole proprietors and seven are corporate bodies (established by Act of Parliament and comprising SLBC radio and its stations in the regions).

For local television ownership, there are no partnerships or sole proprietors while 18 are companies and five are corporate bodies established by an Act of Parliament (SLBC).

3.4. Overall size of the economy of Sierra Leone

Real GDP declined by -1.8 percent in FY2020 from 5.0 percent of GDP in FY2019 as a result of the COVID-19 pandemic. However, it is estimated that real GDP will recover to a level of 2.2 percent in FY2021 due to the resumption of iron ore mining and recovery in agriculture, manufacturing, trade, transport and services. Furthermore, real GDP is expected to grow by 3.4 percent in FY2022 and is projected to increase by an average of 4.4 percent during FY2023 and FY2024.

The FY2022 Budget seeks to continue ensuring the completion of ongoing infrastructure projects in roads, energy, water supply, and ICT among others. The objective is to improve the competitiveness of the economy and create job opportunities.

The state budget allocated for FY2022 to enhance ICT is Le39.8 billion, of which staff salaries account for Le26.4 billion. The allocation also includes Le9.4 billion from the domestic capital budget to support the implementation of several projects in the ICT sector, including the National Fibre Optic Backbone; the operationalisation and expansion of the e-government platform; and support to community radio stations.

3.5. Risks and challenges for investors

RISKS				
	ECONOMIC	POLITICAL/LEGAL	SOCIAL/CULTURAL	OPERATIONAL
HIGH	Limited market Global/regional shock/recession Unsustainable power supply High taxation Low income generation/profit	Lack of a national information and media policy The legal and regulatory framework with specific reference to advertising Lack of a policy on cross and		Unsustainable power supply High taxation Climatic conditions (thunder, lightning etc.) Weak accountability systems and processes

⁴ Sections 24(2) and 29 (2) of the IMC Act 2020

		multimedia ownership (points-based system) High taxation		Weak distribution systems for newspapers Relay/links/rebroadcast and line of sites, co-location facilities Availability of trained and qualified personnel Lack of data, research and audience surveys
MEDIUM		Political interference/instability Safety and security issues for journalists Availability of, access to and allocation of frequencies	Few women in leadership positions in the media Few people with disabilities (PWDs) practising as journalists	Availability of, access to and allocation of frequencies Security of media infrastructure
LOW	Unhealthy competition		Cultural and traditional barriers Community reception, acceptance and conflict	Land acquisition Geographical location

CHALLENGES FOR INVESTMENT			
ECONOMIC	PROFESSIONAL	OPERATIONAL	LEGAL/POLITICAL
Limited/no availability of electricity supply	Poor governance and management of media institutions	Substandard, old and obsolete equipment	Weak policies on media investment
Limited advertising	Untrained and unqualified personnel	High cost of broadcast and printing materials	Bureaucracy in business registration and processes
High taxation (NATCOM, IMC, NRA, local councils)	Vendor interference in content production	Distribution of newspapers: no kiosks for suppliers	High taxation (NATCOM, IMC, NRA, local councils)
Lack of access to finance	Unprofessional and unethical practices	Proliferation of media houses	Politicisation of media houses

CHALLENGES FOR INVESTMENT			
ECONOMIC	PROFESSIONAL	OPERATIONAL	LEGAL/POLITICAL
Limited size of the business community	Availability of trained staff	Social media: a challenge to mainstream media	Lack of community interest
Unhealthy competition in the market	Poor conditions of service (staff retention)	Poor internet connectivity	Lack of frequencies
Market suitability	Board of Directors past their mandate	Customs and traditions	Security for media infrastructure
Low revenue base	Male-dominated media community	Poor road network	
Media inability to attract investors	Lack of proper transparency and accountability	Limited media coverage	
		Low technical experts	
		Access to information	
		Board of Directors past their mandate	
		Lack of frequencies	
		Limited and centralised distribution of newspapers	
		Security for media infrastructure	

4. Possible opportunities and benefits linked to investing in the media in Sierra Leone

4.1. Opportunities

- Investment in modern digital printing press and materials (newsprint, foil and ink etc.)
- Investment in green energy
- Building infrastructure
- Modern broadcast equipment
- Training of broadcast and print technicians
- Programme production
- Establishment of media institutions (infrastructure)
- Diversification of media (online platforms)
- Installation of repeater stations

- Investment in warehouses for broadcast and newspaper equipment
- Digital migration
- Security for critical national media infrastructure

4.2. Benefits

- Profit maximisation/financial returns: turnover, income generation (investor)
- Promoting business interests (brand advertising)
- Enhancing effective performance/ output
- Power influence, satisfaction, control of public opinion
- Promoting good governance, peace and accountability
- Fulfilling a professional ambition
- Bringing projects to fruition
- Public good
- New partnerships and contacts
- Institutional recognition and acceptance
- Promoting national cohesion

The following issues which will be discussed at the conference could be key to improving media viability:

- Public subsidies
- Tax incentives (including incentives for operators serving remote and economically challenged communities)
- Private sector investment
- New business models for media in Sierra Leone, including public-private partnerships
- New revenue-generating models that are practicable in the Sierra Leonean context
- A national fund for public interest media
- Alternative funding models for the national broadcaster
- Options for statutory market regulation (through the IMC)
- Strategic positioning for donor funding

5. Conclusion

The Binding Constraints Analysis has surfaced a range of useful information that offers an overview of the risks, challenges, opportunities and benefits associated with investing in the media in Sierra Leone. The analysis has underscored the enduring need for investment in the sector.