



media  
development  
investment  
fund

A photograph of a man in a red shirt wearing headphones and smiling in a radio studio. He is positioned in front of a professional microphone with a yellow foam cover. The background shows a window with a view of buildings.

# Impact Dashboard 2019

04 Executive  
**summary**

06 Mission  
**statement**

08 Dashboard  
**introduction**

12 Current  
**portfolio**

16 Impact on client  
**business**

18 Reach

22 Revenues

26 Viability

34 Client evaluation of impact

36 Client impact  
**on society**

38 Corruption and accountability

44 Social issues

48 Elections



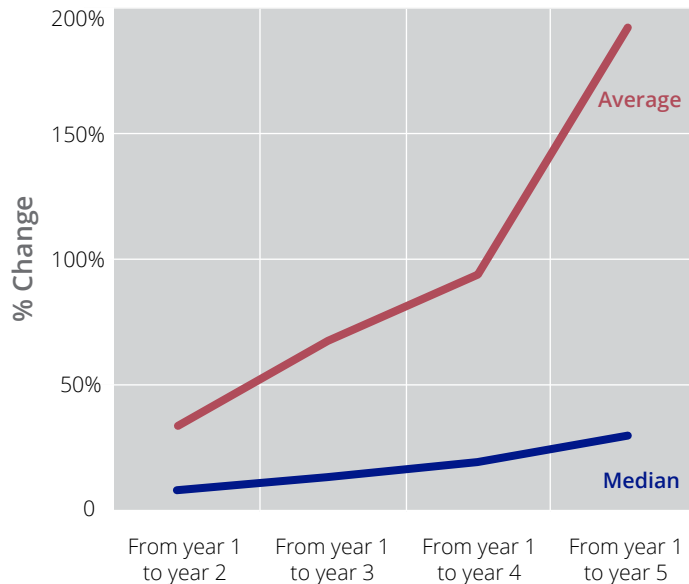
# Executive summary

## Impact on client business

### Client reach

In 2018, **92.5 million** people received their news from MDIF clients, **51.9 million** online and **40.6 million** through traditional media. After five years of working with MDIF, client reach increased on average by **191.1%** (a median of 33.2%).

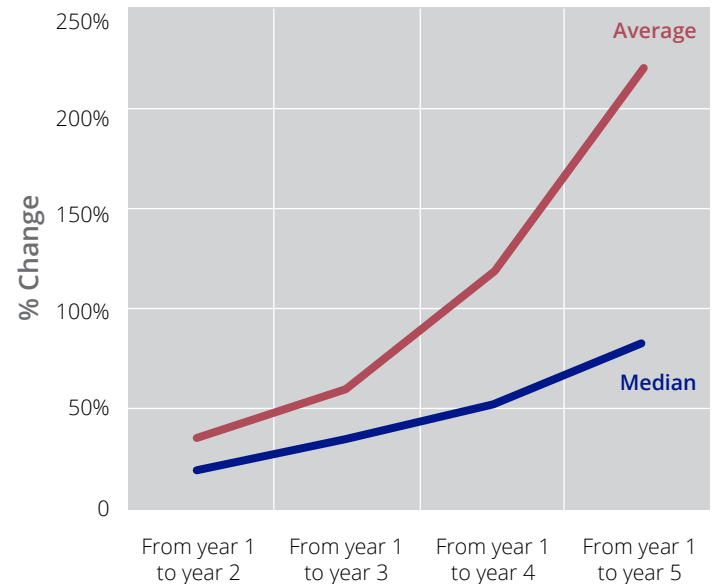
Change in client reach from first year with MDIF



### Client revenues

In 2018, MDIF clients generated **\$355.2 million** in revenues, with each dollar invested by MDIF leveraging **\$5.97** in client revenues. After five years of working with MDIF, clients increased their revenues by **218.3%** on average (a median of 80.1%).

Change in client revenues from first year with MDIF



# Client viability

In 2018, **76.7%** of MDIF loan clients were classified as having low or moderate risk. The median risk rating of our loan portfolio was **5.65**, squarely within the moderate risk range and consistent with previous years.

# Client evaluation of impact

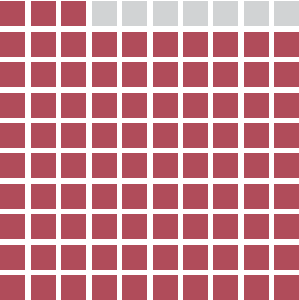
In 2018, **70.4%** of MDIF clients agreed or strongly agreed that there had been positive changes in their company because of their involvement with MDIF. **82.4%** of those who received capacity building support that year agreed or strongly agreed that there had been positive changes in their company because of that intervention.

# Client impact on society

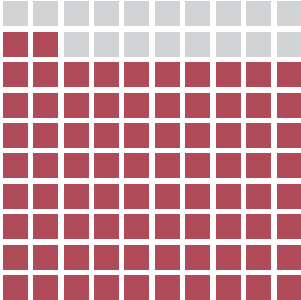
---

## Corruption, accountability, social issues and elections

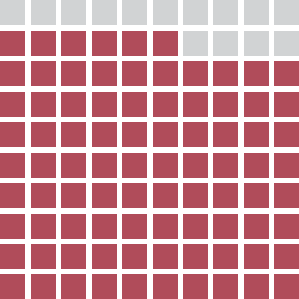
In 2018, **100%** of our clients asserted that their reporting on at least one of the topics we gather data on—corruption, accountability, social issues and elections—created impact that brought about transformative changes to their communities.



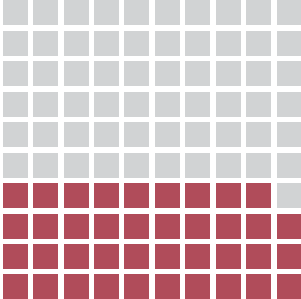
**92.9%**  
of MDIF clients in 2018  
published corruption  
stories that created  
impact



**82.1%**  
of MDIF clients  
in 2018 published  
accountability stories  
that created impact



**85.7%**  
of MDIF clients in 2018  
published social issues  
stories that created  
impact



**39.3%**  
of MDIF clients in 2018  
published election stories  
that created impact

# Mission statement

Media Development Investment Fund (MDIF) invests in independent media around the world providing the news, information and debate that people need to build free, thriving societies.

## Why we are here

Timely, accurate, relevant information is critical to free societies. It enables fuller participation in public life, holds the powerful to account and protects the rights of the individual.

## How we choose clients and areas of operations

MDIF invests in independent media companies in a range of countries where access to free and independent media is under threat. Clients are selected based on three broad criteria: mission impact in relation to investment; potential for long-term viability; editorial integrity.

## How we work

MDIF financial investments include affordable loans, equity investments, loan guarantees and technical assistance grants. MDIF mobilizes other investors to maximize the impact of its financing. MDIF seeks to establish long-term relationships with its clients, which may involve advice and assistance in business planning, media management and other technical support.

## Providing access to capital

MDIF clients are starved of capital because they work in environments with poorly developed banking systems, distorted markets and unfavorable investment climates. Often, they work in transition economies or under governments that are hostile to the idea of free and independent media.

In all cases, a lack of funds is the main obstacle to their growth and development and seriously hampers their ability to be commercially viable and self-sustaining.

## The changing landscape of media and investment

In the last decade, a technological revolution has transformed the media business and the way people access news and information across the world.

MDIF continues to actively seek new clients around the world with innovative ideas for expanding the availability of independently produced information for future investments.



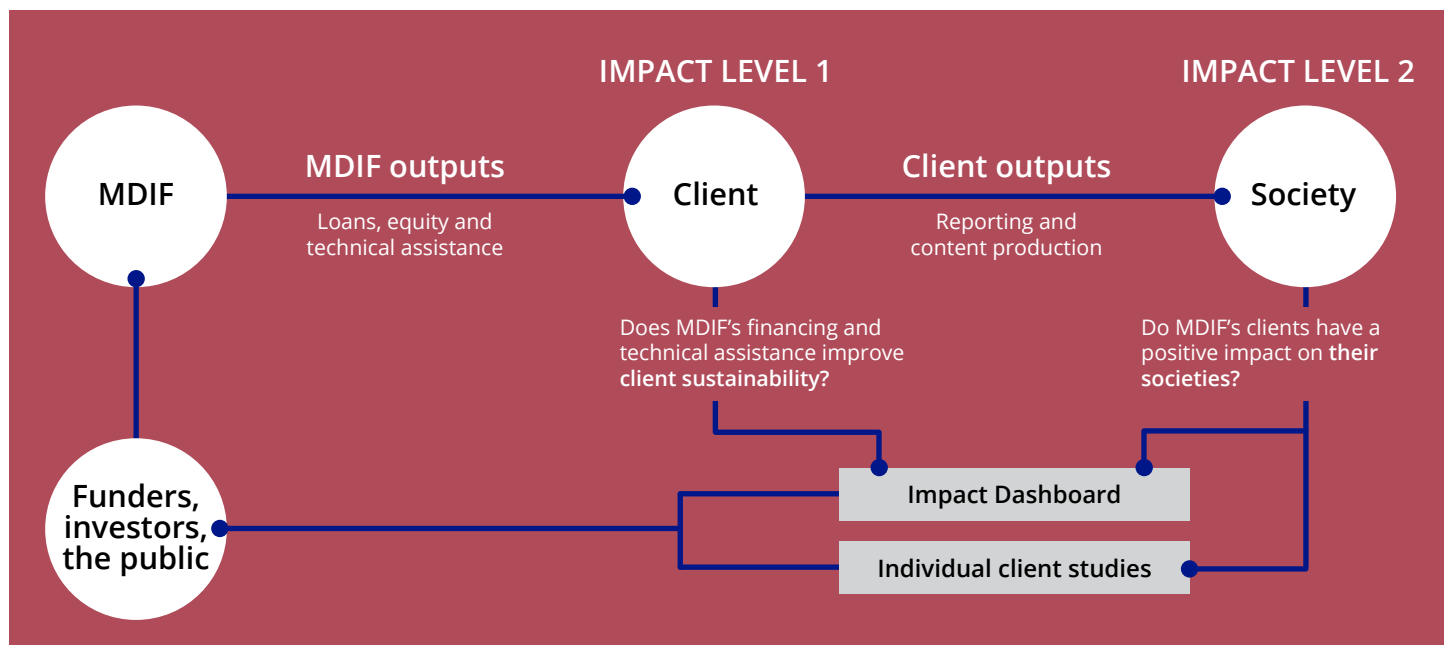
Photo: Hashtag Our Stories

# Dashboard introduction

At MDIF, impact assessment is a critical part of our work. Since 2005, we have published our Impact Dashboard to publicly present the findings of our annual analysis. The Dashboard provides numerical and narrative information on MDIF's impact results, including both longitudinal analysis of changes across our portfolio and contemporaneous examples of our clients' performance from the previous year. We focus our impact assessment efforts on two areas: direct impact of our investment on clients and our clients' impacts on their societies.

First, to explore the extent to which our support **impacts on client businesses**, we evaluate how a given media company's **reach, revenues and viability** evolve over the course of their involvement with MDIF. Although we view our investment as a contributor to, not the sole cause of our clients' growth, the collected data allows us to monitor performance of the companies we support and helps us make more informed decisions around our portfolio. For the first time, this year we also present client **evaluation of impact**. Based on survey results, we hear directly from

## MDIF's approach to impact assessment





supported media organisations about the changes their businesses have experienced, including their evaluation of the extent to which MDIF financing and technical assistance has impacted on their companies.

Second, we assess the extent to which the independent media supported by MDIF **impact on their societies**. To do this we first look at their **reporting on corruption** and **accountability**. We also monitor our clients' efforts to provide reliable information and shine a light on **social issues** that impact people's lives but are often under-reported, like the environment, gender, minorities, immigration and LGBT. Additionally, to show how our clients encourage democratic participation, we examine their **election reporting**. With the information presented, we hope to convey the societal value of journalistic work of media companies we support. On a broader level, we simply want to inform the public about why journalism matters and why it has critical civic importance. Again, we are very careful not to attribute causality unduly – we view our clients' work as only partly responsible for changes that occur in their communities.

We combine various data sources in order to get the most accurate picture of our and our clients' impact, with much of the data coming directly from client records. At the beginning of each calendar year, we approach MDIF-supported media with an annual Impact Dashboard survey, which collects information on various aspects of their work, from their reach to their reporting on corruption, accountability, social issues and elections carried out in the preceding year. To the extent possible, we validate results clients report. We also use data from our internal quarterly monitoring. For example, we regularly collect and update revenue and financial viability data, with the final assessment for the year used for the annual analysis.

In addition to client records, we ingest data from several external data sources. For instance, to monitor the online reach of our clients, we rely on data gathered by Google Analytics. Across different impact areas, we quantify survey responses against comparable and pertinent indicators, including the World Press Freedom Index published by Reporters Without Borders, Corruption Perceptions Index by Transparency International, Social Progress Index by

Social Progress Imperative, as well as the World Bank's Political Stability and Absence of Violence Index and Ease of Doing Business Index.

While the outlets we invest in are diverse in terms of their business models, geographic focus and media type, we try to employ standardized metrics that would be relevant for the largest number of clients in our portfolio. However, it happens that some clients are able to provide accurate data for some indicators but not others, or a specific metric is not applicable to the client during the period of evaluation. As a result, some clients are omitted from certain sections and, thus, each indicator may have a slightly different number of clients in any given year. In a limited number of cases, when clients are unable to provide updated data for the current year - for example, their broadcast reach - we use the last year of fully vetted data as a proxy until actual data are available.

Overall, our impact measurements follow a core principle of prioritizing efficiency and reflect the day-to-day business realities of media companies we support. We acknowledge that the data we collect has its limitations and that the absence of a relevant control group means that we are unable to attribute impact to a particular intervention. Although we grapple with issues in both collecting and standardizing data across our diverse portfolio, from complicated causality to unreliability of audience research data in many emerging markets, our objective is to collect data with an appropriate degree of rigour that allows us to provide an accurate and reliable insight into our work. Given the still-evolving status of tracking impact and the sweeping changes in the media sector, we are constantly learning and striving to improve our approach.

As we continue to address challenges, we believe that full transparency regarding our methodology is important both for accountability and learning. For more information on how we track impact and collect Dashboard data see the table on page 10 and read "How we track..." explainers in the related sections of the Dashboard. For a more detailed overview, including description of the challenges and how we try to address them, see the full Impact Dashboard Methodology on our website.

Impact level	Key impact question	Impact area	Key metrics and focus areas	Data sources
<b>Impact on client business</b>	Does MDIF's financing and technical assistance improve client sustainability?	Clients expand their <b>reach</b>	<ul style="list-style-type: none"> <li>- cumulative reach and its YoY changes</li> <li>- average and median individual YoY changes</li> <li>- median individual YoY growth rate (CAGR)</li> <li>- distribution by press freedom and by corruption perceptions in the country</li> </ul>	Client survey, Google Analytics, 3 <sup>rd</sup> party audience measurement, Reporters Without Borders' World Press Freedom Index, Transparency International's Corruption Perceptions Index
		Clients increase their <b>revenues</b>	<ul style="list-style-type: none"> <li>- cumulative sales and their YoY changes</li> <li>- average and median individual YoY changes</li> <li>- median individual YoY growth rate (CAGR)</li> <li>- overall portfolio leverage</li> </ul>	Client survey, company financial statements
		Clients improve or maintain their <b>viability</b>	<ul style="list-style-type: none"> <li>- median risk rating of loan portfolio</li> <li>- YoY changes in risk classification</li> <li>- distribution by client risk classification</li> <li>- distribution by political stability and business friendliness in the country</li> </ul>	Client survey, audited MDIF Risk Rating, World Bank Political Stability and Absence of Violence Index, World Bank Ease of Doing Business Index
		Clients share their <b>evaluation of impact</b>	<ul style="list-style-type: none"> <li>- % of clients that experienced changes in their company because of their involvement with MDIF</li> <li>- % of clients that experienced changes in their company because of our program of technical assistance</li> </ul>	Client survey
<b>Client impact on society</b>	Do MDIF's clients have a positive impact on their societies?	Clients conduct <b>corruption and accountability reporting</b>	<ul style="list-style-type: none"> <li>- % of clients reporting on corruption and accountability that created impact</li> <li>- % of types of social outcomes said to have followed after the reporting</li> <li>- distribution by corruption perceptions in the country</li> </ul>	Client survey and publishing records, Transparency International's Corruption Perceptions Index
		Clients serve as a source of <b>reliable information</b> , with a focus on <b>social issues</b>	<ul style="list-style-type: none"> <li>- % of clients reporting on social issues that created impact</li> <li>- % of types of social outcomes said to have followed after the reporting</li> <li>- distribution by social progress in the country</li> </ul>	Client surveys and publishing records, Social Progress Index
		Clients encourage <b>democratic participation</b> , with a focus on <b>elections</b>	<ul style="list-style-type: none"> <li>- no. of recorded elections</li> <li>- % of clients reporting on election that created impact</li> <li>- % of types of social outcomes said to have followed after the reporting</li> <li>- distribution by the level of voice and accountability in the country</li> </ul>	Client surveys, publishing records, World Bank Voice and Accountability Indicator



Photo: Children's Radio Foundation

# Current portfolio

MDIF has a **23**-year track record of investing in independent media that provide the news, information and debate that people need to build free, thriving societies around the world. Since we made our first loan in 1996, MDIF has invested in **115** independent media businesses in **40** countries where access to free and independent media is under threat. We provided **\$172.5 million** in financing, including **\$148.2 million** in loans and equity investments, **\$23.7 million** in technical assistance and TA grants and **\$0.6 million** through Digital Kiosk, the secure payment service for independent media. MDIF has received back over \$72.3 million in recovered principal invested, while earning more than \$41.8 million in interest, dividends and capital gains, and returning over \$47.9 million to investors.

In 2018, MDIF provided **\$5.7 million** in media financing, extending **\$3.0 million** in loans and equity and **\$2.7 million** in technical assistance and TA grants. **Eight** companies across **7** countries were supported with investment over the year<sup>1</sup>, with **2** of them being new to our portfolio. MDIF operated its investments through a fund structure that in 2018 encompassed the MDIF General Fund (loans and equity), Emerging Media Opportunity Fund I (EMOF, private equity), MDIF Media Finance I (MMF I, loan fund), and MDIF Media Partners (MP, investing in Polish media company Agora SA). Six out of 8 new investments were made from two funds – \$1.3 million in loans under MMF I and \$832,800 in equity under EMOF I – and a further \$850,000 investments in 2 existing clients from the MDIF General Fund.

## Key metrics:

- At the end of 2018, **90.3%** of our investments were in countries where press freedom is limited and **57.8%** in countries struggling with serious corruption problems.
- Our investments supported the work of more than **4,423** journalists and media workers, **48.7%** of them women.
- In 2018, **64.3%** of MDIF clients were recognized with awards.

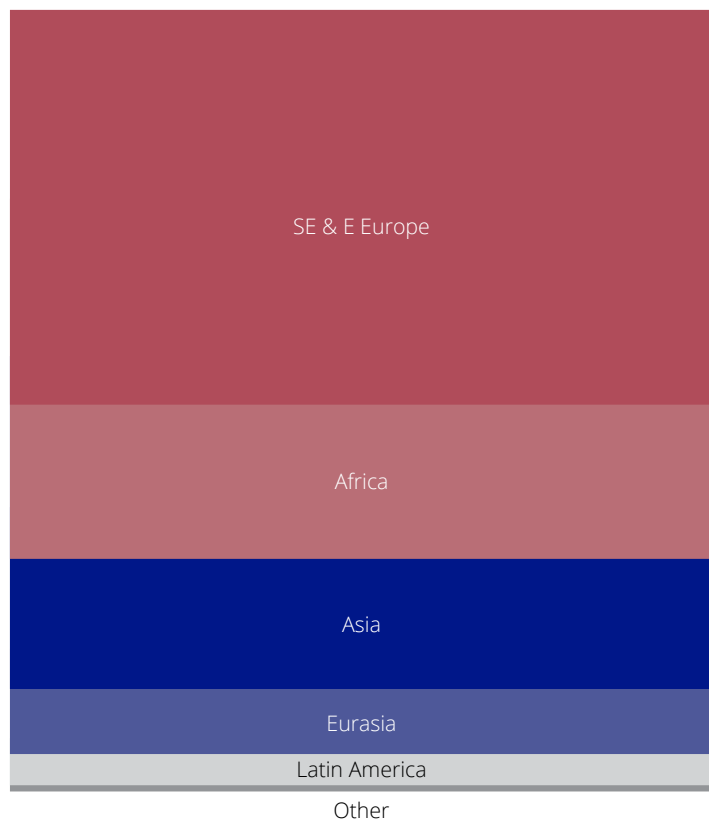
<sup>1</sup> Approved investments where at least the first tranche of funding was disbursed in 2018.

At the end of 2018, our total assets under management stood at **\$59.5 million**. The largest share of our investments — 50.7% — was in Southeast and Eastern Europe, followed by Africa at 19.5% and Asia at 16.7%. Our portfolio included 42 media companies, from digital startups to national multi-platform broadcasters, spread across 25 different countries.

In 2018, our investments supported the work of more than 4,423 journalists, managers and other media workers, **48.7%** of them women. MDIF clients employed an average of 43.4% of female staff members (a median of 43.8%), while for one third of the companies, half or more than half of employees were women.

Despite different sizes and types of activity, our clients have a common interest in providing the independent news, information and debate that citizens need to build free, thriving communities. Whether in Africa or Latin America, our clients are vital institutions that underpin open, vibrant societies, often renowned for their fact-based reporting and high journalistic standards. In 2018, their outstanding work and dedication earned them at least **60** awards. In fact, **64.3%** of MDIF-supported media organizations surveyed as a part of our annual questionnaire reported receiving awards in the past year. Out of those presented with prizes, 55.6% were recognized with national awards, 50% with international awards and 38.9% with local awards.

### MDIF's assets under management by region



### Awards won by MDIF clients in 2018

**64.3%** of MDIF clients were recognized with awards in 2018



### Employee gender distribution of MDIF clients in 2018

**48.7%** of MDIF clients' employees in 2018 were women



## Portfolio summary

	Cumulative	2014	2015	2016	2017	2018 (unaudited)
Assets under management	n/a	\$42.2m	\$39.9m	\$69,4m	\$70.7m	\$59.5m
Number of total clients	115	66	53	48	47	42
Number of new clients	n/a	11	-	2	4	2
Number of countries	40	32	28	28	26	25
New investments made	\$148.2m	\$3.3m	\$1.5m	\$3.8m <sup>2</sup>	\$3.7m	\$3.0m
Principal recovered	\$72.3m	\$2.9m	\$3.2m	\$3.0m	\$1.96m	\$1.86m
Interest, dividends & capital gains collected	\$41.8m	\$856K	\$576K	\$1.2m	\$917K	\$263k
Returned to investors	\$47.9m	\$1.6m	\$3.6m	\$6.4m	\$9.1m	\$2.0m

## Portfolio in context

By design we invest in countries where press freedom is curbed and where corruption is systemic. At the end of 2018, **90.3%** of MDIF's outstanding investments were in countries where the media environment is partly free or not free, according to the World Press Freedom Index published by Reporters Without Borders (RWB)<sup>3</sup>. From 2017 to 2018, the amount invested in partly free and not free countries decreased by 1.5 percentage points, mostly as a result of 4 outstanding clients, all from partly free countries, fully repaying their loans and leaving the portfolio over the course of the year.

Additionally, **57.8%** of our investments in 2018 were in countries with greater perceived corruption, as measured by

Transparency International's (TI's) Corruption Perceptions Index<sup>4</sup>, 4.4 percentage points more than in 2017.

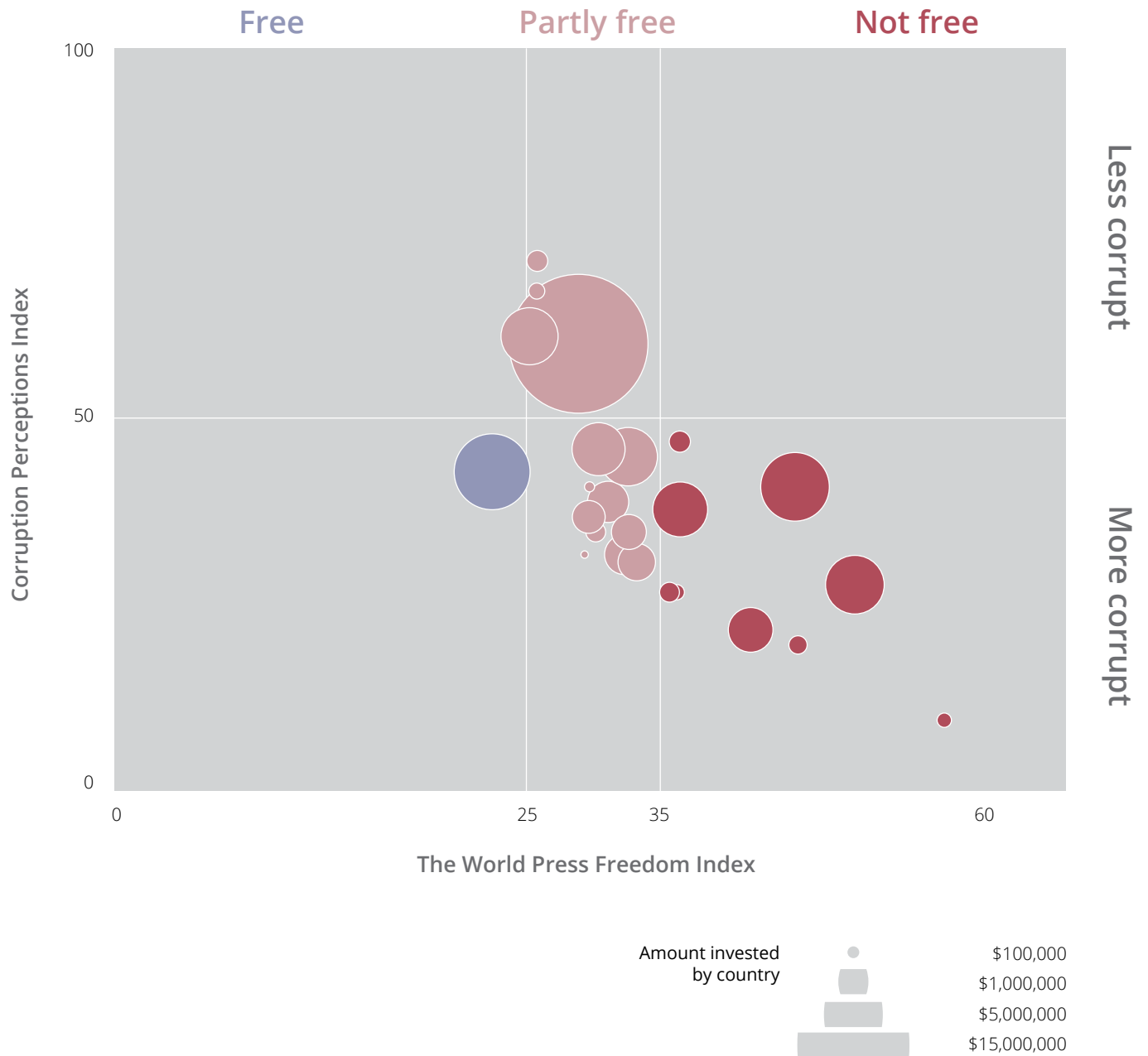
The chart on the next page presents portfolio allocations by country by RWB's World Press Freedom Index<sup>3</sup> and by TI's Corruption Perceptions Index<sup>4</sup>, showing a concentration of MDIF investment in countries with restrained press freedom and a reputation for corruption. Each bubble represents a country, while the size of the bubble is determined by the amount invested. The further the bubble is to the right, the less free the country, and the lower on the chart, the more corrupt the country is perceived to be by its citizens.

<sup>2</sup> Taking account of the MDIF Media Partners investment in Agora, which is managed by MDIF, in total we deployed well over \$20 million in capital in 2016, a new high-water mark for MDIF.

<sup>3</sup> 0 to 100 scale, with higher scores indicating less free media environment: 0-25 "Free" (referred to as "good situation" and "satisfactory situation" by RWB), 25.01-35 "Partly free" (referred to as "problematic situation" by RWB) and 35.01-100 "Not free" (referred to as "difficult situation" and "very serious situation" by RWB)

<sup>4</sup> 0 to 100 scale, with higher scores indicating less corruption, 0-49 "More corrupt", 50-100 "Less corrupt"

# MDIF investments by the World Press Freedom Index<sup>3</sup> and by Corruption Perceptions Index<sup>4</sup>



# Impact on client business

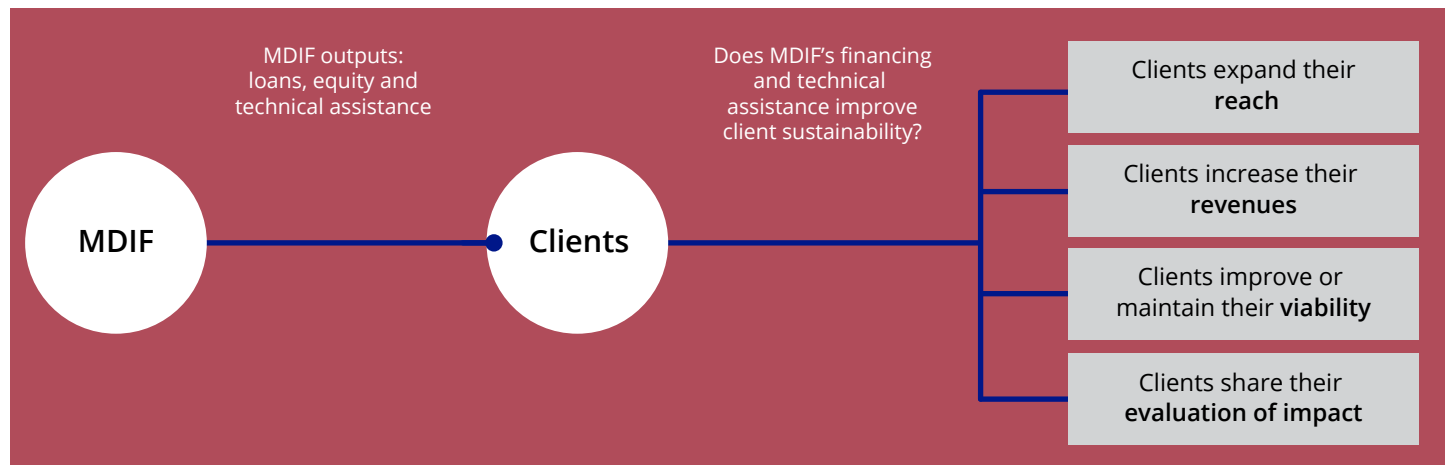
MDIF invests in independent news businesses in countries where access to free and independent media is under threat. Our affordable debt, equity and quasi-equity financing with no editorial strings attached helps media companies to facilitate their growth while safeguarding their editorial independence so that they can fulfil their critical role of providing society with timely and reliable information. We support talented managers and editors to move their companies forward by carrying out projects that strongly advance their news organization's economic potential, such as purchasing new equipment or hiring staff to launch new products.

We also support our investments with intensive financial monitoring, technical assistance and strategic advice. Through Media Advisory Services (MAS), our technical assistance program, our in-house specialists and outside

consultants provide clients with one-on-one advice and group training on issues ranging from the granular to the strategic, from optimizing ad networks to developing new products. We hope that with this support investees will get the most out of our financing and grow resilient, resourceful businesses that are strong enough to hold the powerful to account, protect the rights of the individual and provide a platform for debate.

Our longitudinal assessment of clients' **reach, revenues and viability**, as presented below, shows consistent evidence of sustained growth experienced by the media businesses we support. These positive results are also reflected in our **clients' evaluation of impact**, including accounts of how MDIF is improving their companies, also detailed below.

## MDIF's approach to measuring impact on client business







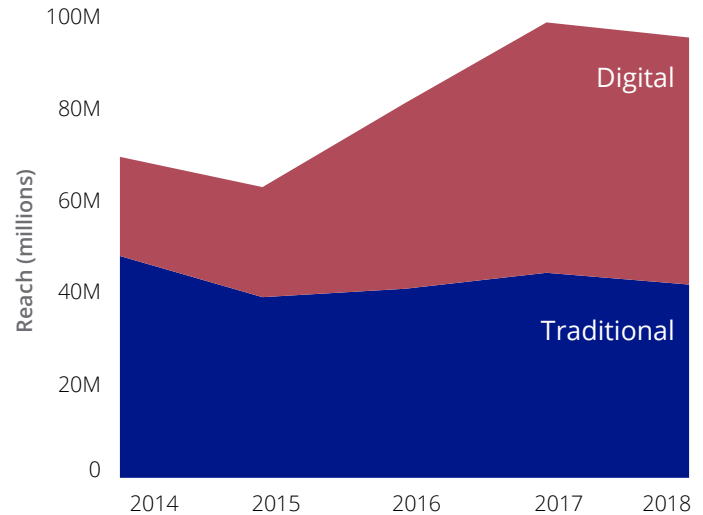
# Client reach

Expanding our clients' reach is central to both our financial and mission objectives. In mission terms, increased reach means that more individuals have access to the quality, independent news they need to participate in the economic, political and social life in their countries. In financial terms, audience growth is critical to the long-term sustainability of the media companies we support. Larger audiences frequently translate directly into higher advertising revenue and greater sales opportunities.

In terms of cumulative reach, in 2018, **92.5 million** people around the world got their news from MDIF clients, **51.9 million** through digital media and **40.6 million** through traditional media, such as TV, radio and newspapers.

Year-over-year, total reach stayed largely the same, down by only 1.3% from the record high 93.7 million reported in 2017. Also in line with previous findings, for the third consecutive year, more people received news from MDIF clients online than through traditional means. The results reflect the continuing rapid changes in the global media landscape where audiences are increasingly shifting away from traditional media in favour of online content.

**Total annual client reach by type, 2014-2018**



## Key metrics:

- In 2018, 92.5 million people received their news from MDIF clients, 51.9 million online and 40.6 million through traditional media.
- After five years of working with MDIF, client reach increased on average by 191.1% (a median of 33.2%).
- Clients see their reach increase by a median annual growth rate of 7% (CAGR) during their first five years working with MDIF.

## How we track our clients' reach

To calculate reach, MDIF collects online and offline audience data from its clients. We measure traditional reach, including newspaper, television and radio audiences, on an annual basis through our annual Impact Dashboard survey. For newspaper reach, we use the average edition circulation for each publication, including multipliers (an industry measure for when more than one person reads each copy) when applicable. These data are sourced from our clients' operational records. For television and radio, we use the client's average audience share as a proportion of the total population, based on information from local audience research firms when available or client estimates. Digital reach is collected on a quarterly basis and includes client-operated websites producing news and information content. For the purposes of the Impact Dashboard, we look at the median monthly users (previously referred to as unique visitors) according to Google Analytics for the given year.

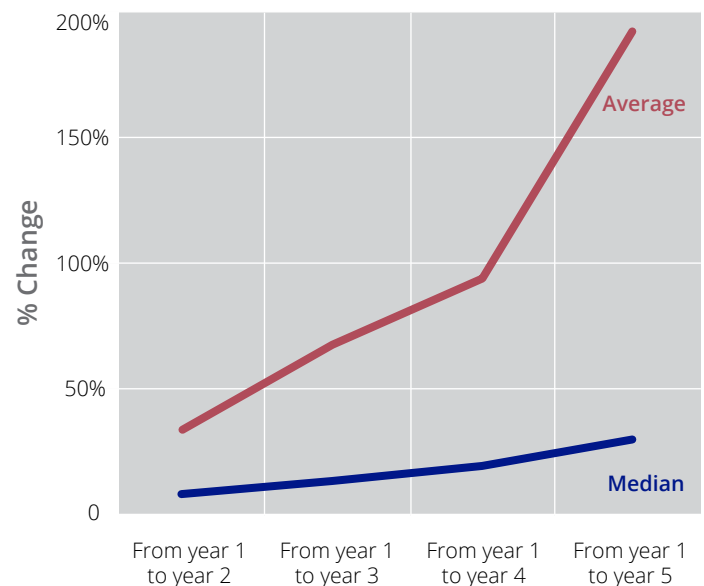
For more on the methodology we use to collect and analyse our impact data, see the Impact Dashboard Methodology section on our website.

On an individual level, clients active in both 2017 and 2018 increased their reach by **39.6%** on average between the two years (a median of **-2%**). We also found that clients involved with MDIF for at least two years saw their reach increase by an average of **36.0%** between their first and second years (a median of **2.8%**).

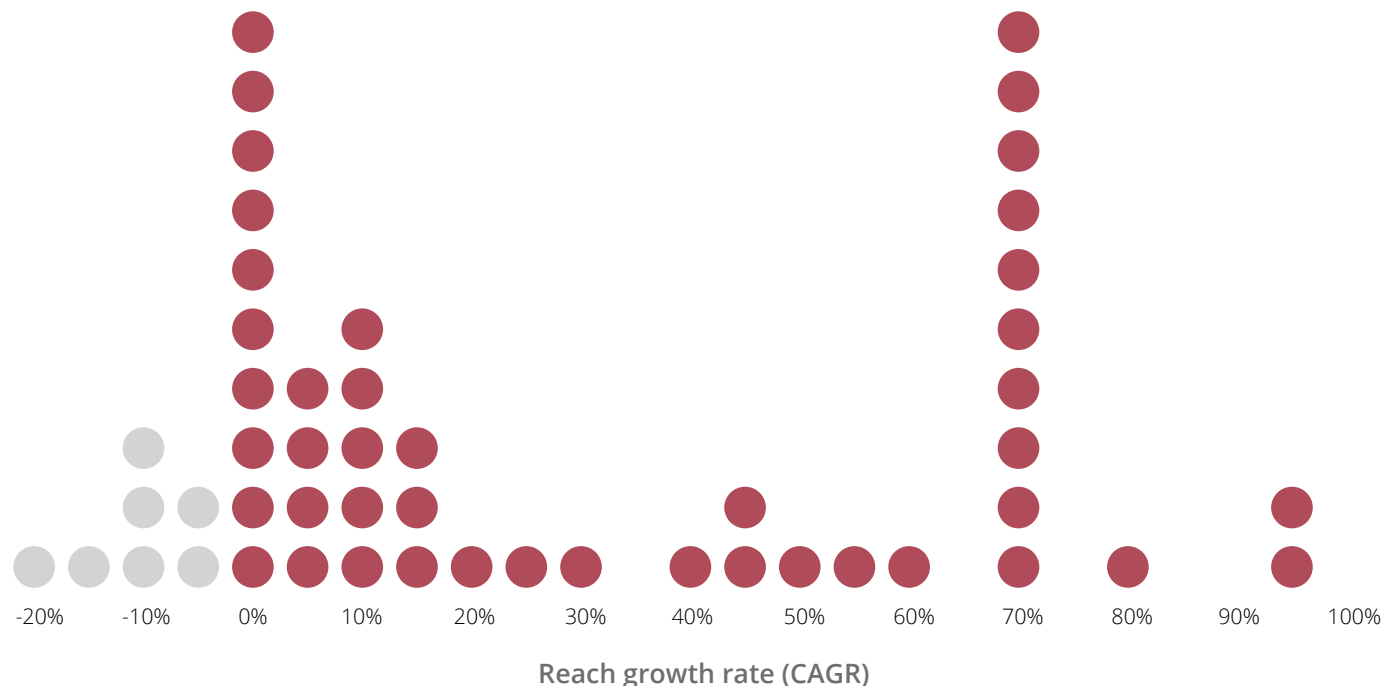
Over their first five years, these companies have seen an average reach growth of **191.1%** (a median of **33.3%**), with a median year-over-year growth rate of **7%** (CAGR) over the same period.

Over our investment history, **69.4%** of clients increased their reach from the beginning to latest year of their relationship with MDIF and **38.9%** doubled their audience or better. Average growth from a client's first year of involvement to their latest is **555.8%** (a median of **21.0%**), with a median year-over-year growth rate of **6%** (CAGR) for the full investment term.

### Change in client reach from first year with MDIF



## Distribution of client reach growth rates (CAGR) over first five years with MDIF



## Clients' reach in context

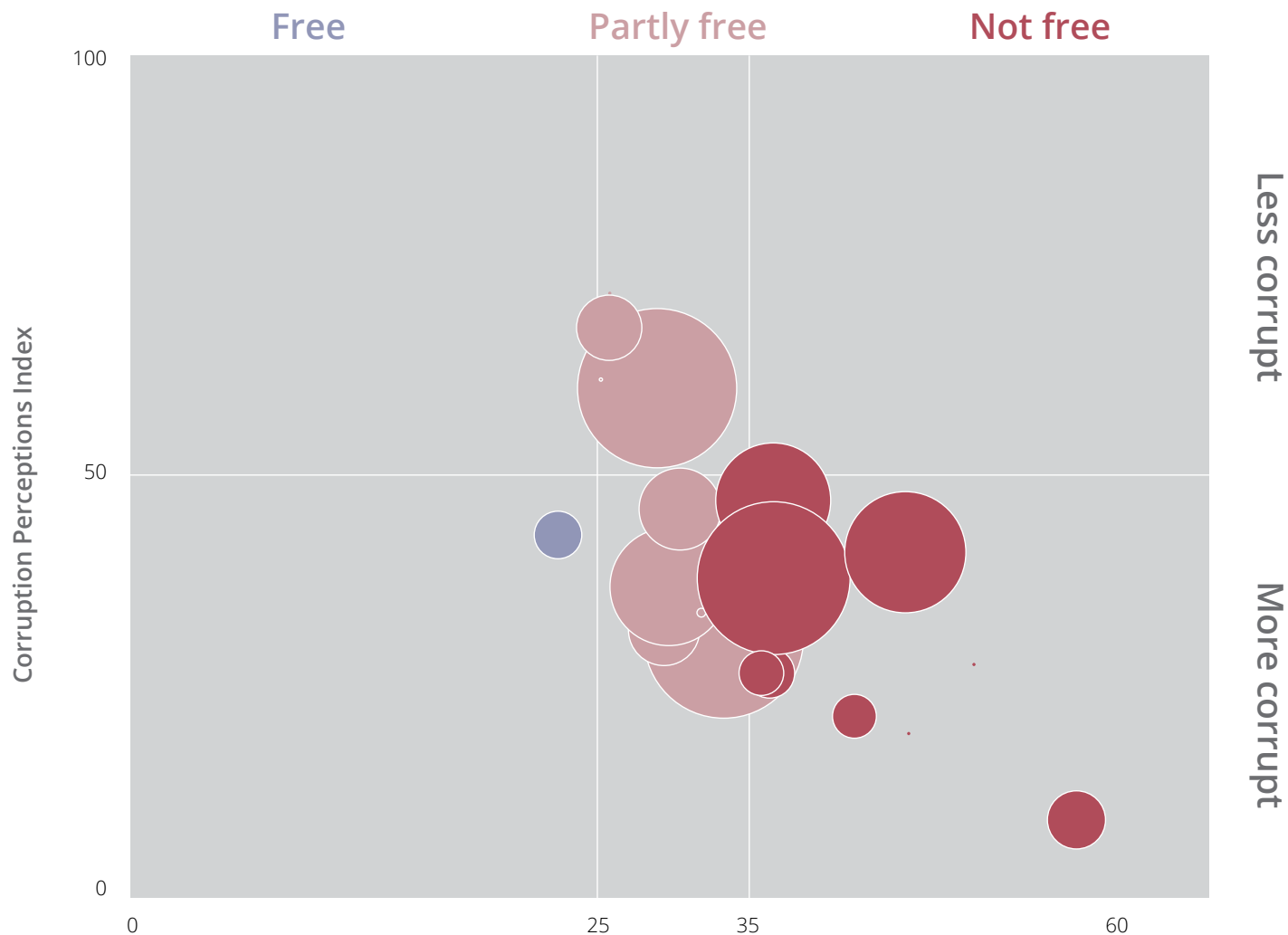
The companies we invest in operate in a range of countries where access to free and independent media is under threat and where the public has limited access to quality news. In many cases, without our clients, citizens would not have the information they need to assess issues objectively and develop their own informed points of view.

In 2018, the largest share of our clients' audience —**50.7%**— lived in Asia, followed by Southeast and Eastern Europe at **34.0%**, Africa at **9.8%**, Latin America at **4.6%** and Eurasia at **1.0%**. In the past year, **98.6%** of the people MDIF clients reached lived in partly free or not free countries, according to the World Press Freedom Index published by Reporters Without Borders<sup>5</sup>. Additionally, **77.9 %** of our

clients' audience lived in countries with greater perceived corruption, as measured by Transparency International's Corruption Perceptions Index<sup>6</sup>.

The chart on the adjacent page shows that most of the people our clients provide news and information to live in countries where the press is not free and where there is a high perception of corruption. The size of the circle corresponds to the size of the client's reach, while the further to the right, the less free the client's country, and the lower on the chart, the more corrupt the country is perceived to be.

# Client reach by the World Press Freedom Index<sup>5</sup> and by Corruption Perceptions Index<sup>6</sup>



The World Press Freedom Index



<sup>5</sup> 0-25 "Free" (referred to as "good situation" and "satisfactory situation" by RWB), 25.01-35 "Partly free" (referred to as "problematic situation" by RWB) and 35.01-100 "Not free" (referred to as "difficult situation" and "very serious situation" by RWB)

<sup>6</sup> 0-49 "More corrupt", 50-100 "Less corrupt"

# Client revenues

As an investor, our primary goal is to promote the long-term financial well-being of the media companies we support. Beyond the clear fiscal logic for growing a company's revenues, we have found that financial stability enables high-impact journalism and enables media companies to serve as effective watchdogs. Stable media companies are able to resist economic pressure in the form of advertising boycotts or lawsuits and are better positioned to maintain the necessary separation between the news gathering and business sides of the organization.

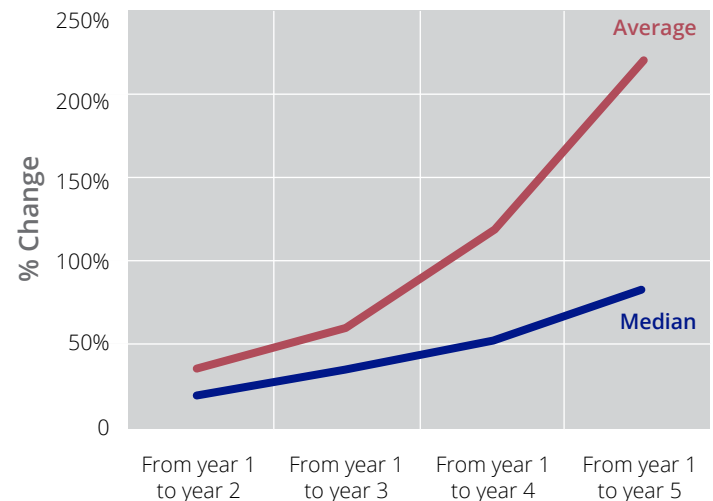
## MDIF sales leverage in 2018



Each **\$1** invested by MDIF leveraged **\$5.97** in client sales in 2018

In 2018, we saw total client revenues of **\$355.2 million**. Year-over-year, total client revenues decreased by 8.1% from 2017, but rose 2.9% in comparison to 2016. Revenue leverage – the ratio of total client revenues to the amount we have invested – stood at **1:5.97** in 2018, 0.5 more than 2017 and 1.0 more than 2016.

## Change in client revenues from first year with MDIF



## Key metrics:

- In 2018, MDIF clients generated **\$355.2 million** in revenues, with each dollar invested by MDIF leveraging **\$5.97** in client revenues.
- After five years of working with MDIF, clients increased their revenues by **218.3%** on average (a median of 80.1%).
- Clients see their revenues increase by a median annual growth rate of **16%** (CAGR) during their first five years of working with MDIF.

## How we track our clients' revenues

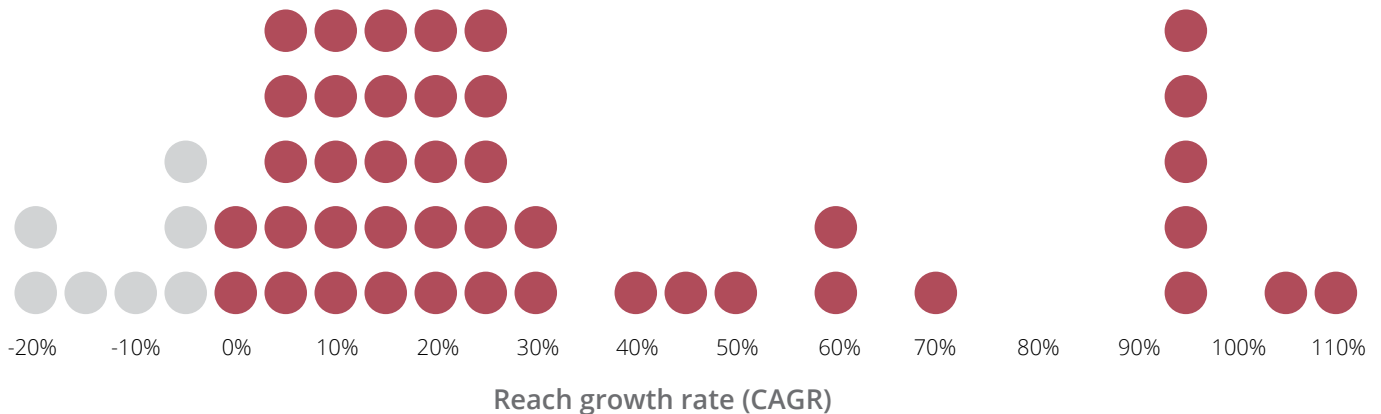
Revenues refer to the total amount of client income from circulation, advertising, printing services and other activities before any costs or expenses are deducted<sup>7</sup>. Revenue data is readily available through quarterly reports submitted to MDIF by clients and their annual income statements. Clients report revenue data in either US dollars (USD) or their local currency. To ensure comparability, we convert all local currency figures to USD using the publicly established conversion rate on the final day of the calendar year. The overall portfolio leverage is calculated by dividing the total portfolio revenue for the year by the total assets under management at the end of the year.

For more on the methodology we use to collect and analyze our impact data, see the Impact Dashboard Methodology section on our website.

Revenues of media companies involved with MDIF for at least two years increase by **37.0%** on average between their first and second years (a median of 17.9%). For clients that work with us for at least five years, revenues grow by **218.3%** on average from years one to year five (a median of 80.1%), with a median year-over-year growth rate of **16%** (CAGR) over the same period.

Average growth from a client's first year of involvement to their latest is 325.2% (a median of 29.5%), with a median year-over-year growth rate of **6%** (CAGR) for the entire investment term. We also noted that over our investment history, **70.7%** of clients increased their revenues from the beginning to latest year of their relationship with MDIF, and **25.3%** doubled their revenues or better.

### Distribution of client revenue growth rates (CAGR) over first five years with MDIF



<sup>7</sup> In order to standardize our vocabulary and avoid misinterpretation, in this Impact Dashboard we refer only to 'revenues' and do not use the word interchangeably with 'sales' as we have done in previous years.

# Clients' revenues in context

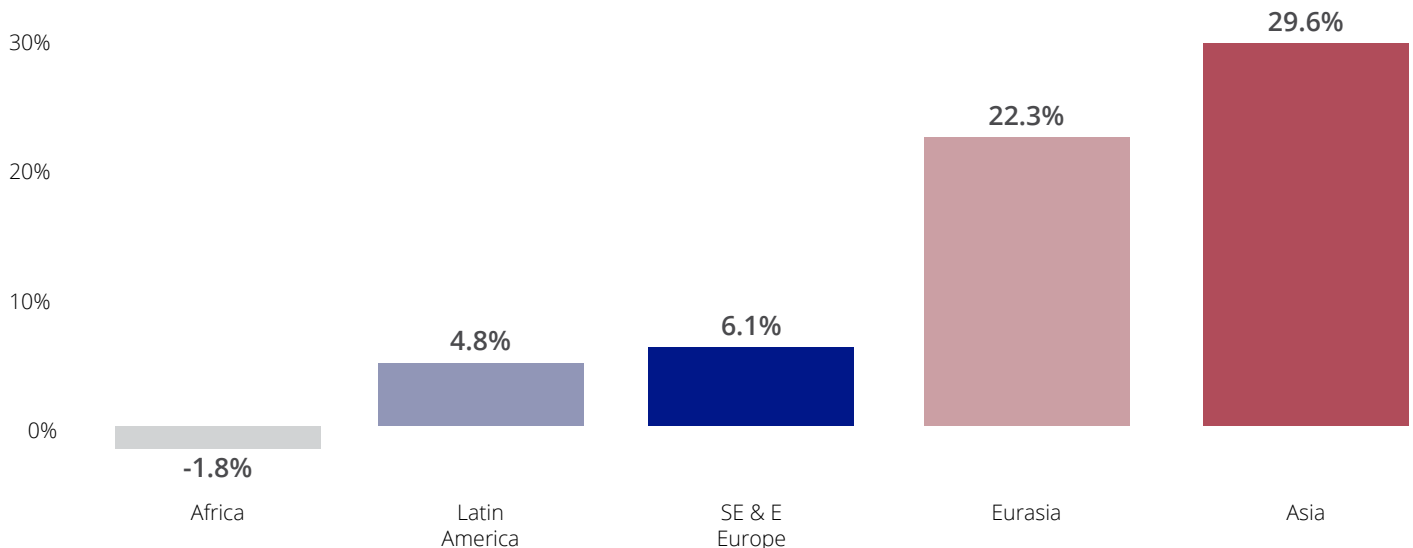
In addition to strong longitudinal trends in clients' revenues, we also observe a stable short-term performance. Clients active in both 2017 and 2018 increased their revenues by **11.6%** on average between the two years (a median of 1%). In fact, **60.7%** of MDIF-supported media increased or maintained their revenues between 2017 and 2018.

Clients in Asia saw the strongest growth of **29.6%** on average, with particularly large increases among rapidly growing economies of Southeast Asia, including Malaysia and Indonesia. Revenue increase was also recorded in Eurasia (**22.3%** on average), where Ukraine's economy continued its gradual recovery. Meanwhile, investees in Southeast and Eastern Europe and in Latin America grew their revenue by an average of **6.1%** and **4.8%**, respectively.

Still, **39.7%** of our investees observed declines in their revenues between 2017 and 2018, mostly due to challenges to their advertising models, flagging growth in many emerging markets, and profits held back by weak local currencies. Moreover, several clients' revenues have decreased due to direct government interference, such as the unfair allocation of state advertising spending to government-aligned media, and indirect interference, such as businesses benefitting from government largesse removing advertising from independent news companies.

Based on geographical location, revenue decrease was only recorded in Africa (**-1.8%** on average). In particular, South Africa's economic growth stuttered, exacerbated by the country experiencing volatile Rand/Dollar exchange rate fluctuations.

## Average change in client revenues by region 2017 - 2018







# Client viability

With the disruption of traditional revenue streams and changing trends in news consumption, the media sector globally has been under enormous financial strain in recent years<sup>8</sup>. From business challenges to political pressure, independent media need innovation and resilience to survive. As an impact investor, in order to provide clients with the support they need to overcome challenges, weather market volatility and maintain high news quality standards, we monitor their viability using an externally audited risk-rating tool developed in-house.

According to our risk rating, at the end of 2018, **76.7%** of our loan clients (the risk-rating tool is not applicable to equity clients) were classified as low-risk (20%) or moderate-risk (56.7%) companies, 1 percentage point more than in 2017. The number of high-risk companies fell by almost 1 percentage point, decreasing from 24.2% in 2017 to **23.3%** in 2018.

Among clients active in both 2017 and 2018, **92.6%** maintained or lowered their risk rating from year to year, while **7.4%** saw their risk level rise as a result of growing economic and political pressure in many parts of the world. Still, as can be seen in the charts on the next two pages, the

proportion of client businesses in the moderate- and high-risk categories has increased in the last five years, as would be expected in an industry sector experiencing profound change.

Between 2017 and 2018, the median risk rating of our loan clients decreased to **5.65** from 5.71, remaining firmly within the moderate risk range on the nine-point scale. Historically, our median risk rating oscillated between **4.50** and **5.71**, as presented on the graph below. Overall, taking into consideration all data gathered since we first started our annual risk monitoring, the median risk rating of our loan clients stands at **5.10**, again squarely within the moderate range.

It should be noted that in early 2019, our Board of Directors approved write-offs of four investments totaling \$6.7 million, which put our loss rate at 15.2% at the end of the year. These investments are not included in the current MDIF risk score.

## Key metrics:

- In 2018, **76.7%** of MDIF loan clients were classified as having low or moderate risk.
- In 2018, median risk rating of our loan portfolio was **5.65**, squarely within the moderate risk range.
- **48.2%** of MDIF-supported media saw economic and business issues as the biggest challenge they faced in 2018.

<sup>8</sup> Waisbord, S. (2019). The Vulnerabilities of Journalism. *Journalism*, 20(1), 210–213; Curran, J. (2019). Triple crisis of journalism. *Journalism* 20(1), 190-193; Franklin, B. (2014) "The Future of Journalism: Developments and Debates." New York: Routledge;

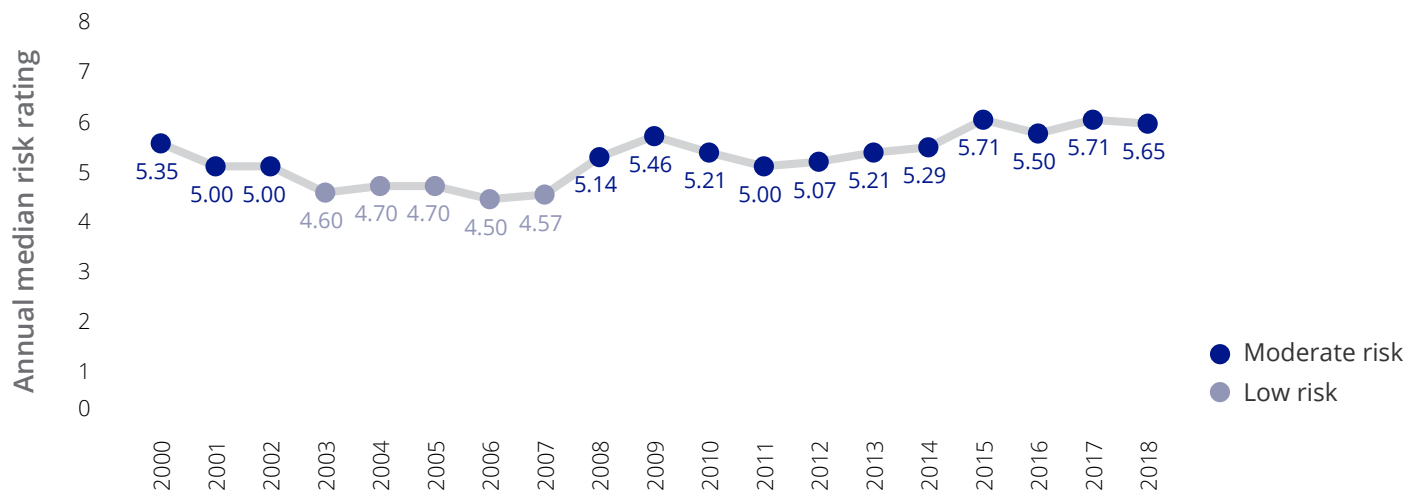
## How we track our clients' viability

Clients' financial viability determines the overall sustainability of the MDIF loan portfolio and the strength and weakness of a given investment. Calculated using an MDIF-generated risk-rating scale, it is updated regularly and the entire process is reviewed annually by an independent auditor to ensure the validity of the scores. The indicators are aggregated to form a nine-point scale with one indicating the lowest level of risk and nine the highest. On this scale, investments are assigned to one of three categories: a risk rating of seven or above is considered high risk, between seven and five is moderate risk and below five is low risk. For the purposes of the Impact Dashboard, we look at the financial viability metric at the end of each year, focusing on seven indicators, namely:

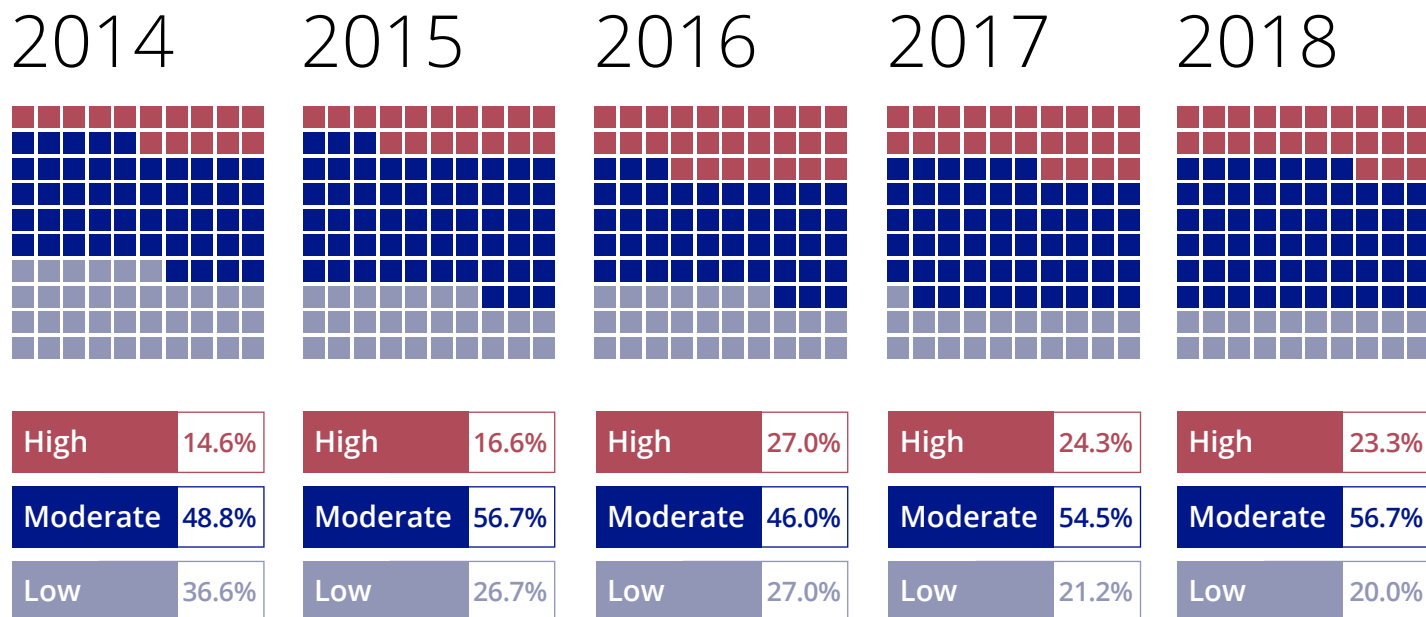
1. Earnings/operating cash flow trends
2. Asset/liability value
3. Financial flexibility/debt capacity
4. Industry segment health
5. Position within industry
6. Management and controls
7. Financial reporting

For more details on the composition of the risk rating score, see the Impact Dashboard Methodology on our website.

### Annual median risk rating, 2000-2018



## Proportion of MDIF risk scores, 2014-2018



## Client viability in context

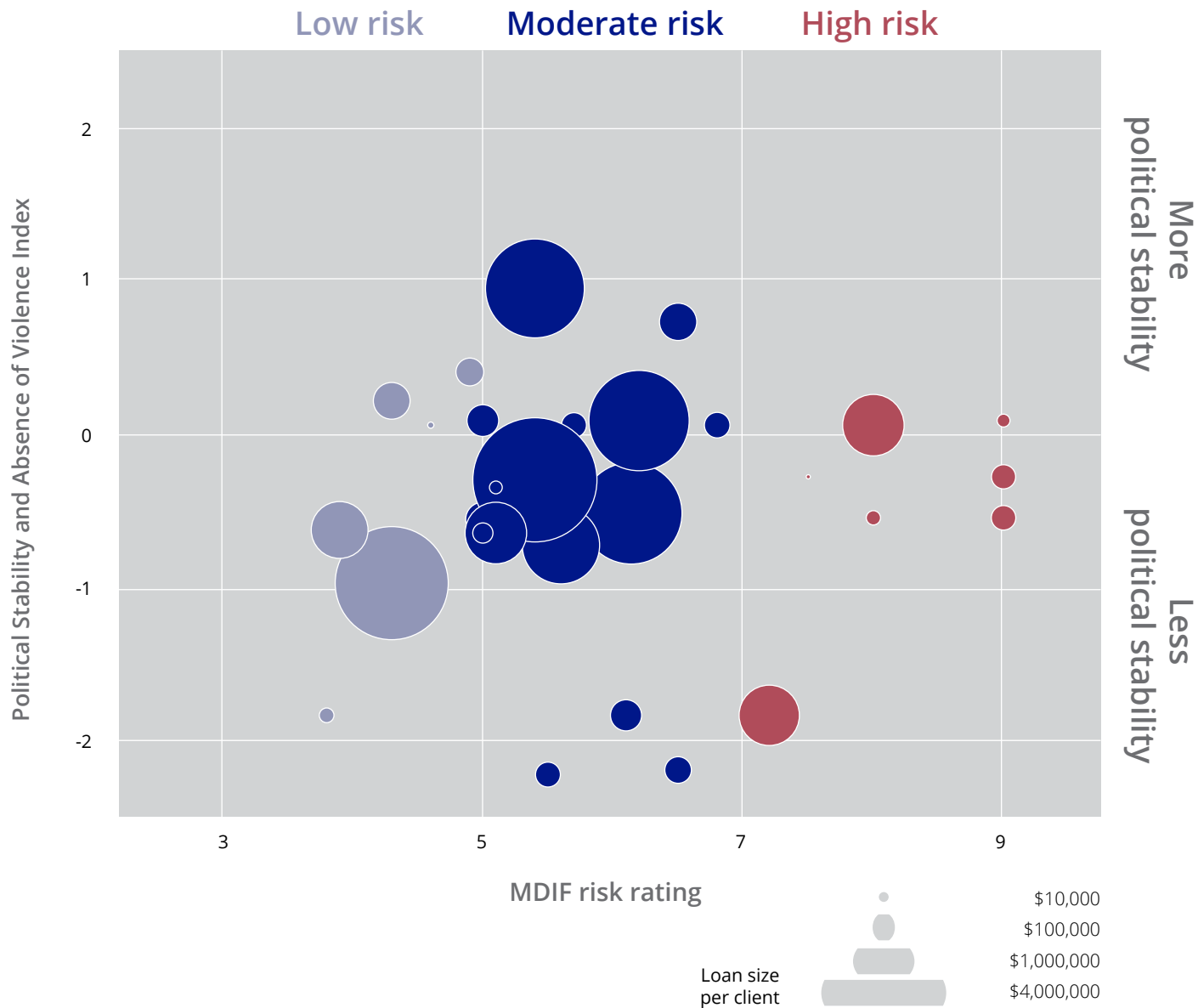
The companies we invest in work in politically and financially pressured environments that pose numerous challenges for independent and sustainable media. Many of our clients work in countries controlled by governments that are hostile to the idea of free press and have to grapple with political instability and politically-motivated violence. In fact, in 2018, the average Political Stability and Absence of Violence Index for our loan portfolio was **-0.46**, as measured by the World Bank's -2.5 to 2.5 scale, where higher scores indicate greater political stability.

MDIF also invests in media companies that operate in countries with challenging business conditions and regulatory environments. Many of them are in transition and emerging economies, with poorly developed banking systems and distorted markets. Still, through its rigorous investment process, MDIF ensures that the country has a

suitable environment for financing, so it can appropriately manage the risk in its portfolio. In 2018, the average score for our loan portfolio was 65.74 according to World Bank Ease of Doing Business Score, which starts at 1 and finishes at 100, with higher scores indicating a better environment for business operation.

The two accompanying charts on the next two pages present our loan portfolio by MDIF risk score and by each of the above-mentioned World Bank indices, and show a concentration of MDIF investment in countries with higher levels of political instability, yet with an improving climate for business. The further an investment is to the right, the higher the risk rating, and the higher on the chart, the more politically stable or business friendly the country the client operates in. The size of the circle corresponds to the size of the loan.

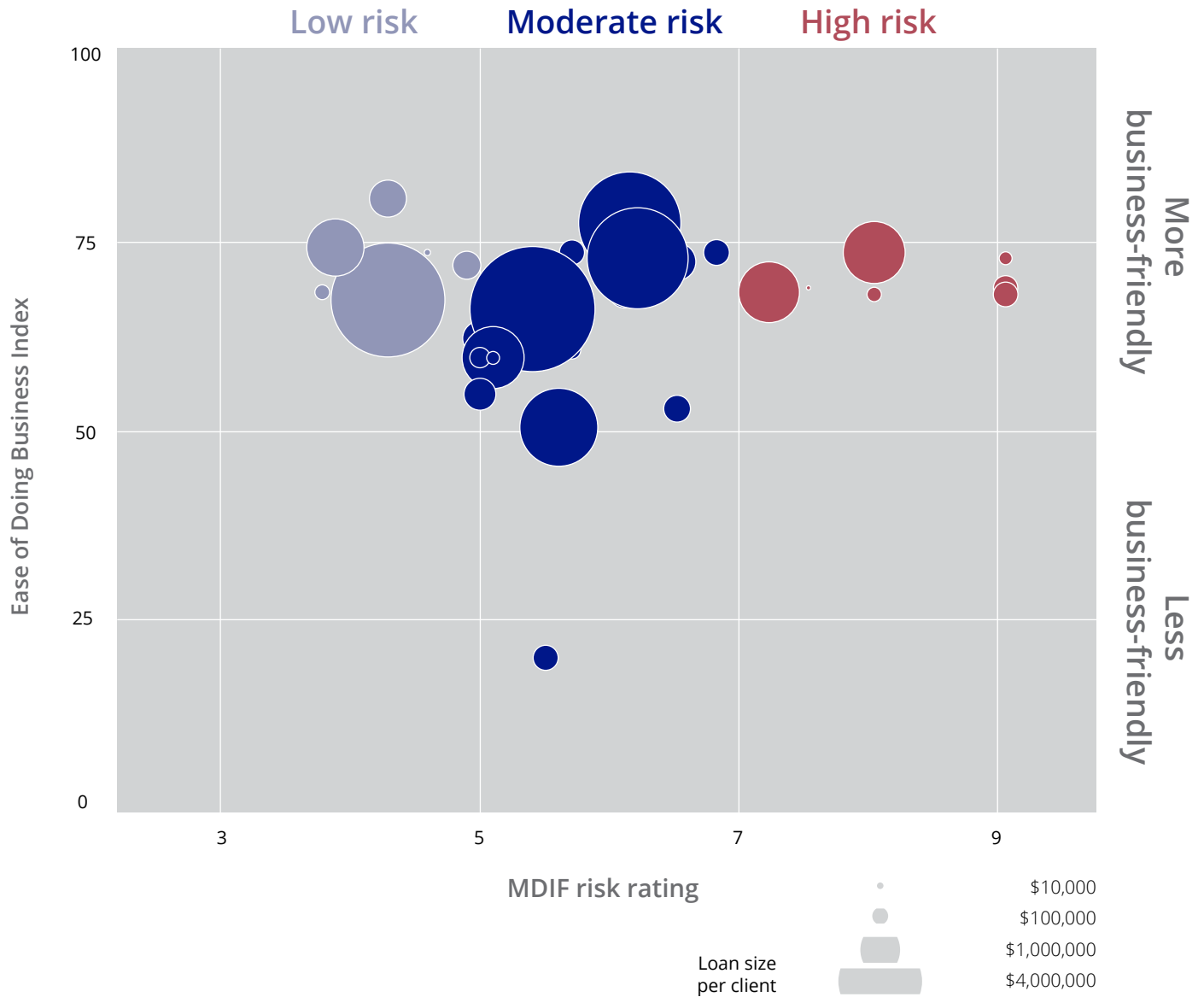
Portfolio by MDIF risk rating<sup>9</sup> and World Bank Political Stability and Absence of Violence Index<sup>10</sup>



<sup>9</sup> 1-5 "Low risk", 6-7 "Moderate risk", 7-9 "High risk"

<sup>10</sup> -2.5-0 "Less political stability", 0-2.5 "More political stability"

Portfolio by MDIF risk rating scores<sup>11</sup> and World Bank Ease of Doing Business Index<sup>12</sup>



<sup>11</sup> 1-5 "Low risk", 6-7 "Moderate risk", 7-9 "High risk"

<sup>12</sup> 1-50 "Less business-friendly", 50-100 "More business-friendly"



# Challenges faced by MDIF-supported media

---

For MDIF, our clients and independent media globally, 2018 was again a turbulent year, distinguished by an unprecedented decline in global press freedom. At a time when misinformation and propaganda were thriving and pressure on media organizations was mounting, the crackdown on independent media and attacks on journalists were no longer perpetrated only by authoritarian regimes, but also became common in some liberal democracies.

In 2018, **66.7%** of companies in which MDIF had investments were located in countries that slipped in the World Press Freedom Index published by Reporters Without Borders in comparison to 2017. Additionally, **44.4%** of MDIF-supported media and their journalists reported experiencing attacks, arrests or harassment in the past year, an uptick of 8 percentage points from the year before.

However, despite these negative developments around media freedom and freedom of expression, economic challenges were still the greatest threat to independent media, according to the outlets we work with. When asked to rank different challenges from 1 to 5, where 1 represents the smallest challenge and 5 represents the biggest challenge, MDIF clients reported that economic and business issues posed the greatest challenges.

The results, as shown on the adjacent page, validate our mission to provide financing that helps independent media companies to fulfill their economic potential and enables them to build robust businesses around the values of fact-based news, informed opinion and open debate.

## Challenges in clients' own words

---

*"The single biggest challenge faced was economic challenges due to government corruption. Corruption has affected all sectors and most industries have decreased their media spending whilst our costs have increased. This has greatly affected our sales revenue from advertisers. Our ability to generate more in depth content is also challenging example: investigative reports require enough funding to conduct long-term investigations into critical issues."*

- Client in Africa

*"[The biggest challenge for us was] further deterioration of the advertising markets from two directions: the global advertising trends – duopoly held by Facebook and Google – and the local political pressures. A new circle of advertisers seems to be refraining from advertising on our news outlet: they are not even threatened or scared, but simply do not want their brands to be associated with the intolerably ugly public matters and figures."*

- Client in Southeast and Eastern Europe

*"Revenue generation for our digital platforms was the biggest challenge because of less mature market and media ecosystem. Despite affordable internet prices, easy internet access and growing smartphone usage, online ad industry is still in its infancy."*

- Client in Asia

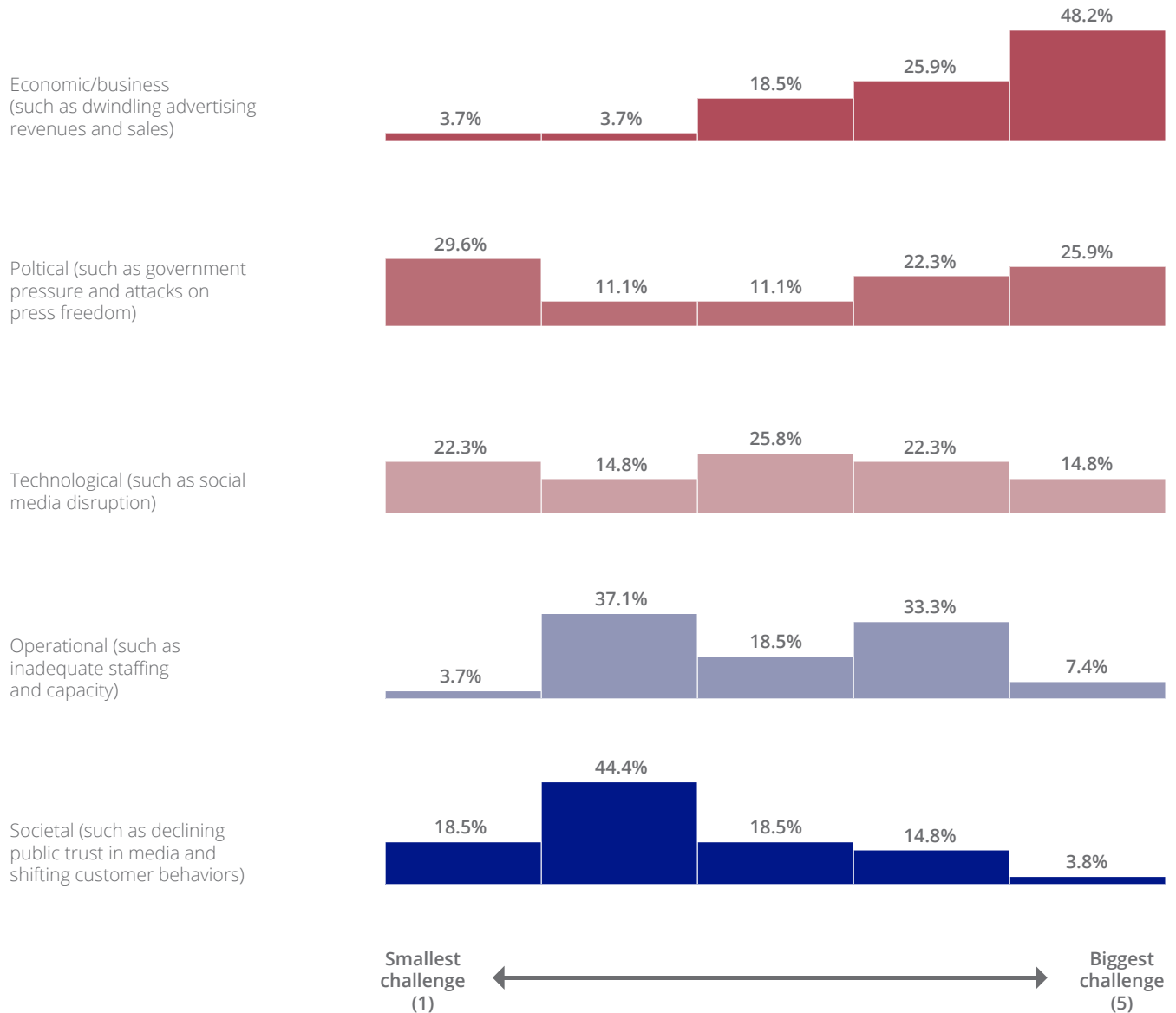
*"In 2018, our congress approved controversial law that prohibited state-run institutions from advertising in privately-owned media. The changed legislation regarding state advertising, which is an important source of income for our company, put our continuity as a media at risk."*

- Client in Latin America



## Challenges MDIF clients faced in 2018

Percentage of answers:



# Client evaluation of impact

In this Impact Dashboard, for the first time we are going beyond numerical performance indicators of changes in reach, revenues and financial viability to assess our impact on clients. We asked clients to evaluate our effectiveness in helping to support the growth of their businesses. The aim is to gather meaningful information at investee level to better understand our impact and see if we are achieving our purposes as agents of change. The collected data also helps us make more informed decisions about our portfolio.

In 2018, **70.3%** of surveyed clients said that they agreed or strongly agreed that there had been changes in their company because of their involvement with MDIF, while

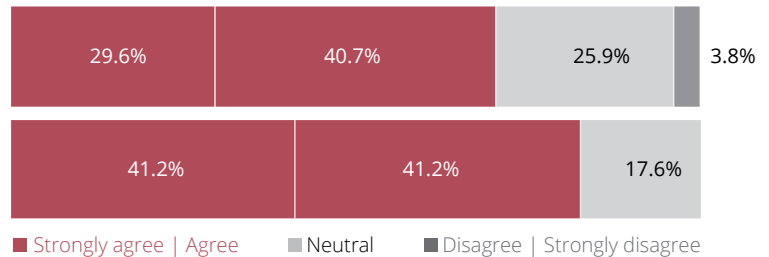
25.9% of respondents remained neutral and only one client disagreed with the statement. Most importantly, **100%** of the changes that occurred as a result of the involvement with MDIF were viewed as positive.

Moreover, out of all organizations that reported receiving capacity building support from MDIF in 2018, **82.4%** said that they agreed or strongly agreed that there had been changes in their company because of that support, and only 17.6% remained neutral to that statement. Again, **100%** of the changes that occurred as a result of capacity building support from MDIF were viewed as positive.

## Clients perceived changes

There have been changes in my company because of our involvement with MDIF since we started working with them.

There have been changes in my company because of MDIF's capacity building support we received in 2018.



## Key metrics:

- **70.4%** of MDIF clients agreed or strongly agreed that there had been changes in their company because of their involvement with MDIF.
- **82.4%** of MDIF clients who received capacity building support from MDIF in 2018 agreed or strongly agreed that there had been changes in their company because of that support.
- **100%** of the changes that occurred as a result of the involvement with MDIF or as a result of capacity building support were viewed as positive.

## How we track client evaluation of impact

Client evaluation of impact, including accounts of experienced change, are based on survey results. As a part of the annual Impact Dashboard survey, we ask clients whether they experienced changes in their company because of their involvement with MDIF and, if the changes occurred, whether they were perceived as being positive or negative. We also look at the perceived impact of our program of technical assistance. To do that, we ask clients who reported receiving capacity building support whether they saw changes in their company because of that support and, if there were changes, whether they were viewed as being positive or negative. In both cases, we also asked clients to describe the experienced changes in their own words and asked them to recount the most valuable support MDIF has provided to their company.

For more details on how we track client evaluation of impact, see the Impact Dashboard Methodology on our website.

## MDIF support in clients' own words

---

*"MDIF's investment has afforded us a durable safety net, protecting our independent journalism from potential capture by a politically affiliated media maven. Furthermore, MDIF has afforded us insight - and access - to experiential learning activities with other clients in the global south, thus allowing us to better develop our own responses to industry challenges."*

- Client in Africa

*"As an investor, MDIF is very active in assisting our company. If we get a problem or need technical assistance, MDIF will quickly provide support. For example, in financial matters, MDIF provides support by helping to make financial report templates that are easy to use by our finance team. In terms of marketing and sales, MDIF also helps provide technical support by bringing in experts to help us."*

- Client in Asia

*"Clearly it is the financial contribution [from MDIF] that created stability, and to which there has never been any strings attached in terms of our content provision. Though this completely neutral nature of the financial support may sound trivial for some, it is vital and invaluable."*

- Client in Southeast and Eastern Europe

*"Since we started working with MDIF we have improved several processes and created new positions specific to our needs in the digital era. MDIF has provided us with a great support network, and has allowed us to train our journalists and managers. This has helped us to have a clear vision of where the industry is headed and adapt to it."*

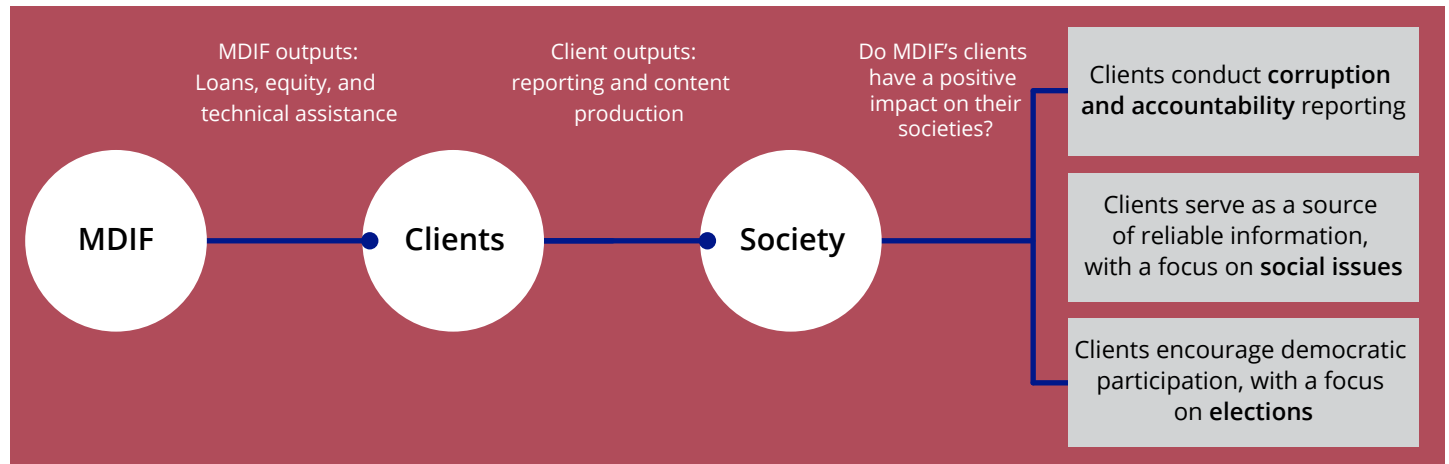
- Client in Latin America

# Client impact on society

From changing lives to changing laws, independent media produce many forms of public benefit that make our governments more transparent and less corrupt, and our societies more informed, inclusive and sustainable. Take watchdog journalism that tells hard-hitting truths: each dollar spent on an investigation can yield hundreds or thousands of dollars in benefits<sup>13</sup>. Gains are shared by the whole community who can experience benefits of the galvanizing change brought about by the reporting, whether it is the enactment of a new law or the dismissal of an incompetent official, or through the payment of taxes that companies had avoided or fines for wrongdoing.

There are countless examples of how our investees have a profound impact on their societies, as detailed in the further sub-sections of the Dashboard. From local news websites to national broadcasters, independent media outlets we support play a central role in uprooting corruption, holding those in power accountable, encouraging democratic participation during elections and changing perceptions on social issues like the environment, gender, minorities, immigration or LGBT. In fact, in our annual survey, **100%** of our clients asserted that their reporting on at least one of the topics we gather data on – **corruption, accountability, social issues or elections** – created impact that brought about transformative changes to their communities.

## MDIF's approach to measuring client impact on society



<sup>13</sup> Hamilton, J.T. (2016) Democracy's Detectives: The Economics of Investigative Journalism. Cambridge, MA: Harvard University Press.



Photo: Children's Radio Foundation

# Corruption and accountability

Independent media play an indispensable role in fighting corruption and holding individuals, businesses and governments to account. The relationship between media freedom and corruption is well documented, with multiple studies suggesting that the higher the press freedom, the lower the corruption<sup>14</sup>. In their ‘watchdog’ function of providing a system of checks and balances on power, independent media play an indisputable role in fighting corruption and holding individuals, businesses and governments to account.

We believe that this is also the case for MDIF-supported media. Multiple times, we have seen independent media help curtail corruption and enhance the accountability of those in power. Over the years, we have witnessed countless instances where journalists acted as powerful controls against abuses of power and malfeasance, where their exposés have led to investigation and punishment of perpetrators. As they unearth stories that otherwise may remain untold, they contribute to reducing impunity, at the same time empowering citizens to demand justice. By exposing wrongdoing, we have seen them trigger protests

against those who betrayed public trust and catalyze changes in laws and regulations at local and national level.

To report these stories, many companies we support have endured violence, prosecution, and relentless economic pressure simply for reporting in the public interest. MDIF investment and assistance helps media outlets continue to play this crucial ‘watchdog’ role.

In 2018, **82.1%** of the media companies we support declared that they had published stories that created impact by holding those in power to account. Moreover, **92.9%** of clients produced impactful reporting that covered corruption scandals, with **92.3%** of this work taking place in countries with greater perceived corruption, that is, those that scored lower than 50 in Transparency International’s Corruption Perceptions Index<sup>8</sup>. Institutional changes, such as an official response, hearing, government investigation, reorganization and change in law or policy, were the most mentioned category of tangible effects that followed this crucial journalistic work.

## Key metrics:

- **92.9%** and **82.1%** of MDIF clients, respectively, declared that their corruption reporting and accountability reporting created impact in 2018.
- **92.3%** of corruption reporting took place in countries with greater perceived corruption.
- **73.1%** of corruption reporting and **65.2%** of accountability reporting led to institutional changes, such as an official response, hearing, government investigation, reorganization, change in law or policy.

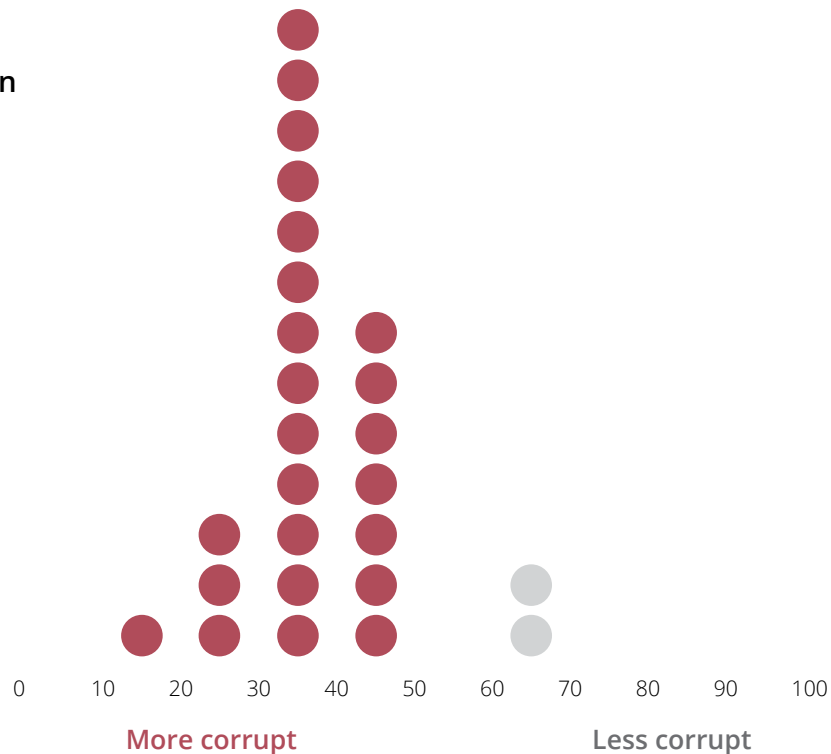
<sup>14</sup> For example: Brunetti, A., and Wede, B. (2003) “A Free Press Is Bad News for Corruption” in “Journal of Public Economics, LXXXVII” (pp.1801–1824); Chowdhury, S.K. (2004) “The effect of democracy and press freedom on corruption: an empirical test”. Econ Lett 85(1):93–101; Camaj, L. (2013) “The Media’s Role in Fighting Corruption. Media Effects on Governmental Accountability” in “The International Journal of Press/Politics 18(1): 21–42”; DFID (2015) “Why corruption matters: understanding causes, effects and how to address them, Evidence Paper on Corruption.”

## How we track our clients' corruption and accountability reporting

Data and examples of powerful and impactful reporting on corruption and accountability (i.e. stories that held people and institutions in power to account for their words and actions) are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organization published any stories on corruption or accountability in the previous year that they think contributed to a real-world change or had a significant impact on their community and to give example. We also try to explore the ultimate social outcomes that followed, by asking whether the change the stories led to was institutional (e.g. an official response, hearing, government investigation, reorganization, change in law or policy), civic (e.g. protest, petition, community engagement, increased donation to a cause), personal (e.g. dismissal, resignation, criminal charges, fine, penalty, formal apology, improvement in person's working or living conditions) or of other sorts.

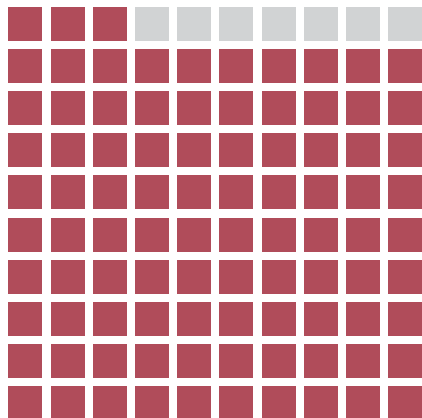
For more details on how we measure social impact, see the Impact Dashboard Methodology on our website.

### Distribution of clients exposing corruption scandals by Corruption Perceptions Index<sup>15</sup>



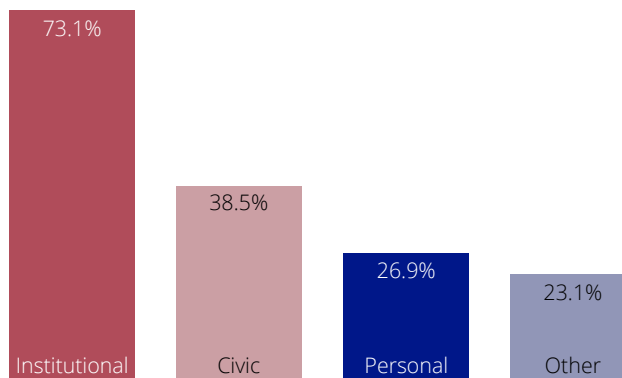
<sup>15</sup> 0 to 100 scale, with higher scores indicating less corruption, 0-49 "More corrupt", 50-100 "Less corrupt"

## Percentage of MDIF clients publishing corruption stories with impact

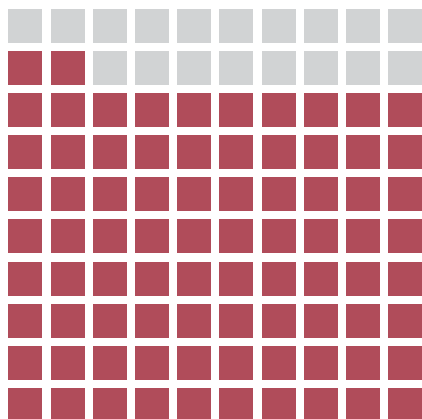


**92.9%**  
of MDIF clients in 2018  
published corruption stories  
that created  
impact

## Type of change that followed corruption reporting

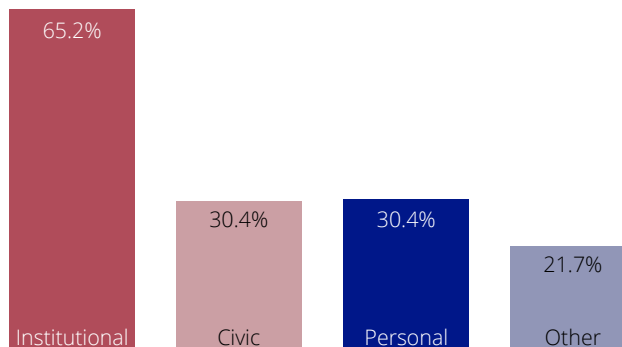


## Percentage of MDIF clients publishing accountability stories with impact



**82.1%**  
of MDIF clients in  
2018 published  
accountability stories  
that created impact

## Type of change that followed accountability reporting







# Examples of client corruption reporting



Photo: Gazeta Wyborcza / Instagram

Gazeta Wyborcza

**POLAND**

**32** | Corruption Perceptions Index<sup>16</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>17</sup>

In Poland, leading daily Gazeta Wyborcza broke a story on corruption involving the head of the country's financial market watchdog KNF who, according to a recorded conversation, sought a multi-million-dollar bribe from a private bank owner in return for lenient treatment for his bank, which was in trouble due to large numbers of non-performing loans. The implicated official resigned and, soon after, the Prosecutor's Office and the Polish Central Anti-Corruption Bureau started an investigation into the allegations. On the grounds of possible obstruction of justice, the former head of KNF spent two months in detention. Meanwhile, Gazeta Wyborcza faced pressure from the National Bank of Poland (NBP), whose head had recommended the implicated official for the post. NBP sought six injunctions to prevent the publication of media articles implicating its head in the KNF corruption scandal, yet the court rejected all requests.



Photo: Himalmedia/Madhu Acharya

Himal Khabarpatrika

**NEPAL**

**31** | Corruption Perceptions Index<sup>16</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>17</sup>

In Nepal, over five years, around \$45 million were extracted from vulnerable Nepalese seeking work in Malaysia on the pretext of fees for visas and biometric screening. In a cross-border investigation with Malaysian news site Malaysiakini, Nepali-language magazine Himal Khabarpatrika published an investigation that detailed corrupt collaboration between the migration agencies of the governments of Nepal and Malaysia with private companies that exploited Nepalese migrants. After the story broke, the Malaysian Parliament held a debate, and later the Malaysian and Nepali governments agreed on a bilateral labour pact that ensured that Nepali migrant workers would not have to pay any fees to enter Malaysia. Malaysia's anti-graft agency also arrested a former home minister in connection with the suspected misappropriation of funds. One of the charges related to alleged bribes of \$500,000 paid by private companies involved in services for migrant workers seeking to enter Malaysia.



Photo: Molodoy Bukowinetz

Molodoy Bukowinetz

**UKRAINE**

**32** | Corruption Perceptions Index<sup>16</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>17</sup>

In Ukraine, corruption in public procurement is often caused by officials focusing on loyalties rather than competence, resulting in patronage and nepotism that lead to a lower quality of public services. In Chernovtsy, a city in the western part of the country, the City Council appointed two companies with dubious records and ties to local deputies to lucrative public contracts for the management and maintenance of residential buildings. An investigation by local newspaper Molodoy Bukowinetz found that the firms were created just a few weeks before the announcement of the competition, and that at the time of submission of their bid they had neither the proper equipment, nor the experience needed to fulfill their obligations under the contract. The City Council was forced to call off the contract and launch a new tendering procedure. Meanwhile, police opened criminal proceedings against the two businesses.

<sup>16</sup> 0 to 100 scale, with higher scores indicating less corruption: 0-49 "More corrupt", 50-100 "Less corrupt"

<sup>17</sup> 0 to 100 scale, with higher scores indicating less free media environment: 0-25 "Free" (referred to as "good situation" and "satisfactory situation" by RWB), 25.01-35 "Partly free" (referred to as "problematic situation" by RWB) and 35.01-100 "Not free" (referred to as "difficult situation" and "very serious situation" by RWB)

# Examples of client accountability reporting



## GK ECUADOR

0.03

World Bank Voice and  
Accountability Indicator<sup>18</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>19</sup>

In **Ecuador**, a series of scandals revealing that sexual violence against children is much more widespread than many people had been willing to acknowledge shook the public. In 2018, digital news company GK published a report that told the story of a child who was sexually abused by his teacher at school. The report detailed negligence by different state institutions including the Public Prosecutor's Office, the Ministry of Education and the Ministry of Health, revealing a lack of a systemic response to incidents of sexual abuse of children. After publication, the Director of Communications from the Ministry of Public Health personally praised GK for shedding light on the issue and called for negligent professionals to be held accountable. Moreover, the Ministry of Health modified protocols to improve care for victims of sexual violence and workshops were given to hospital managers to train them on issues of sexual violence against children and on how doctors should report cases where they suspect that there may have been abuse.



## Gram Vaani INDIA

0.38

World Bank Voice and  
Accountability Indicator<sup>18</sup>

**NOT FREE**

The World Press Freedom Index<sup>19</sup>

In **India**, rules regarding workers' rights are often flouted. With no job security and no union rights, there is little pressure to follow the law. Gram Vaani built Saajha Manch, a voice-based community media platform that allows workers – often underpaid and from marginalized communities – access to useful information on workers' rights and a system to anonymously report abuses in their workplace, with the aim of enforcing accountability of employers. After submitting their claim, workers are provided with access to legal aid. Between August 2017 and December 2018, Saajha Manch had been heard by 9,000 workers, many dialing in to listen regularly. For example, in January 2018, Saajha Manch published a news item on the sudden lay-off of 54 workers at a factory in Okhla, New Delhi. After covering the story, it put the workers in touch with a trade union federation with the right to represent non-member workers. With the union's help, some workers won three months' compensation pay where they would have otherwise been left with nothing.



## Insajder SERBIA

0.00

World Bank Voice and  
Accountability Indicator<sup>18</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>19</sup>

In **Serbia**, as in many other countries, elected officials and those appointed to positions of authority often remain remote from the daily concerns of ordinary people who put them in power. In 2018, investigative journalism outlet Insajder started new a citizen-centered news and information project fully devoted to everyday problems – from mistreatment by institutions to systemic lack of accountability – that directly affect the lives of Serbian citizens, with the aim of creating positive change. The first episode covered the challenges faced by citizens with chronic kidney disease who require daily dialysis in Vrnjacka Banja, a town in central Serbia. The patients had to travel 25km to another city every day, even though new unpacked dialysis devices were available at a dialysis center that was planned, but never opened, in Vrnjacka Banja. Facing scrutiny and pressure from Insajder's journalists, local authorities finally opened the dialysis center, bringing patients much-needed access to local care.

<sup>18</sup> -2.5 to 2.5 scale, with higher scores indicating greater voice and accountability: -2.5-0 “weaker voice and accountability”, 0-2.5 “stronger voice and accountability”

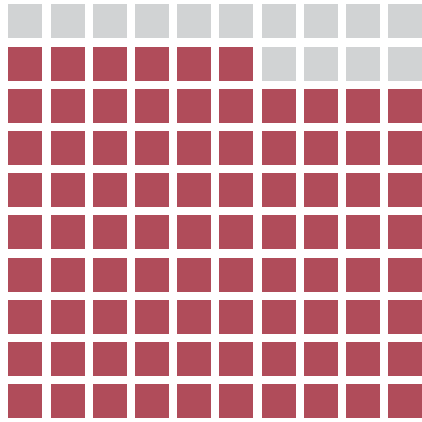
<sup>19</sup> 0 to 100 scale, with higher scores indicating less free media environment: 0-25 “Free” (referred to as “good situation” and “satisfactory situation” by RWB), 25.01-35 “Partly free” (referred to as “problematic situation” by RWB) and 35.01-100 “Not free” (referred to as “difficult situation” and “very serious situation” by RWB)

# Reliable information on social issues

A compelling body of research shows evidence that media coverage influences public perception and changes in behaviour across various social issues, from the environment<sup>20</sup> to gender equality<sup>21</sup>. In our work, we have seen numerous examples of how fact-based reporting

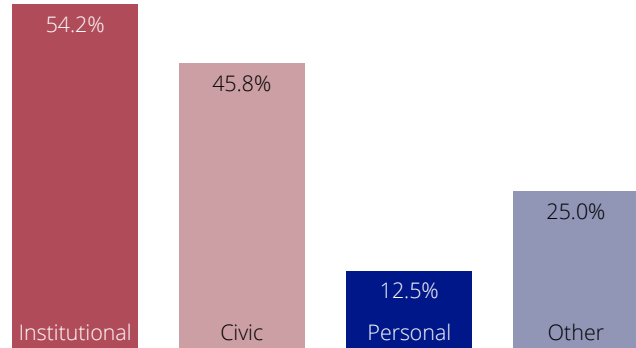
helped to increase public awareness and shape opinion on relevant social issues that may affect citizens' lives. By shining a light on topics that are often ignored or reported with prejudice, independent media set national and local agendas and serve as catalysts in initiating social change.

## Percentage of MDIF clients publishing social issues stories with impact



**85.7%**  
of MDIF clients in 2018 published social issues stories that created impact

## Type of change that followed reporting on social issues



## Key metrics:

- 85.7% of MDIF clients declared that their reporting on social issues in 2018 created impact.
- 86.4% of this reporting was carried out in countries with low or middle levels of social progress.
- 54.2% of social issues reporting led to institutional changes, such as an official response, hearing, government investigation, reorganization, change in law or policy.

<sup>20</sup> For example: Carmichael, J. T., & Brulle, R. J. (2017). "Elite cues, media coverage, and public concern: An integrated path analysis of public opinion on climate change, 2001–2013." *Environmental Politics*, 26(2), 232–252; Sampei, Y. and Aoyagi-Usui, M. (2009) "Mass-media coverage, its influence on public awareness of climate-change issues, and implications for Japan's national campaign to reduce greenhouse gas emissions" in "Global Environmental Change, Volume 19, Issue 2" (pp.203-212)

<sup>21</sup> For example: Jensen, R. and Oster, E. (2009) "The Power of TV: Cable Television and Women's Status in India" in "Quarterly Journal of Economics, Volume 124, Issue 3"; Terkildsen, N. and Schnell, F. (1997) "How Media Frames Move Public Opinion: An Analysis of the Women's Movement." *Political Research Quarterly* 50(4): 879–900.

<sup>22</sup> 0 to 100 scale, with higher scores indicating higher social progress: 100-78 "High social progress" (referred to as "Tier 1" and "Tier 2" by Social Progress Index), 77.9-53 "Medium social progress" (referred to as "Tier 3" and "Tier 4" by Social Progress Index) and 52.9-0 "Low social progress" (referred to as "Tier 5" and "Tier 6" by Social Progress Index). Due to unavailability of data, Kosovo and Somalia were not included in the Social Progress Index.

## How we track our clients' social issues reporting

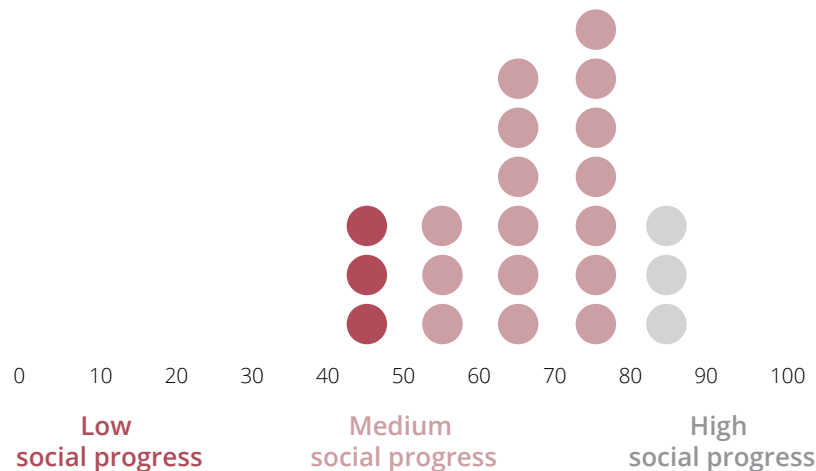
Data and examples of powerful and impactful reporting on social issues like the environment, gender, minorities, immigration or LGBT are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organization published any stories on social issues in the previous year that they think contributed to a real-world change or had a significant impact on their community. We also try to explore the ultimate social outcomes that followed, by asking whether the change the stories led to was institutional (e.g. an official response, hearing, government investigation, reorganization, change in law or policy), civic (e.g. protest, petition, community engagement, increased donation to a cause), personal (e.g. dismissal, resignation, criminal charges, fine, penalty, formal apology, improvement in person's working or living conditions) or of other sorts.

For more details on how we measure social impact, see the Impact Dashboard Methodology on our website.

In 2018, **85.7%** of the media companies we support reported publishing stories covering social issues, like the environment, gender, minorities, immigration or LGBT, that made an impact in their communities. **86.3%** of this reporting was carried out in countries that ranked low or middle in the Social Progress Index<sup>22</sup>, which measures the extent to

which countries provide for the social and environmental needs of their citizens. Institutional changes, such as an official response, hearing, government investigation, reorganization and change in law or policy, were the most mentioned category of changes that followed reporting on social issues.

### Distribution of clients reporting on social issues by The Social Progress Index<sup>22</sup>



# Examples of client reporting on social issues



Mail & Guardian

**SOUTH AFRICA**

**66.00** | Social Progress Index<sup>23</sup>

**FREE**  
The World Press Freedom Index<sup>24</sup>

In **South Africa**, an investigation by print and online outlet Mail & Guardian showed systemic discrimination faced by female staff at the African Union Commission (AUC), an intergovernmental body designed to spearhead Africa's development and integration. The outlet revealed the contents of two internal memos in which 37 women current and former employees had complained of routine ill-treatment, humiliation and discrimination on the basis of their gender, citing "the entrenchment of professional apartheid against female employees". Following Mail & Guardian's exclusive exposé, AUC invited all staff members who had cases of complaint to come forward for a confidential interview. This internal investigation confirmed the staggering prevalence of sexual harassment and systemic gender discrimination within the organization. To ensure a work place environment free of discrimination, AUC undertook steps to rewrite and reinforce its anti-harassment policies and procedures.



Nómada

**GUATEMALA**

**60.41** | Social Progress Index<sup>23</sup>

**NOT FREE**  
The World Press Freedom Index<sup>24</sup>

In **Guatemala**, violence and poverty have forced many to flee their homes in search of safety and stability in the U.S. Yet, after travelling for weeks, thousands of children were separated from their families at the southern border as a result of a 'zero tolerance' policy introduced by the U.S. administration. In collaboration with the Texas Tribune and TIME, online outlet Nómada told a richly-illustrated story of an indigenous farmworker who, after crossing the border, was deported back to Guatemala, while his 7-year-old son was put in a U.S. shelter. The media coverage brought the case to the attention of a renowned lawyer, who agreed to represent the separated family pro bono. The lawsuit in the immigration court to bring the father back to the U.S. has so far not moved forward. His son, now 8 years old, has not seen his family for a year and has been in four different shelters for migrant children in the United States. However, following a widespread public outcry, the U.S. administration decided to withdraw the controversial policy of family separation.



Scroll  
**INDIA**

**56.26** | Social Progress Index<sup>23</sup>

**NOT FREE**  
The World Press Freedom Index<sup>24</sup>

In **India**, every year members of the Dalit community, a low-caste minority formerly known as "untouchables", gather to observe the anniversary of the historic Battle of Koregaon in 1818, when they helped the British defeat higher-caste elites, a symbol of Dalit assertion and pride. In 2018, the celebrations of the 200th anniversary were marred by clashes between Dalits and upper caste Hindus opposing the event as being anti-national, with stone throwing and arson attacks between the two groups resulting in the death of at least one person and injuries to several others. Amid violent protests, a rampaging mob ransacked and burnt down a woman's eatery because she defied the social boycott of Dalits and kept her establishment open and continued to provide food. A Scroll reporter was on the ground to put the spotlight on the caste-motivated violence and took a video of the incident. After viewing Scroll's video, the police filed a case against five people involved in the attack.

<sup>23</sup> 0 to 100 scale, with higher scores indicating higher social progress: 100-78 "High social progress" (referred to as "Tier 1" and "Tier 2" by Social Progress Index), 77.9-53 "Medium social progress" (referred to as "Tier 3" and "Tier 4" by Social Progress Index) and 52.9-0 "Low social progress" (referred to as "Tier 5" and "Tier 6" by Social Progress Index). Due to unavailability of data, Kosovo and Somalia were not included in the Social Progress Index.

<sup>24</sup> 0 to 100 scale, with higher scores indicating less free media environment: 0-25 "Free" (referred to as "good situation" and "satisfactory situation" by RWB), 25.01-35 "Partly free" (referred to as "problematic situation" by RWB) and 35.01-100 "Not free" (referred to as "difficult situation" and "very serious situation" by RWB)



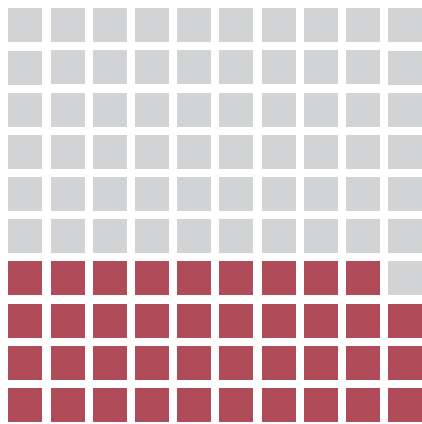
Photo: OK Radio

# Democratic participation during elections

Both our experience and the academic evidence<sup>25</sup> strongly suggest that independent media have a profound impact on society during elections. By providing information about different candidates and their parties, they foster exposure to a range of political opinions and enable the electorate to cast an informed ballot. They also act as watchdogs

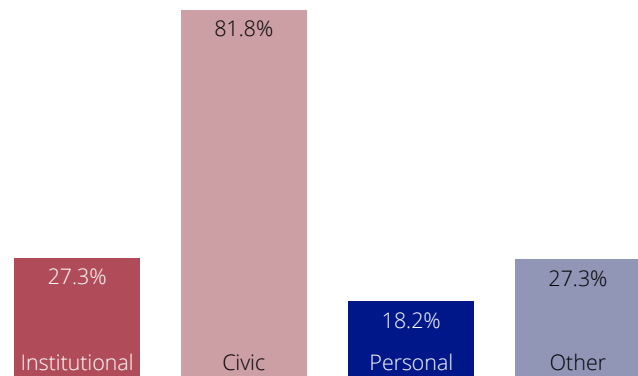
and fact-checkers, scrutinizing claims by those running for office as well as exposing wrongdoing, fraud and deceptive statements. Through the rigorous reporting of results and monitoring of vote-counting, independent media outlets help ensure transparency, public oversight and confidence in the electoral process.

## Percentage of MDIF clients publishing election stories with impact



**39.3%**  
of MDIF clients in 2018  
published election  
stories that created  
impact

## Type of change that followed reporting on election



## Key metrics:

- 39.3% of MDIF clients declared that their reporting on elections in 2018 created impact.
- 45.5% of this election reporting was carried out in countries with restricted voice and accountability.
- 81.8% of election reporting led to civic changes, such as protests, petitions, community engagement and increased donations to a cause.

<sup>25</sup> For example: Gunther, R., & Mughan, A. (2000). "Democracy and the media: A comparative perspective." Cambridge: Cambridge University Press; Drew, D., & Weaver, D. (2006). "Voter learning in the 2004 presidential election: Did the media matter?" *Journalism & Mass Communication Quarterly*, 83(1), 25-42; Hopmann, D. N., Vliegthart, R., de Vreese, C., & Albæk, E. (2010). "Effects of Election News Coverage: How Visibility and Tone Influence Party Choice." *Political Communication*, 27(4), 389-405.

<sup>26</sup> -2.5 to 2.5 scale, with higher scores indicating greater voice and accountability: -2.5-0 "weaker voice and accountability", 0-2.5 "stronger voice and accountability"



## How we track our clients' election reporting

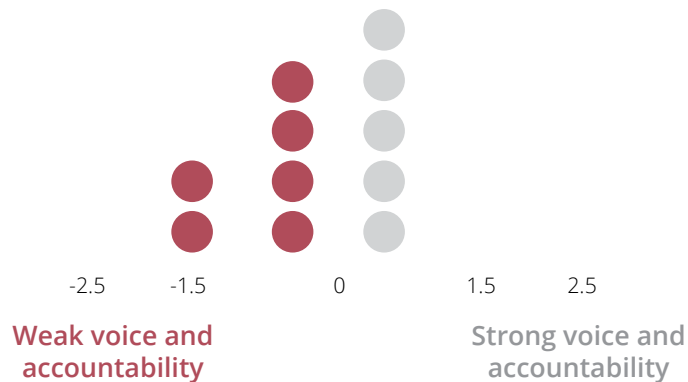
Data and examples of powerful and impactful election reporting are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organization published any stories on elections in the previous year that they think contributed to a real-world change or had a significant impact on their community. We also try to explore the ultimate social outcomes that followed, by asking whether the change the stories led to was institutional (e.g. an official response, hearing, government investigation, reorganization, change in law or policy), civic (e.g. protest, petition, community engagement, increased donation to a cause), personal (e.g. dismissal, resignation, criminal charges, fine, penalty, formal apology, improvement in person's working or living conditions) or of other sorts.

For more details on how we measure social impact, see the Impact Dashboard Methodology on our website.

In 2018, **39.3%** of all the media companies we support declared that they had published stories on elections that created impact, in line with their electoral calendars. We recorded **13** major elections in the countries in which our clients are present, including general elections in Malaysia and Cambodia and a presidential election in Montenegro, all closely covered by MDIF-supported media. In fact, **54.5%** of impactful election reporting declared by our clients was

carried out in countries where citizens face restricted ability to participate in elections, weak civil liberties and political rights, and a low level of freedom of expression, association and media, as measured by the World Bank Voice and Accountability Indicator<sup>26</sup>. The most commonly mentioned impact area was civic changes, such as protests, petitions, community engagement and increased donations to a cause.

### Distribution of clients reporting on election by World Bank Voice and Accountability Index<sup>26</sup>



# Examples of client election reporting



## Malaysiakini MALAYSIA

**-0.08**

World Bank Voice and  
Accountability Indicator<sup>27</sup>

**NOT FREE**

The World Press Freedom Index<sup>28</sup>

In **Malaysia**, Najib Razak's coalition was toppled after 61 years in power. Paving the way for the momentous democratic transition was online outlet Malaysiakini. For two decades, the independent news site tirelessly shined the light of truth on Malaysia's shady politics, despite being raided by police and dragged to court numerous times. Although regulators tried to block access to the site, more than 17 million people, almost 4/5 of the entire adult population of the country, used Malaysiakini or its internet TV channel KiniTV to track the election results on polling day. Pulling together data from various sources, Malaysiakini was the first outlet to conclusively call the election for the opposition. Its reporting was so quick, that the new Election Commission chiefs vowed to be as fast as Malaysiakini with future election results. Moreover, a week after the election of Malaysia's new prime minister, Mahathir Mohamad, jailed opposition figure Anwar Ibrahim was released from prison and specifically thanked Malaysiakini for its work and its independent journalism.



## Vijesti MONTENEGRO

**0.08**

World Bank Voice and  
Accountability Indicator<sup>27</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>28</sup>

In **Montenegro**, Milo Đukanović, the leader of the ruling Democratic Party of Socialists, once again cemented his control by winning another term as head of state, after already serving as Prime Minister six times and as President once. Among numerous attacks on independent media during his presidential campaign that fomented hostility against journalists, Đukanović railed against newspaper Vijesti for its critical reporting, including an investigation into how his son made profits from generous government contracts. One month after elections, Vijesti journalist Olivera Lakić, who reported on crime and corruption among government elites, was shot in the leg outside her apartment. Vijesti also suffered a wave of cyber-attacks that attempted to overload its servers and forced the portal offline for a short time. Widespread allegations of corruption, cronyism and shady financial dealings by Đukanović and his ruling party forced Montenegrins to take to the streets, demanding political reforms.



## Cambodian Center for Independent Media

**CAMBODIA**

**-1.22**

World Bank Voice and  
Accountability Indicator<sup>27</sup>

**NOT FREE**

The World Press Freedom Index<sup>28</sup>

In **Cambodia**, Prime Minister Hun Sen, who has ruled the country for 33 years, won a general election widely condemned as a sham by human rights groups and political observers. To secure the victory, Hun Sen's Cambodian People's Party intensified its onslaught on the political opposition, banning any serious challengers and firmly establishing Cambodia as a de facto one-party state. Using tax laws, anti-fake news law and other legal instruments, the government also clamped down on the country's independent media, closing newspapers and radio stations and intimidating and jailing journalists. Just hours before polling begun, the government blocked access to independent media websites, including radio and news outlet Voice of Democracy (VOD), run by the Cambodian Center for Independent Media (CCIM). Despite an aggressive crackdown, VOD was one of the relatively few independent media outlets to provide accurate fact-based information and produced critical reporting that pointed out serious problems with the electoral process.

<sup>27</sup> -2.5 to 2.5 scale, with higher scores indicating greater voice and accountability: -2.5-0 "weaker voice and accountability", 0-2.5 "stronger voice and accountability"

<sup>28</sup> 0 to 100 scale, with higher scores indicating less free media environment: 0-25 "Free" (referred to as "good situation" and "satisfactory situation" by RWB), 25.01-35 "Partly free" (referred to as "problematic situation" by RWB) and 35.01-100 "Not free" (referred to as "difficult situation" and "very serious situation" by RWB)



Photo: Dawei Watch

လူပေါင်း ၁၀ သန်းကျော် အိမ်ထောင်စုံအဖြစ်  
...လဲလှယ်ရောင်းဝယ် ဖွဲ့စည်းထားသော ဥပဒေမူကြမ်း  
...ကြမ်းကွဲအစဉ်က ဖွဲ့စည်းထားသော ဥပဒေမူကြမ်း...



ကျွန်ုပ်တို့



media  
development  
investment  
fund

MDIF New York  
37 W 20th St., #801  
New York, NY 10011, USA  
1 (212) 807-1304

MDIF Prague  
Salvatorska 10  
110 00 Prague 1, Czech Republic  
(420) 224-312-832

[www.mdif.org](http://www.mdif.org)