



media  
development  
investment  
fund

A photograph of two men in a control room. The man in the foreground is older, with a grey beard, wearing a yellow shirt and a black beanie. The man in the background is younger, with a beard, wearing a blue and white checkered shirt. They are both looking at multiple computer monitors displaying various data and charts. The room is dimly lit, with light coming from the screens and overhead fixtures.

# Impact Dashboard 2020

# Content

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

## Portfolio in 2019

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**\$115.2m** total assets under management across **5** funds



**\$55.2m** new investments in **10** media in **10** countries



**4** new companies and **2** new countries



**90.5%** of assets held in countries with limited press freedom

## Clients in 2019

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**42** media companies in **28** countries



**4,472** media workers, **48.1%** of them women



At least **55** awards received by **54.8%** of clients



**42.4%** experienced attacks, arrests or harassment

# Impact on client business

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## Reach

**120.4m**

people received their news from MDIF clients in 2019

**187.2%**

average reach increase after 5 years of working with MDIF

## Revenues

**\$441.5m**

in revenue generated by MDIF clients in 2019

**218.1%**

average revenue increase after 5 years of working with MDIF

## Viability

**80.0%**

clients classified as having low or moderate risk in 2019

**63.3%**

clients view economic issues as biggest challenge

## Client evaluation

**74.2%**

clients seeing positive change due to work with MDIF in 2019

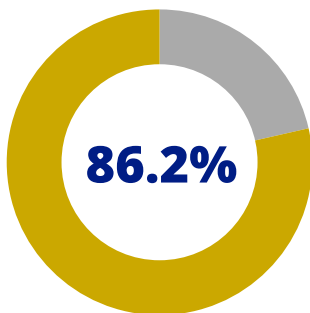
**95.5%**

clients seeing positive change due to MDIF capacity building

# Client impact on society

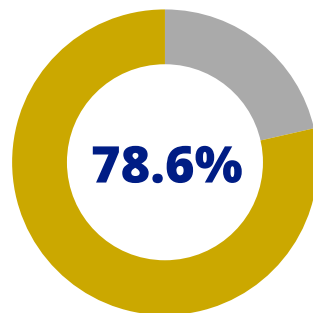
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## Corruption



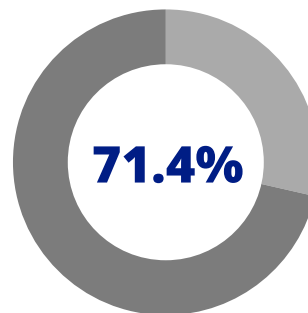
clients published corruption stories in 2019 that created impact

## Accountability



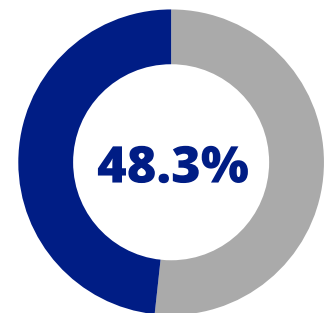
clients published accountability stories in 2019 that created impact

## Social issues



clients published social issues stories in 2019 that created impact

## Elections



clients published election stories in 2019 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.





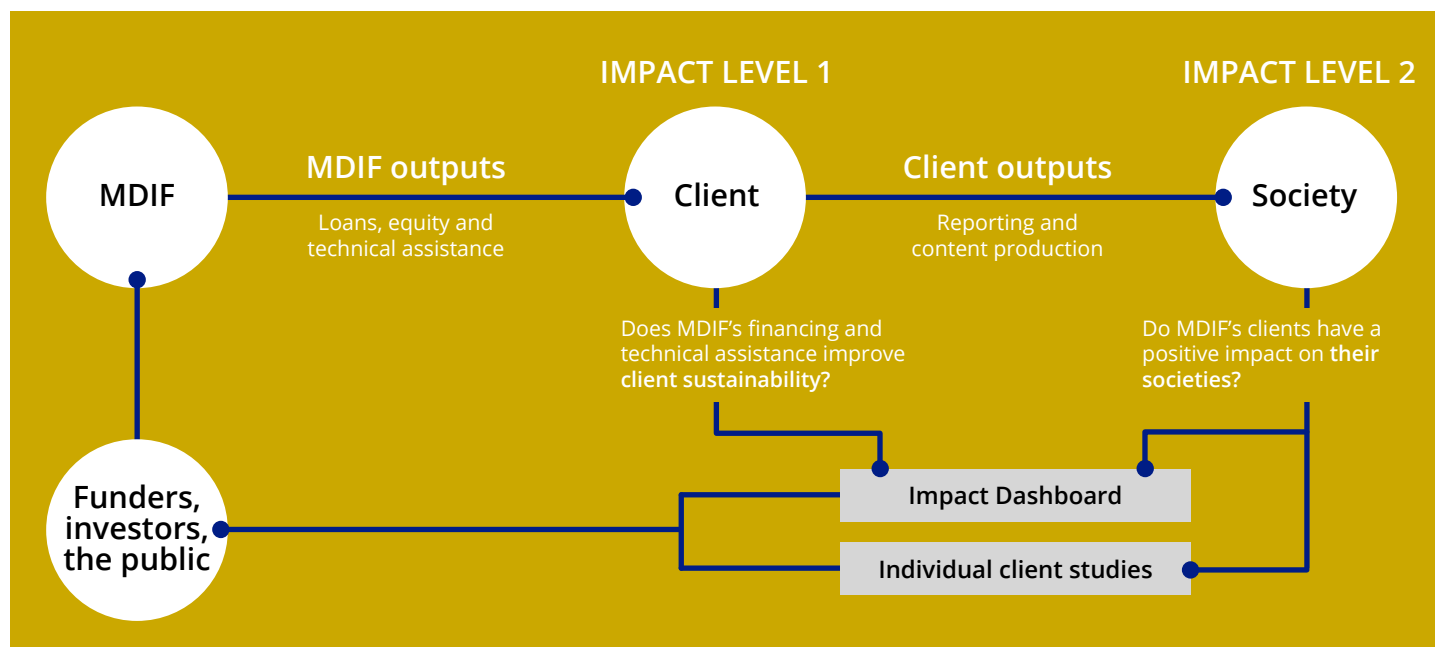
Photo: Hashtag Our Stories

# 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 the companies we support and helps us make more informed decisions around our portfolio. Yet, the best persons to speak to the quality of our support are clients themselves. Thus, we present client **evaluation of impact**, where we

## MDIF's approach to impact assessment





hear directly from supported media organisations about the changes their businesses have experienced, including their evaluation of the extent to which MDIF financing and technical assistance have 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, the World Bank's Classification of Countries by Income 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, World Bank's Classification of Countries by Income
		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: Agora / Gazeta Wyborcza / Facebook



# Current portfolio

MDIF has a **24-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. As the only global investment fund for independent media, our affordable debt and equity financing supported by tailored technical assistance and advisory services, aim to help public interest media develop sustainable businesses, while safeguarding their editorial independence.

Starting with support to media companies in countries transitioning from communist systems to free markets back in 1996, to being at the forefront of investing in digital news and information startups in emerging and frontier markets in 2019, MDIF has invested in **119** independent media businesses across **42** countries in total. As of December 2019, we had provided **\$231.2 million** in financing, including **\$203.4 million** in loans and equity investments, **\$27.2 million** in technical assistance (TA) and TA grants and \$0.6

million through a secure payment service for independent media.

MDIF finished December 31, 2019 with **\$115.2 million** total assets under management. Our portfolio included **42** independent media companies spread across **28** countries, from India to Lesotho and from Peru to Malaysia. The largest share of our assets under management — 78.9% — were in Southeast and Eastern Europe, with 11 companies in our portfolio, followed by Asia at 9% (10 companies), Africa at 6.8% (7 companies), Eurasia at 3.3% (4 companies) and Latin America at 1.6% (8 companies), in addition to 0.4% allocated to 2 international projects with global reach.

In 2019, MDIF invested **\$55.2 million** in **10** media companies across **10** countries, in addition to continuously servicing existing investments and providing technical assistance and strategic advice. Across five funds, six media companies

## Key metrics:

- In 2019, MDIF's portfolio included 42 media companies spread across 28 countries employing 4,472 media workers, 48.1% of them women.
- 90.5% of our investments were in countries where press freedom is limited and 83.3% in countries perceived as struggling with corruption problems.
- 54.8% of MDIF clients were recognized with awards. Over the year, clients received at least 55 professional honours and accolades.

were assisted with follow-on financing, while four were new to our portfolio. We also extended our operations to two new countries – Guyana and the Philippines.

From digital startups and national multi-platform broadcasters, MDIF clients are vital institutions that underpin open, vibrant societies. Many are leaders in their market, renowned for their fact-based reporting and informed opinion. In 2019, **54.8%** of MDIF-supported media organizations included in our annual questionnaire reported receiving awards that year, while **65.5%** reported carrying out innovative digital, multimedia or revenue development

projects, partnerships or collaborations. Out of those presented with prizes, 15 were recognized with national awards, 8 with international awards and 6 with local awards. We counted as many as 55 honours and accolades earned by our clients in 2019.

It is the people who work there and their dedication and professionalism that make this possible. Last year, our investments supported the work of more than **4,472** journalists, publishers and other media workers, **48.1%** of them women.

### MDIF clients winning awards in 2019

**54.8%** of MDIF clients were recognized with awards in 2019

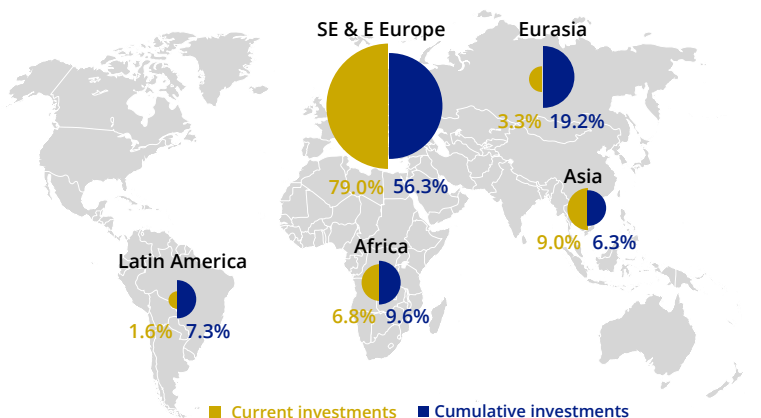


### Employee gender distribution of MDIF clients in 2019

**48.1%** of MDIF clients' employees in 2019 were women



### MDIF's assets under management by region<sup>1</sup>



- AFRICA**  
Botswana, Lesotho, Nigeria, Malawi, Senegal, Somalia, South Africa, Zambia, Zimbabwe
- ASIA**  
Cambodia, India, Indonesia, Malaysia, Nepal, Philippines
- EURASIA**  
Armenia, Georgia, Russia, Ukraine
- LATIN AMERICA**  
Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Guyana, Paraguay, Peru, Venezuela
- SOUTHEAST AND EASTERN EUROPE**  
Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, North Macedonia, Montenegro, Poland, Serbia, Slovakia
- \*OTHER**  
Outlets with global reach based in the Netherlands and USA

<sup>1</sup> International projects with global reach - current investments (0.4%), cumulative investments (1.2%)

## Portfolio summary

	2015	2016	2017	2018	2019 (unaudited)	Cumulative
Assets under management	\$39.9m	\$66.8m	\$70.1m	\$63.9m	\$115.2m	n/a
Number of total clients	53	48	47	42	42	119
Number of new clients	-	2	4	2	4	n/a
Number of countries	28	28	26	25	28	42
New investments made	\$1.5m	\$21.5m	\$3.7m	\$3.0m	\$55.2m	\$203.4m
Principal recovered	\$3.2m	\$3.0m	\$1.96m	\$1.86m	\$1.8m	\$74.1m
Interest, dividends & capital gains collected	\$576K	\$1.2m	\$917K	\$263k	\$867k	\$42.6m
Returned to investors	\$3.6m	\$6.4m	\$9.1m	\$2.0m	\$6.1m	\$54.1m

## Portfolio in context

By design we invest in countries where press freedom is limited and under threat, be it from political interference and media capture or harassment and physical attacks on media workers, and where access to reliable information can play a key role in supporting public accountability and transparency.

In 2019, **38 out of 42** MDIF clients operated in countries where the media environment is partly free or not free, according The World Press Freedom Index published by Reporters Without Borders (RWB) . The average score for the portfolio stood at 33.8, firmly in partly free category on a scale from 0 (most free) to 100 (least free). Based on our annual survey, we found that **42.4%** MDIF-supported media organizations reported experiencing attacks, arrests or harassment in the past year.

Additionally, **35 out of 42** clients in 2019 were in countries perceived as struggling with corruption problems, as measured by Transparency International's Corruption Perceptions Index , with the portfolio recording an average score of 39.5 on a scale from 100 (least corrupt) to 0 (highly corrupt).

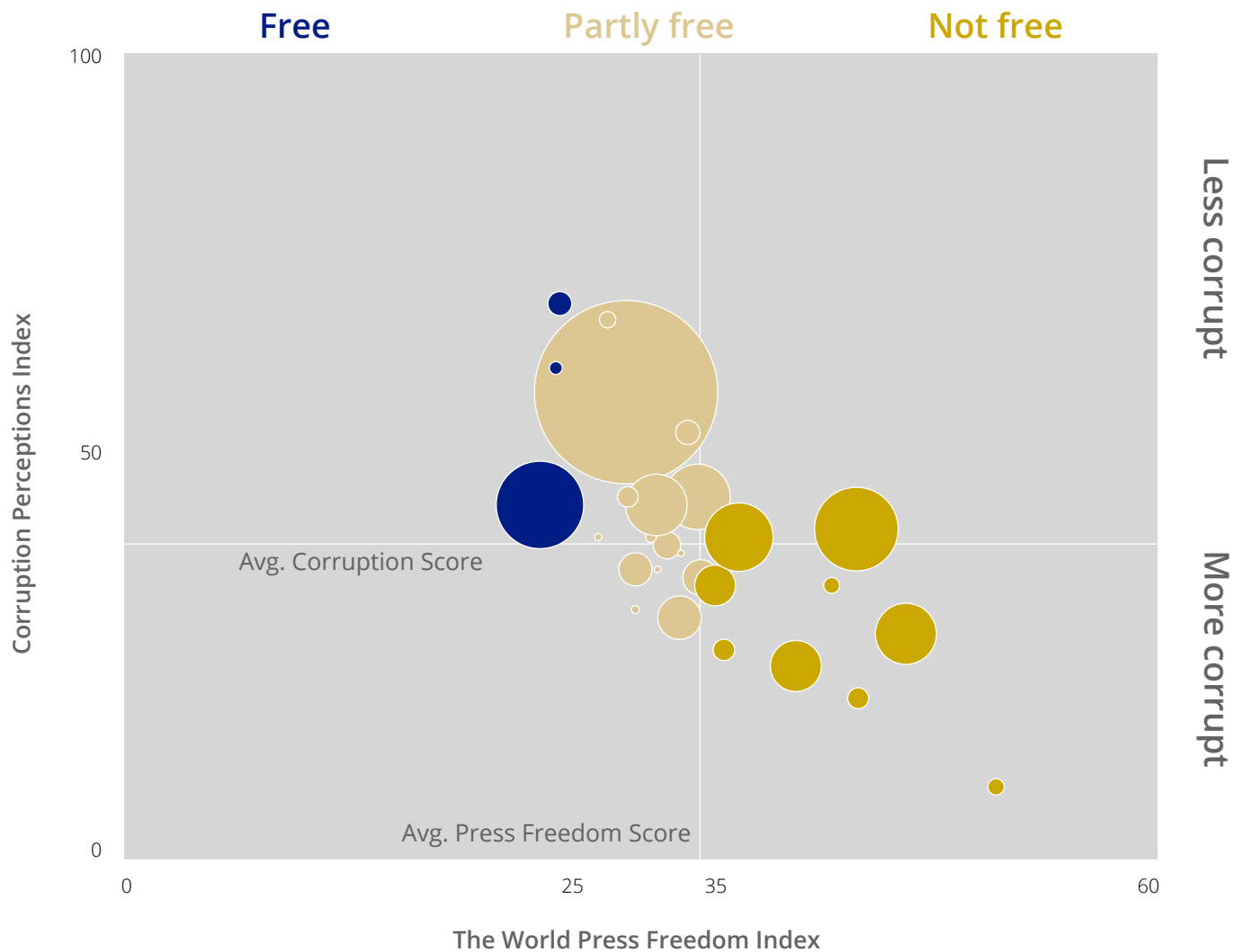
The chart below presents portfolio allocations by country by RWB's World Press Freedom Index and by Corruption Perceptions Index, showing that MDIF investments are concentrated in countries with restrained press freedom and a reputation for corruption. Each bubble represents a country, while the size 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> 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>3</sup> 0-49 "More corrupt", 50-100 "Less corrupt"



# MDIF's assets under management by the World Press Freedom Index<sup>2</sup> and by Corruption Perceptions Index<sup>3</sup>



# Impact on client business

MDIF provides affordable debt and equity financing to independent media businesses in challenging environments. Our loans and equity with no editorial strings attached aim to help media companies, as diverse as digital startups and national multi-platform broadcasters, build robust and sustainable businesses around the values of fact-based news, informed opinion and open debate.

We also support our investments with intensive financial monitoring, technical assistance and strategic advice. Through Media Advisory Services (MAS), our technical assistance unit, our in-house specialists and outside consultants help our clients build revenues and audiences and establish solid financial footings.

To measure whether what we do is working and makes a difference for the companies we support, we designed

a monitoring system that looks at our **impact on client businesses**. The results, as presented in this report, validate our mission and attests to our 24-year track record of providing financing and technical assistance that help independent media companies strengthen their financial viability.

As presented in further sections, our longitudinal assessment of clients' **reach, revenues** and **viability**, 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 support has impacted on their media companies.

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

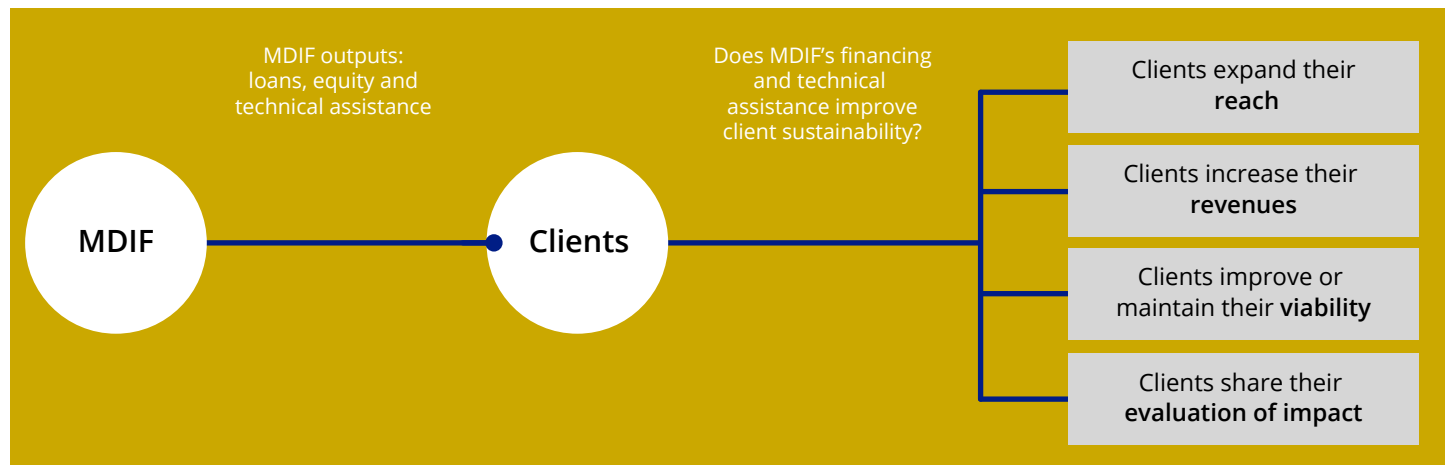




Photo: vijesti

YAMAHA

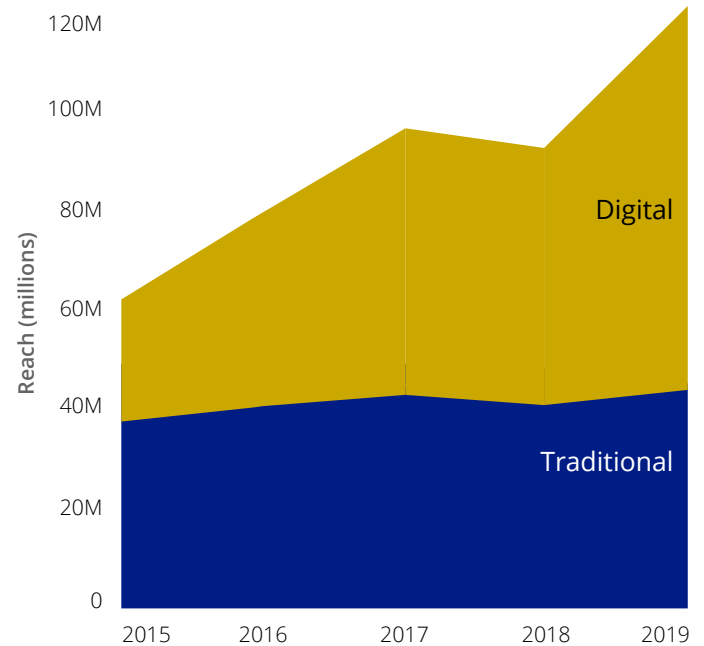


# Client reach

Measuring 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 of their communities and countries. In financial terms, audience is a vital part of building robust media organisations. While creating a strong brand with a loyal following or a niche product that attracts the right target group can help leverage advertisement dollars, audience can be a direct source of revenue too, with more and more media organisations incorporating memberships, subscriptions and voluntary donations into their business strategy. Thus, MDIF's investments, technical assistance and strategic advice often focus on audience development and monetisation, helping clients to better engage with and serve their communities.

In 2019, **120.4 million** people around the world got their news and information from MDIF clients – a record high in our 24 years of work. Year-over-year, total reach grew by 30% from 92.5 million reported in 2018, with the overall increase attributable to new companies joining MDIF portfolio and their substantial reach adding to the cumulative MDIF reach.

**Total annual client reach by type, 2015-2019**



## Key metrics:

- In 2019, **120.4 million** people received their news from MDIF clients, **76.5 million** online and **43.9 million** through traditional media.
- After five years of working with MDIF, client reach increased on average by **187.2%** (a median of 32.3%).
- **Eight out of ten** clients increased or maintained their reach from the beginning to latest year of their relationship with MDIF, while **four out of ten** doubled their audience or better.

## 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.

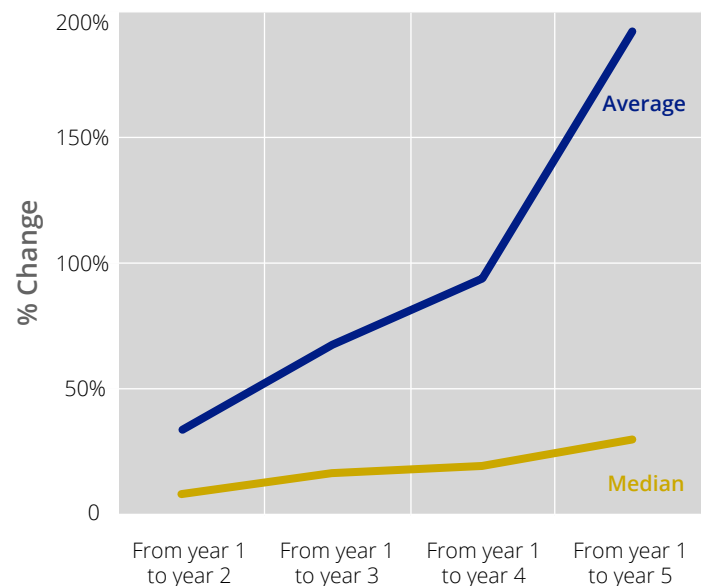
For more on the methodology we use to collect and analyse our impact data, see the Impact Dashboard Methodology section on our website.

Reflecting the ongoing changes in the global media landscape where audiences continue shifting away from traditional media in favour of online content, substantially more people received news from MDIF clients online than through traditional means. In 2019, **76.5 million** people were reached through digital media and **43.9 million** through traditional media, such as TV, radio and newspapers.

On an individual level, clients active in both 2018 and 2019 increased their reach by **17.2%** on average between the two years (a median of 9.4%). In fact, almost **seven in ten** of MDIF supported media increased or maintained their reach (71.9%) and **one in ten** doubled their reach between 2018 and 2019 (9.4%).

We also found that clients involved with MDIF for at least five years saw their reach increase by an average of **187.2%** between their first and fifth year (a median of 32.3%). Over the same period, a median year-over-year growth rate (CAGR) amounted to **7.2%**.

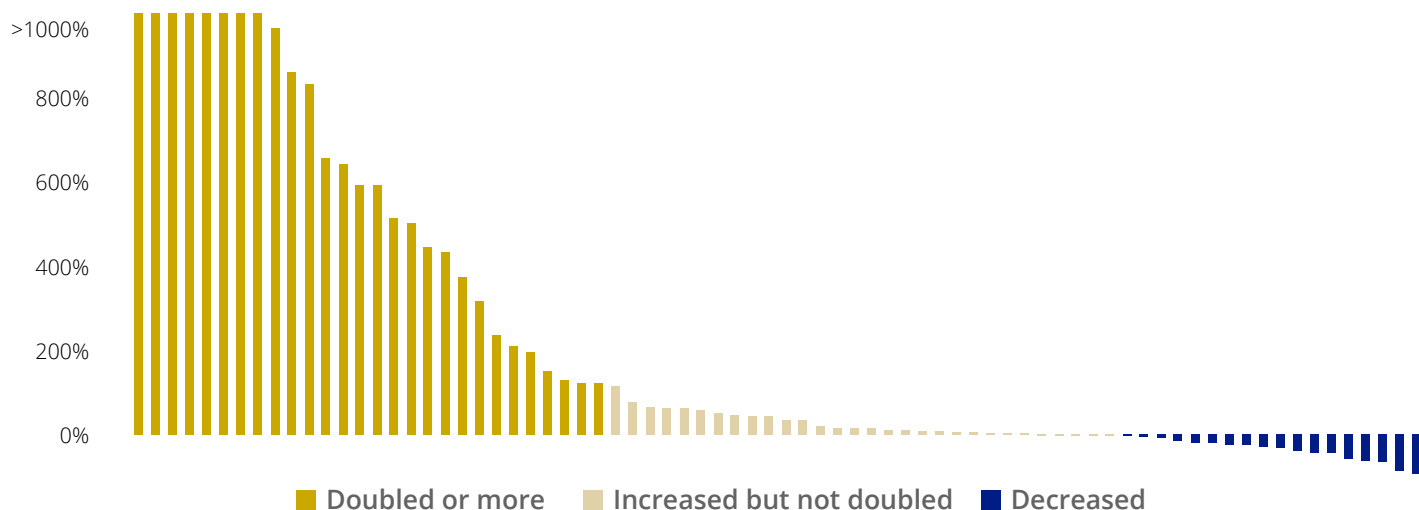
### Change in client reach from first year with MDIF



Overall, taking into consideration all data gathered since we first started compiling audience figures, almost **eight in ten** of clients increased or maintained their reach from the beginning to latest year of their relationship with MDIF (76.3%) and almost **four in ten** doubled their audience or

better (37.7%). Average growth from a client's first year of involvement to their latest was **502.1%** (a median of 38.3%). Median year-over-year growth rate (CAGR) for the full investment term stood at **7%**.

## Change in client reach over whole involvement with MDIF



## Clients' reach in context

MDIF-supported companies reach various readers, listeners and viewers across the world, from rural communities in India to business professionals in Ukraine. In 2019, the largest share of our clients' audience — **46.7%** — lived in Asia, followed by Southeast and Eastern Europe at **41.7%**, Africa at **6.6%**, Latin America at **4.1%** and Eurasia at **0.9%**.

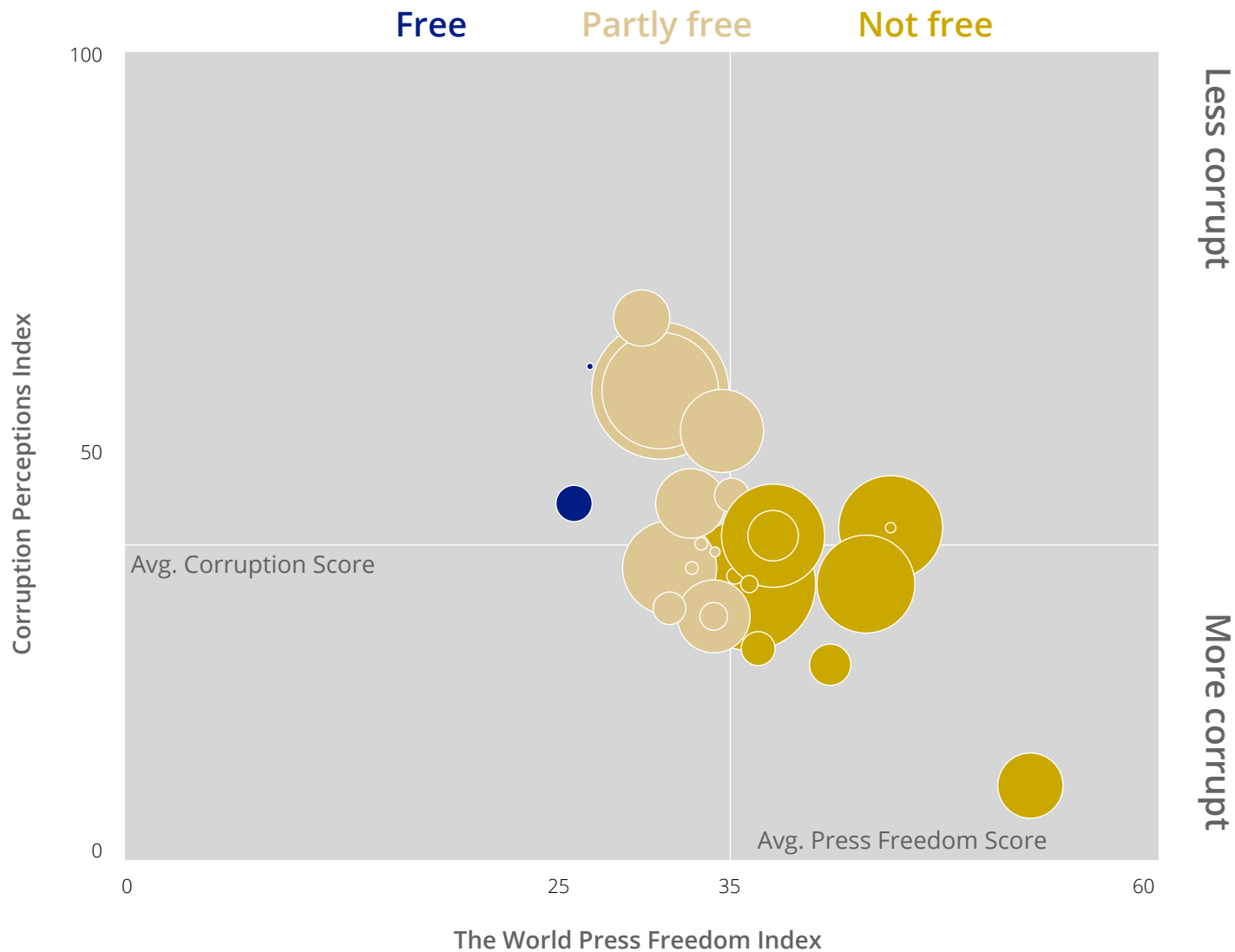
The companies we invest in operate in a range of countries where press freedom is under threat and where access to reliable information can play a key role in supporting public accountability and transparency. In the past year, **98.9%** of the people MDIF clients reached lived in partly free or not free countries, according to the World Press Freedom Index published by Reporters Without Borders<sup>4</sup>. Additionally,

**66.9%** of our clients' audience lived in countries with greater perceived corruption, as measured by Transparency International's Corruption Perceptions Index<sup>5</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 in 2019 by the World Press Freedom Index<sup>4</sup> and by Corruption Perceptions Index<sup>5</sup>



<sup>4</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>5</sup> 0-49 "More corrupt", 50-100 "Less corrupt"

# Client revenues

To assess clients' performance, we also monitor clients' revenue patterns. As an investor, our primary goal is to promote the long-term financial well-being of the media companies we support, making them less vulnerable to future risks and capable to withstand or adapt to shocks and stresses. Beyond the clear fiscal logic for growing company's revenues, financial independence lies at the heart of editorial independence. MDIF's mission is to help media organisations strengthen their financial viability so they are able to protect their content from outside influence and serve as effective watchdogs. With that in mind, support frequently focuses on sales, revenue development and financial management, helping our clients to create conditions needed to ensure their independence, pluralism and professional standards.

## MDIF sales leverage in 2019

MDIF assets  
under management

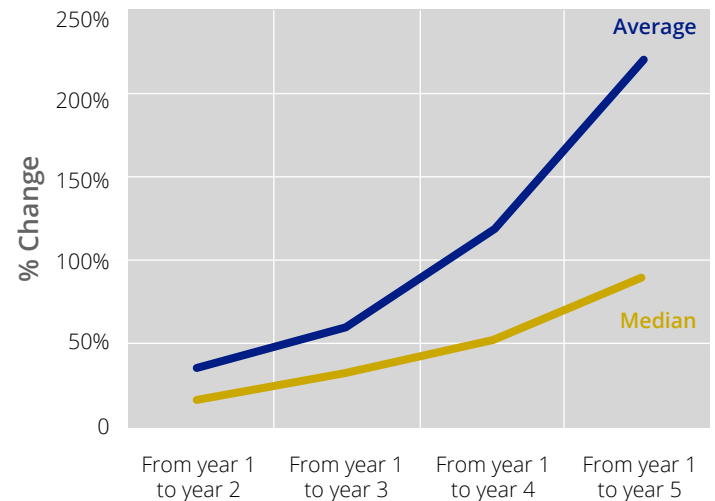
Client revenues  
leveraged



Each **\$1** invested by MDIF leveraged  
**\$3.83** in client revenues in 2019

In 2019, we saw total client revenues of **\$441.5 million**. Year-over-year, total client revenues increased by **25.6%** from 2018, with the overall increase mostly attributable to new companies joining the portfolio and their substantial revenue adding to the cumulative total.

## Change in client revenues from first year with MDIF



## Key metrics:

- In 2019, MDIF clients generated **\$441.5 million** in revenues, with each dollar managed by MDIF leveraging **\$3.83** in client revenues.
- After five years of working with MDIF, client revenues increased on average by **218.1%** (a median of **89.2%**).
- **Seven out of ten** clients increased or maintained their revenues from the beginning to latest year of their relationship with MDIF, while **three in ten** doubled their revenues or better.

## How we track our clients' revenues

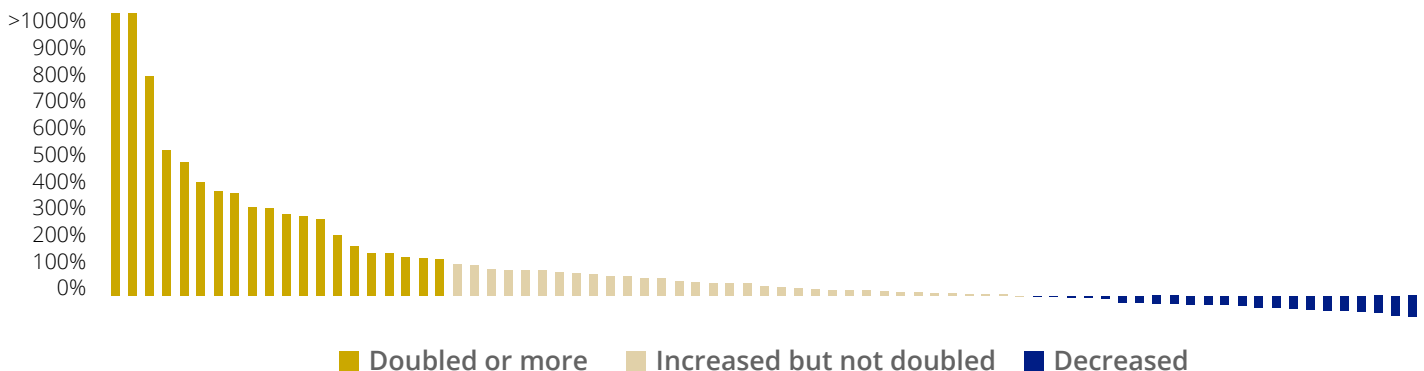
Revenues refer to the total amount of client income from circulation, advertising, printing services and other activities before any costs or expenses are deducted. Revenue data is readily available through quarterly reports submitted to MDIF by clients and their annual income statements. Clients report 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 analyse our impact data, see the Impact Dashboard Methodology section on our website.

Revenue leverage – the ratio of total client revenues to total assets under management – stood at **1:3.83** in 2019, meaning that each \$1 managed by MDIF leveraged **\$3.83** in client revenues in 2019.

On an individual level, clients active in both 2018 and 2019 increased their revenues by **21.9%** on average between the two years (a median of 7.2%). In fact, close to **six in ten** (63.3%) of MDIF clients increased or maintained their revenues, while **one in ten** (6.7%) doubled their reach between 2018 and 2019.

### Change in client revenues over whole involvement with MDIF



We also noted that media companies involved with MDIF for at least five years saw their revenues increase by an average of **218.1%** between their first and fifth year (a median of 89.2%). Over the same period, a median year-over-year growth rate (CAGR) amounted to **17.3%**.

Overall, taking into consideration all data gathered since we first started compiling revenue figures, **seven in ten** of clients increased or maintained their revenues from the beginning to latest year of their relationship with MDIF (68.8%) and almost **three in ten** doubled their revenues or better (28.6%). Average growth from a client's first year of involvement to their latest was **297.8%** (a median of 34.4%), while a median year-over-year growth rate of **6.8%** (CAGR) for the entire investment term.



# Clients' revenues in context

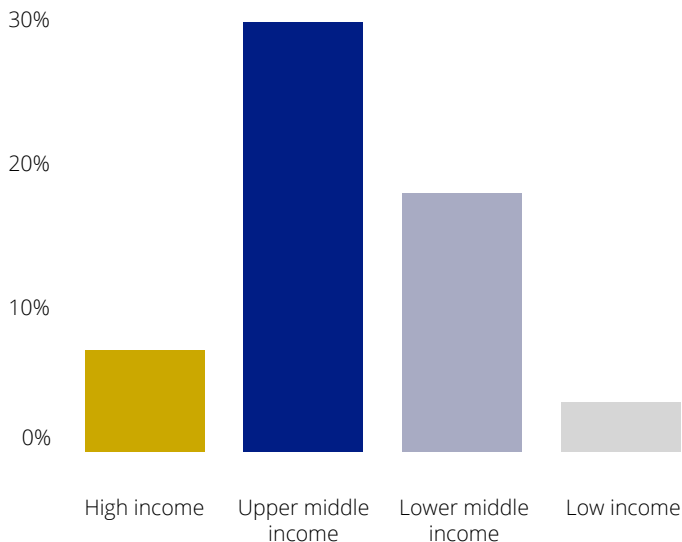
MDIF-supported media businesses operate in different financial conditions, from slowly developing markets in Africa to fast-growing economies in Asia. Across both mature and emerging markets, they seek to achieve financial sustainability that would enable high-impact journalism. The World Bank assigns the world's economies into four income groups — high, upper-middle, lower-middle, and low. In 2019, out of 42 clients in the MDIF portfolio, **19** were based in upper-middle income countries (such as Indonesia and Brazil), **13** in lower-middle income (such as India and Ukraine), **8** in high income (such as Poland and Chile), and **2** in low income ones (Malawi and Somalia).

Between 2018 and 2019, clients working in upper-middle income countries saw the highest increase in revenues, at **29.8%** on average (a median of 3.5%). Media companies

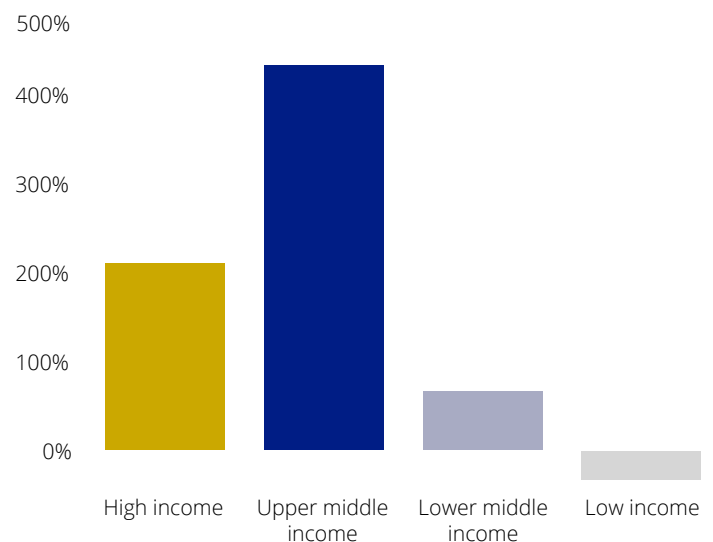
in lower-middle income countries grew their revenues by an average of **18%** (a median of 7.7%), while those in high-income countries recorded an increase of **7%** on average (a median of 9.3%). The weakest growth was recorded in low-income countries (**3.4%** average and median).

Overall, when taking into consideration data from the beginning to latest year of their relationship with MDIF, clients working in upper-middle income countries saw the highest increase in revenues, at **433.3%** on average (a median of 39.0%), followed by media companies in high-income countries (**210.8%** average and 11.3% median) and in lower-middle income countries (**65.7%** average and 59.9% median). Based on income classification, revenue decrease was only recorded in low income countries (**-34.7%** average and median).

**Average change in client revenues 2018–2019 by World Bank's Classification of Countries by Income<sup>6</sup>**



**Average change in client revenues over whole involvement with MDIF by World Bank's Classification of Countries by Income<sup>6</sup>**



<sup>6</sup> High income >\$12,375 Gross National Income (GNI) per capita in millions of current US\$, upper-middle income, \$3,996 - \$12,375, lower-middle income \$1,026 - \$3,995, low income <\$1,026



Photo: Rappler



# Client viability

As a part of our monitoring we also review clients' viability, an area closely tied to our activities and mission. With falling revenues, disrupted business models and increased competition, the media sector globally has been facing severe difficulties. Through our investments and technical assistance MDIF seeks to help individual media companies weather these challenges so that they continue fulfilling their critical role of providing society with timely and reliable information. Our aim is to create resilient, resourceful information businesses able to not only stay financially afloat in precarious circumstances, but also to adapt, innovate and scale in the constantly changing environment, responding to the rapidly evolving needs of the communities they serve.

To monitor viability of an individual media organisation, we use an externally audited risk-rating tool developed in-house. According to that risk rating, at the end of 2019, **80%** of our loan clients (the risk-rating tool is not applicable to equity clients) were classified as low-risk (23.3%) or moderate-risk (56.7%) companies, 3.3 percentage points more than in 2018. The number of high-risk companies fell by 3.3 percentage points, decreasing from 23.3% in 2018 to **20%** in 2019.

Among clients active in both 2018 and 2019, **57.7%** maintained or lowered their risk rating from year to year, while 42.3% saw their risk level rise as a result of growing economic and political pressure in many parts of the world.

Between 2018 and 2019, the median risk rating of our loan clients increased from **5.65** to **5.75**, remaining firmly within the moderate risk range on the nine-point scale. Historically, our median risk rating oscillated between **4.50** and **5.75**, as presented in 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 **5.11**, again squarely within the moderate range.

It should be noted that in early 2020, MDIF's Board of Directors approved write-offs totalling \$808,428, with three companies subsequently leaving our portfolio, which put our loss rate at 11.4% at the end of the year. These investments are not included in the current MDIF risk score.

## Key metrics:

- In 2019, **80%** of MDIF loan clients were classified as having low or moderate risk.
- In 2019, the median risk rating of our loan portfolio was **5.75**, squarely within the moderate risk range.
- **63.3%** of MDIF-supported media saw economic and business issues as a major challenge in 2019.

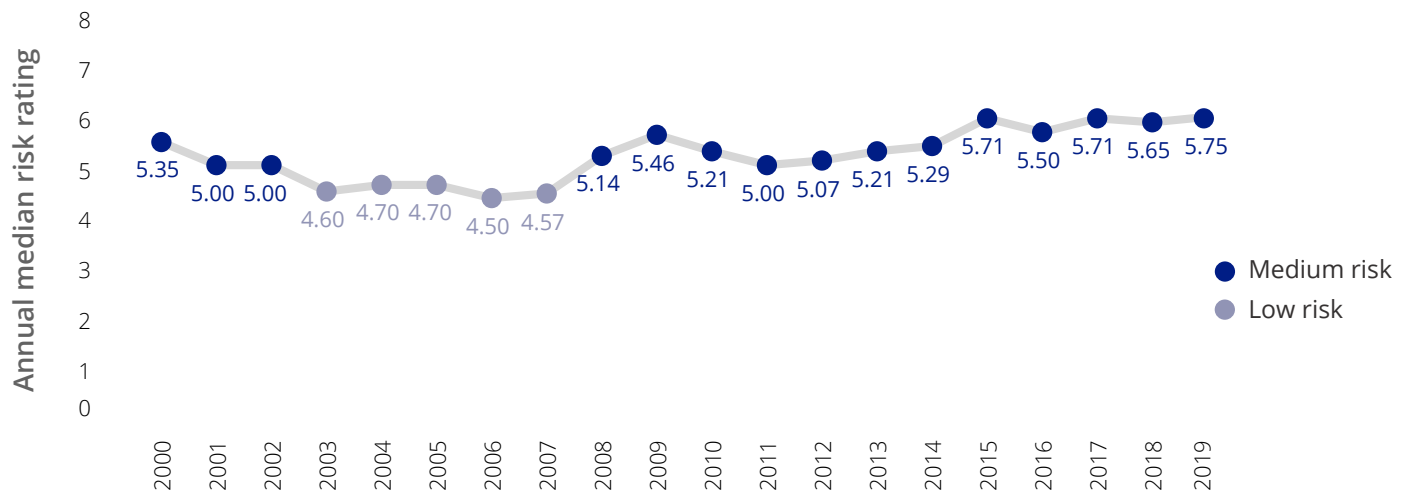
## How we track our clients' viability

We assess viability from an individual media organisation's perspective. Clients' financial viability determines the overall sustainability of the MDIF loan portfolio clients (the risk-rating tool is not applicable to equity clients) 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

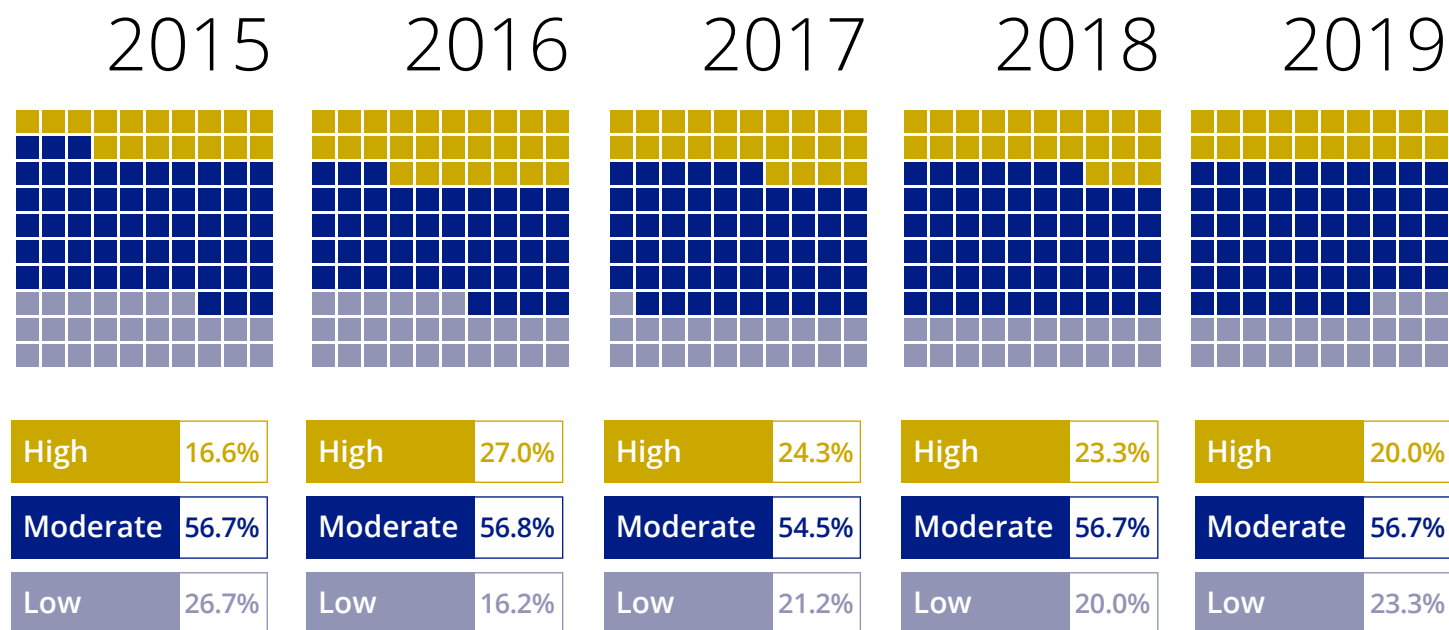
For more details on the composition of the risk rating score, see the Impact Dashboard Methodology on our website.

### Annual median risk rating, 2000-2019





## MDIF risk scores, 2015-2019



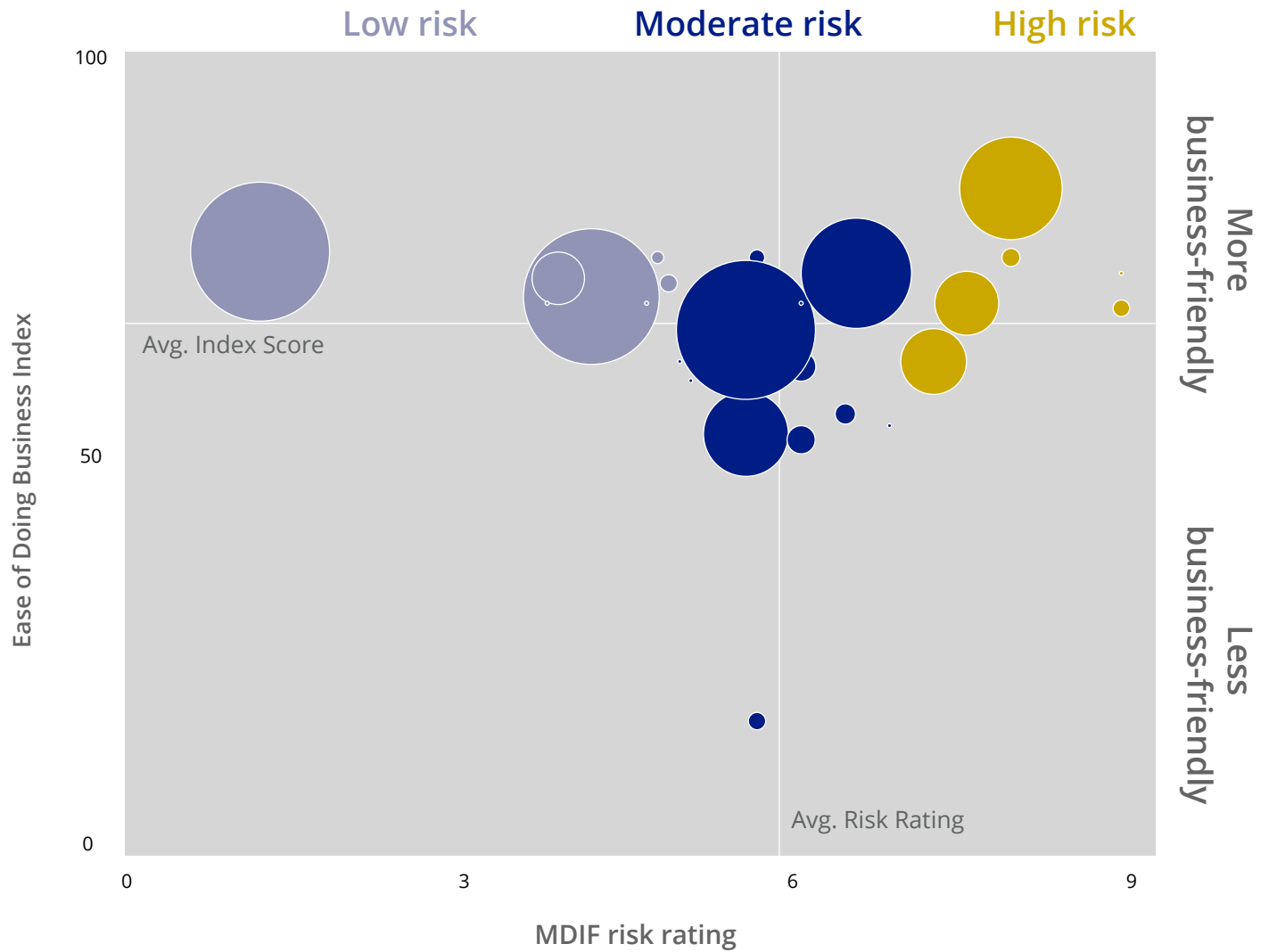
## Client viability in context

While focusing our work on the financial aspect of the media viability of individual media organisations, MDIF acknowledges that there are other significant areas that influence the functioning of media businesses<sup>7</sup>. Undoubtedly, the companies we invest in work in challenging business conditions and regulatory environments that pose numerous obstacles for independent and sustainable media.

In 2019, the average World Bank Ease of Doing Business country rating for our loan portfolio was **67.58** on a 1-100 scale, with higher scores indicating a better environment for business operation. Additionally, the average Political Stability and Absence of Violence Index for our loan portfolio was **-0.36**, as measured by the World Bank's -2.5 to 2.5 scale, where higher scores indicate greater political stability.

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>8</sup> and World Bank Ease of Doing Business Index<sup>9</sup>

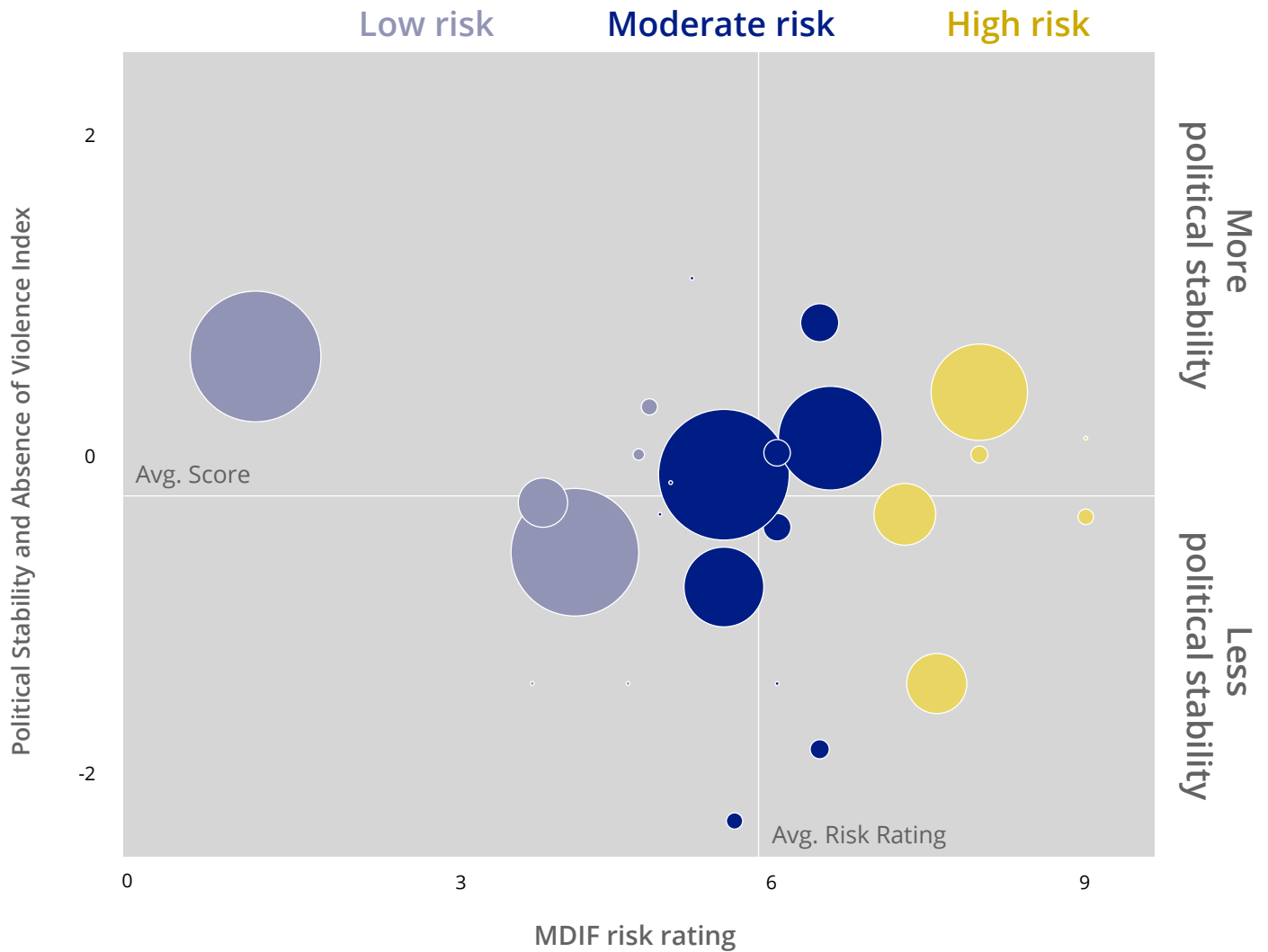


<sup>7</sup> Laura Moore, Ann Hollifield, Nadine Jurrat, Gerwin De Roy, 2020, "Measuring Beyond Money: The Media Viability Indicators (MVIs)", Deutsche Welle.

<sup>8</sup> 1-5 "Low risk", 5-7 "Moderate risk", 7-9 "High risk"

<sup>9</sup> 1-50 "Less business-friendly", 50-100 "More business-friendly"

Portfolio by MDIF risk rating<sup>10</sup> and World Bank Political Stability and Absence of Violence Index<sup>11</sup>



<sup>10</sup> 1-5 "Low risk", 5-7 "Moderate risk", 7-9 "High risk"

<sup>11</sup> -2.5-0 "Less political stability", 0-2.5 "More political stability"

VIJESTI 5  
U POLA

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# Challenges faced by MDIF-supported media

While risks and challenges to public interest media come in many forms from many sources, just as last year, economic and business issues remain the greatest threat to independent media, according to the outlets we work with.

When asked to rank different challenges as a part of our annual questionnaire, where 1 represents the smallest challenge and 5 represents the biggest challenge, MDIF clients reported that economic and business issues (such as dwindling advertising revenues and sales) posed the greatest risk. **63.3%** of respondents rated them as 4 or higher, compared to **46.7%** having the same perception of political challenges (such as government pressure and

attacks on press freedom), **36.7%** of operational challenges (such as inadequate staffing and capacity), **30.0%** of technological issues (such as social media disruption) and **16.7%** of societal issues (such as declining public trust in media and shifting customer behaviours).

The results, as shown on the adjacent page, validate our mission to provide financing and technical assistance 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

In 2019, our CEO and our company faced different civil and criminal charges. But perhaps the greatest challenge was finding a new sustainable business model after 49% of our advertisers became afraid to visibly support us  
[Client in Asia](#)

The biggest challenge continues to be of economic and financial nature. Due to weak local and regional economy where many businesses are suffering, we are also dealing with the consequences of this. In return this has put us back in developing further  
[Client in Europe](#)

Revenues continued to decline in a tough economic environment that forced us to continue to review our cost base. We don't expect a quick turnaround, but the reduced cost base has allowed us to manage our cash flow better  
[Client in Africa](#)

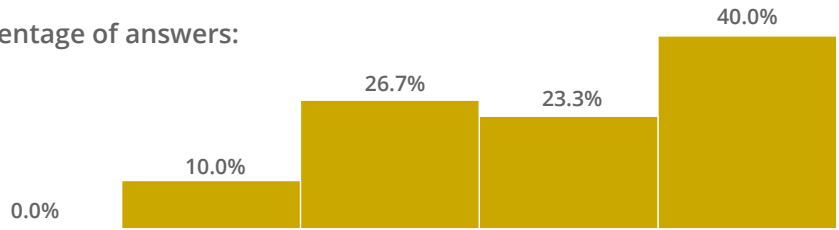
The loss in advertisement revenue was the single biggest challenge we faced. This is mainly due to the overall stagnation of the economy and advertisers reducing their advertisement budget on print media and shifting to online media  
[Client in Asia](#)

## Challenges MDIF clients faced in 2019

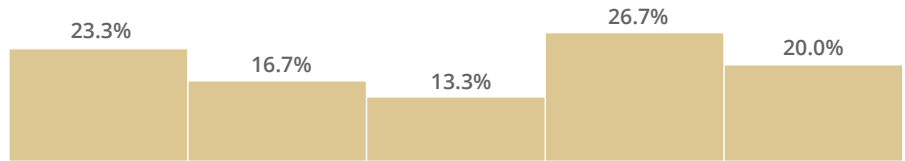
Type of challenge:

Percentage of answers:

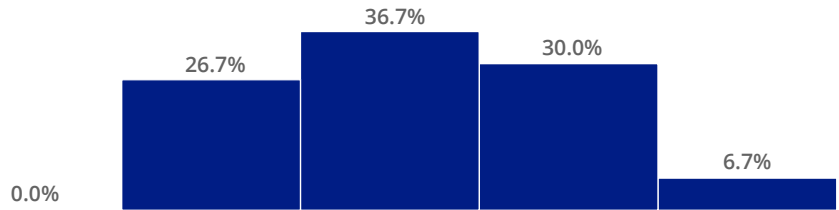
Economic/business  
(such as dwindling advertising  
revenues and sales)



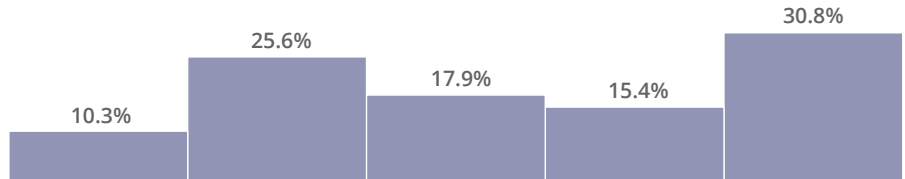
Political (such as government  
pressure and attacks on  
press freedom)



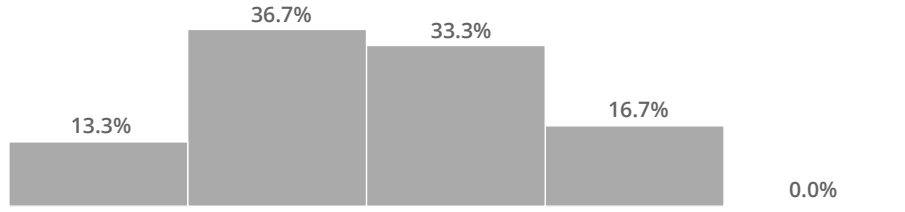
Operational (such as  
inadequate staffing  
and capacity)



Technological (such as social  
media disruption)



Societal (such as declining  
public trust in media and  
shifting customer behaviors)



Smallest  
challenge  
(1)



Biggest  
challenge  
(5)

# Client evaluation of impact

We also go beyond numerical performance indicators of changes in reach, revenues and financial viability and ask clients directly to evaluate our effectiveness in helping to support the growth of their businesses. The process involves the collection of examples of change at investee level and the aim is to gather testimonials speaking to the quality of our support to see if we are achieving our purposes as agents of change. The collected data also helps us make more informed decisions about our portfolio.

When asked to evaluate our support, **74.2%** of MDIF-supported media organisations surveyed as part of our annual questionnaire said that they “strongly agree” or

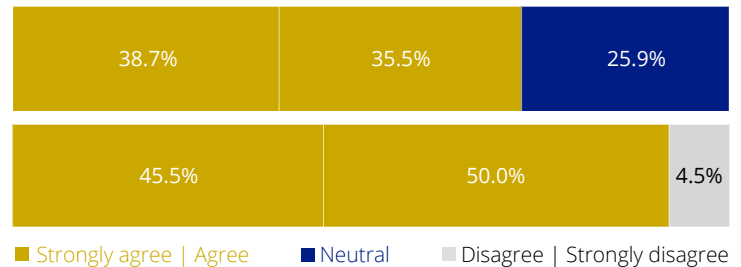
“agree” that there had been changes in their company because of their involvement with MDIF, while the rest remained neutral. Most importantly, **100%** of the changes that occurred as a result of the involvement with MDIF were viewed as positive.

Moreover, out of all investees that reported receiving capacity building support from MDIF in 2019, **95.5%** said that they “strongly agree” or “agree” that there have been changes in their company because of that support, while one respondent disagreed. 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 2019.



## Key metrics:

- **74.2%** of MDIF clients agreed or strongly agreed that there had been changes in their company because of their involvement with MDIF.
- **95.5%** of MDIF clients who received capacity building support from MDIF in 2019 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

Thanks to trainings, meetings and round tables, the qualification level of our staff, both journalists and managers, has increased. Thanks to loans, our organization has gained a stronger position in the market

Client in Europe

With the funding from MDIF, we can add human resources to the marketing and advertising division in order to maximize the revenue and strengthen the IT team. As a result, we can develop new products and improve the existing ones

Client in Asia

MDIF's client network have been very valuable in understanding regional dynamics and markets, and also in exchanging learning and challenges with other Latin American clients, especially those with our same size

Client in Latin America

MDIF gave us access to best practices that would assist us in staying ahead of the technology curve. Due to resource and financial constraints these weren't always easy to pursue, but it did give us something to aspire towards

Client in Africa

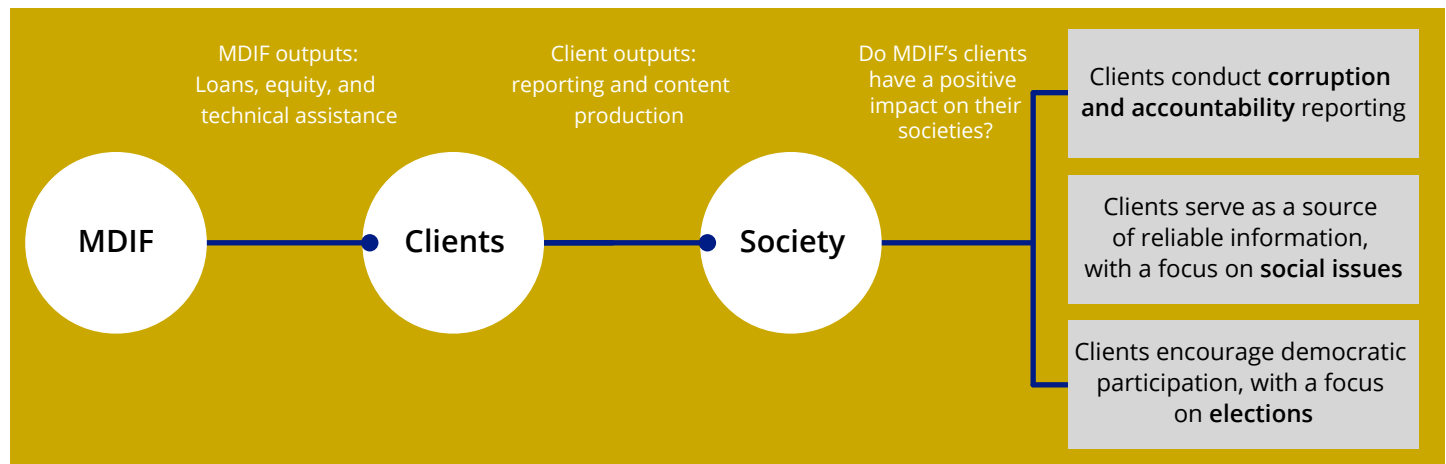


# Client impact on society

MDIF invests in independent media organisations as a way of helping people build free, thriving societies. From changing lives to changing laws, media produce many forms of public benefit that make our governments more transparent and less corrupt, and our societies more informed and inclusive. Take watchdog journalism that tells hard-hitting truths: each dollar spent on an investigation can yield hundreds or thousands of dollars in benefits<sup>12</sup>. Gains are shared by the whole community who can experience the galvanizing change brought about by the reporting, whether it is start of a citizen-lead protest, the enactment of a new law or the dismissal of an incompetent official.

To monitor how our investees create impact that brings about transformative changes to their communities, we focus on their **corruption, accountability, social issues** and **elections** reporting, as detailed in the further subsections of the Dashboard. We show how 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. We also try to explore the ultimate social outcomes that followed their work, by asking what type of change their stories led to.

## 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: CCIM / Hourt Vuthy

# Corruption and accountability

The relationship between media and corruption is well documented, with multiple studies suggesting that independent media play an indispensable role in fighting corruption and holding individuals, businesses and governments to account<sup>13</sup>. In their 'watchdog' function, media act as powerful controls against malfeasance, providing a system of checks and balances on power. As they unearth stories that otherwise may remain untold, they contribute to reducing impunity, with exposés leading to investigation and punishment of perpetrators, triggering protests against those who betrayed public trust and catalysing changes in laws and regulations at local and national level.

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. In 2019, **86.2%** of MDIF-supported media organizations surveyed as part of our annual questionnaire declared producing impactful reporting that covered corruption scandals. From exposing bribery in Montenegro

to investigating bank theft in South Africa, **92%** of this work took 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, reported by **64%** of respondents.

Moreover, **78.6%** of the media companies we support reported that they had published stories that created impact by holding those in power to account, for example, investigating extrajudicial killings in the Philippines or bringing about the resignation of the Deputy Minister in Poland. Institutional changes as well as civic changes (such as protests, petitions, community engagement and increased donations to a cause) were the most mentioned category of impact that followed accountability reporting, both cited by **68.2%** of those surveyed.

## Key metrics:

- **86%** and **79%** of MDIF clients, respectively, declared that their corruption reporting and accountability reporting created impact in 2019.
- **92%** of corruption reporting took place in countries with greater perceived corruption.
- **64%** of corruption reporting and **68%** of accountability reporting led to institutional changes, such as an official response, hearing, government investigation, reorganization, change in law or policy.

<sup>13</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."

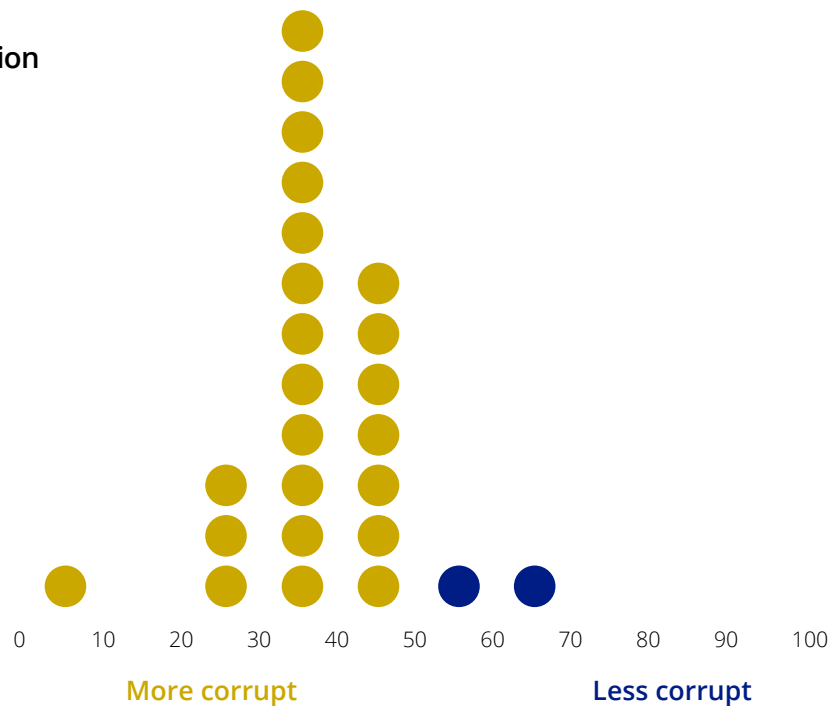


## How we track our clients' corruption and accountability reporting

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.

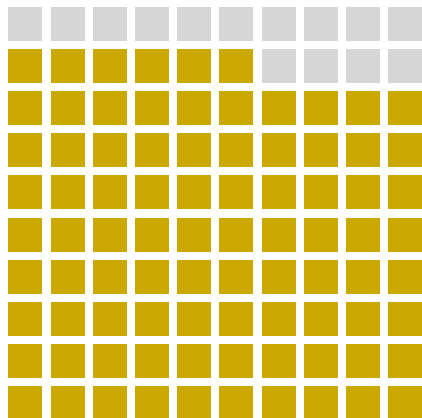
### Distribution of clients exposing corruption scandals by Corruption Perceptions Index<sup>14</sup>



<sup>14</sup> 0 to 100 scale, with higher scores indicating less corruption, 0-49 "More corrupt", 50-100 "Less corrupt"



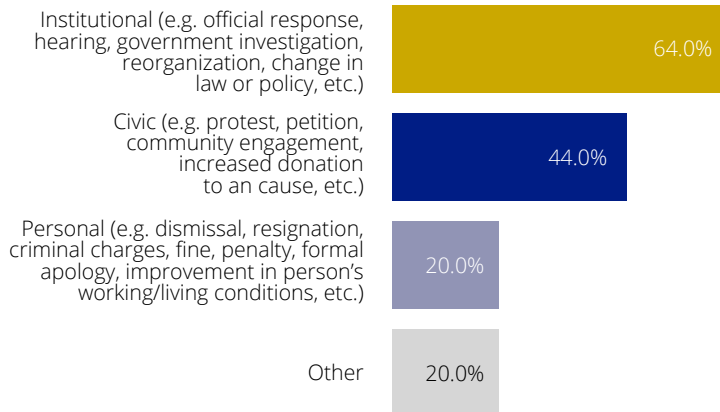
## Percentage of MDIF clients publishing corruption stories with impact



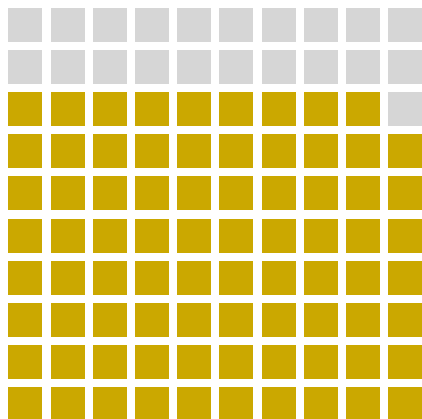
**86.2%**

of MDIF clients in 2019 published corruption stories that created impact

## Type of change that followed corruption reporting



## Percentage of MDIF clients publishing accountability stories with impact



**78.6%**

of MDIF clients in 2019 published accountability stories that created impact

## Type of change that followed accountability reporting

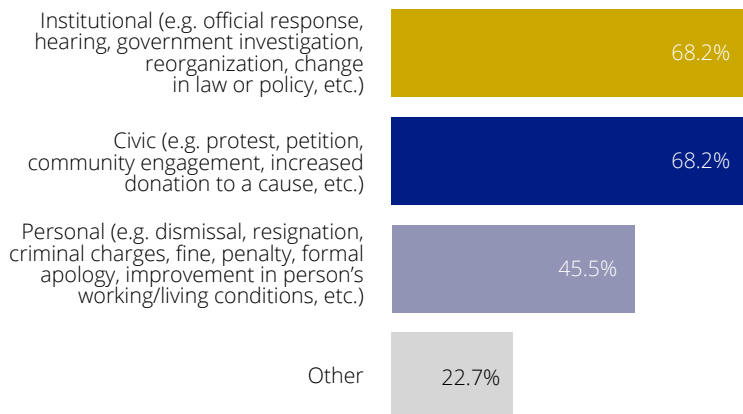




Photo: Agora / Gazeta Wyborcza / Instagram



# Examples of client corruption reporting



## Mail and Guardian SOUTH AFRICA

44 | Corruption Perceptions Index<sup>15</sup>

FREE  
The World Press Freedom Index<sup>16</sup>

In **South Africa**, millions were stolen from VBS Mutual Bank, leading to its collapse, with dire consequences for ordinary South Africans who had entrusted the institution with their savings. Weekly newspaper Mail and Guardian published an investigation connecting the president and deputy president of the Economic Freedom Fighters (EFF), a far-left populist party, to the looting of the defunct bank. It reported how illicit proceeds from the collapsed institution were used to bankroll luxury items. The money was reportedly channeled through accounts linked to friends and relatives of the two most senior leaders of the party who, despite not appearing on any documentation or register, were effectively beneficiaries. While the officials vehemently denied that they had received stolen funds, the criminal case looking into the fraud and money laundering at VBS Mutual Bank is ongoing, with an investigation carried out by the Directorate of Priority Crimes Investigation.



## Vijesti MONTENEGRO

45 | Corruption Perceptions Index<sup>15</sup>

PARTLY FREE  
The World Press Freedom Index<sup>16</sup>

In **Montenegro**, national station TV Vijesti broadcast a video showing footage of two officials from the Ministry of Sustainable Development and Tourism asking for and accepting bribes in a building permit process. In the video, the inspectors are heard demanding a kickback from a businessman who wants to continue construction of a building in the town of Budva despite the expiration of his permit. The filmed encounter suggests the ministry inspectors are given 5,000 euros (\$5,600). Having failed to eradicate this type of behaviour, Montenegro's minister of sustainable development and tourism resigned after the video was released, telling a press conference that disciplinary proceedings were already under way before the video was leaked, but that no one had been punished. A day later, the two inspectors were arrested after a new procedure against them was initiated.



## Himal Khabarpatrika NEPAL

34 | Corruption Perceptions Index<sup>15</sup>

NOT FREE  
The World Press Freedom Index<sup>16</sup>

In **Nepal**, weekly news magazine Himal Khabarpatrika described the nexus of politicians and businessmen capturing important revenue streams and working together to frame laws, using a mix of kleptocracy, clientelism and protectionism. The report detailed an example of how close personal dealings with government officials allowed a private holding company to secure several prime public properties at favourable rates and without any competitive bids. The State High Court ordered the company to halt construction on one site reportedly secured through a patronage network. Despite widespread criticism and National Assembly lawmakers seeking government clarification, the anti-corruption watchdog had not initiated any investigation of the questionable conduct. Meanwhile, the Prime Minister repeatedly hit out at independent media for their critical reporting, accusing them of spreading anti-government rumours and not having the "heart" to report the good work done by his administration.

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

<sup>16</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



## Insajder SERBIA

0.03

World Bank Voice and  
Accountability Indicator<sup>17</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>18</sup>

In **Serbia**, digital and TV production company Insajder investigated the unreliability of the pension fund's record system, which often prevents citizens from exercising their right to retire and claim their pension benefits. It described a story of an older citizen, who upon applying for a disability pension discovered that he was not in the system, despite a lifetime of paying contributions. For four years he sought help from the authorities but only after Insajder reported on the injustice did the local Pension and Invalidity Fund office take steps to clarify his situation. Two months later the man officially received a disability pension decision, with his first payment following soon after. Unfortunately, he has not yet managed to claim benefits for the previous four years when he did not receive any pension due to the system error. "Better something than nothing. (...) If it wasn't for the help of your team I would probably still be out of the system," said the pensioner to the Insajder journalists.



## Rappler PHILIPPINES

0.03

World Bank Voice and  
Accountability Indicator<sup>17</sup>

**NOT FREE**

The World Press Freedom Index<sup>18</sup>

In the **Philippines**, at the point when Rodrigo Duterte's "war on drugs" was in full swing, online outlet Rappler investigated extrajudicial killings in a small Cebu Province town. Four politicians, including the mayor, had been shot, and three of them killed, after being repeatedly accused of drug dealing and corruption and appearing on a kill list on a local Facebook page. Rappler notified Facebook of the activity and the page was suspended for violating content rules. The outlet also identified the figure behind the incendiary posts as a political rival of the mayor, who denied any involvement in the killing and was later cleared as a suspect. However, he admitted to Rappler that he had called for the killing of the politicians in speeches as a way of offering support to President Duterte. Meanwhile, local and international groups, including the U.N. human rights office, continued denouncing the extrajudicial killings and lack of accountability, calling on the Philippine government to end vigilante violence.



## Agora POLAND

0.70

World Bank Voice and  
Accountability Indicator<sup>17</sup>

**PARTLY FREE**

The World Press Freedom Index<sup>18</sup>

In **Poland**, Agora's daily Gazeta Wyborcza published a series of investigative articles that revealed the existence of an organised group that coordinated a hate campaign against judges who opposed government reforms. The group included the Deputy Minister of Justice as well as several high officials from the Ministry of Justice, appointees of the new National Council of the Judiciary and new Supreme Court justices. The coordinated effort also involved several journalists from the state broadcaster and government-aligned media. While the reporting resulted in the resignation of the Deputy Minister, the Minister of Justice survived a vote of no confidence in the lower house of parliament and the Prime Minister refused to dismiss him, claiming that he had no knowledge of the affair. An investigation into the Ministry of Justice exceeding its powers was also launched.

<sup>17</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>18</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)

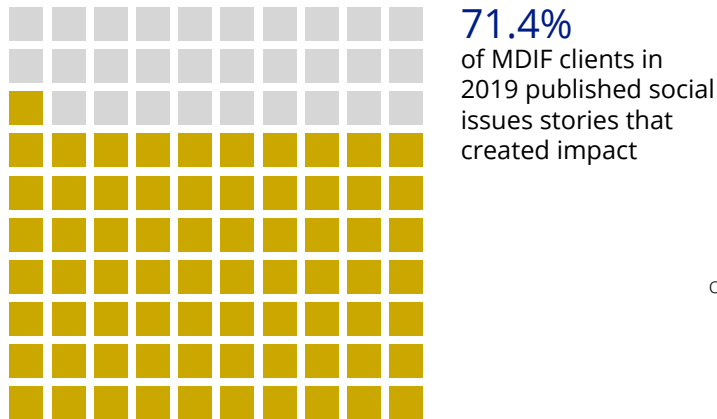


# Reliable information on social issues

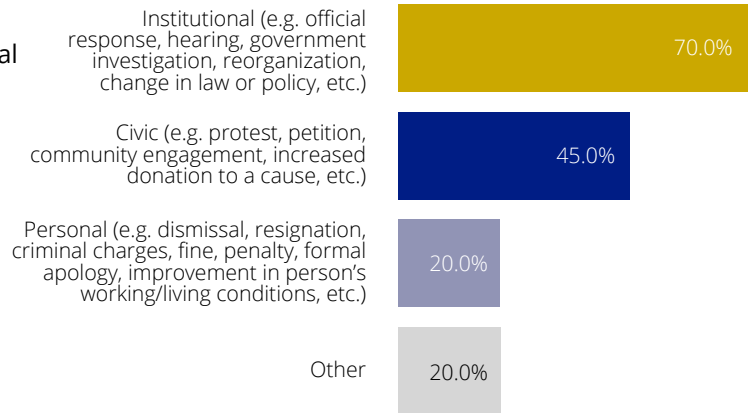
A compelling body of research shows evidence that media coverage influences public perception and changes in behaviour across various social issues, from the environment to gender equality<sup>19</sup>. In our work, we have seen numerous examples of how fact-based reporting helped to

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



## Type of change that followed reporting on social issues



## Key metrics:

- 71% of MDIF clients declared that their reporting on social issues in 2019 created impact.
- 95% of this reporting was carried out in countries with low or middle levels of social progress.
- 70% of social issues reporting led to institutional changes, such as an official response, hearing, government investigation, reorganization, change in law or policy.

<sup>19</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>20</sup> 0 to 100 scale, with higher scores indicating higher social progress: 100-81.92 "High social progress" (referred to as "Tier 1" and "Tier 2" by Social Progress Index), 81.02-63.52 "Medium social progress" (referred to as "Tier 3" and "Tier 4" by Social Progress Index) and 62.41-0 "Low social progress" (referred to as "Tier 5" and "Tier 6" by Social Progress Index). Due to unavailability of data, Kosovo was not included in the Social Progress Index.

## How we track our clients' social issues reporting

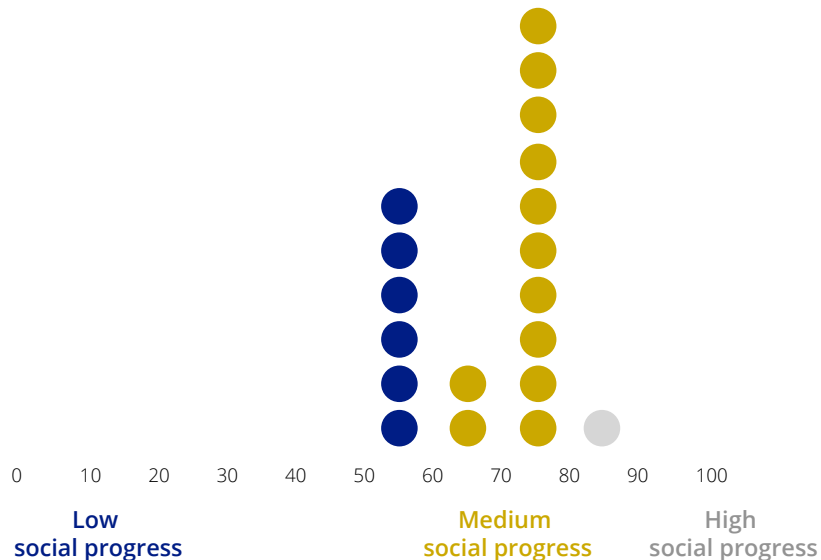
Data and examples of powerful and impactful reporting on social issues like the environment, gender, minorities, immigration or LGBT are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organization published any stories on social issues 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 2019, **71.4%** of MDIF clients surveyed as part of our annual questionnaire reported publishing stories covering social issues, like the environment, gender, minorities, immigration or LGBT, that made an impact in their communities. From exposing sexual abuse in a gymnastics academy in Ecuador to exploitation of migrant workers in Malaysia, **94.7%** of this reporting was carried out in countries that ranked low

or middle in the Social Progress Index<sup>20</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, cited by **70%** of respondents.

### Distribution of clients reporting on social issues by the Social Progress Index<sup>20</sup>



# Examples of client reporting on social issues



## GK ECUADOR

75.45 | Social Progress Index<sup>21</sup>

**PARTLY FREE**  
The World Press Freedom Index<sup>22</sup>

In **Ecuador**, digital media company GK published a report that detailed the systematic abuse of girls in a gymnastics academy in Quito. Its reporter interviewed five women who denounced sexual abuse at the hands of a well-known gym coach when they were girls. Apart from the horrifying tales of sexual assault, the report revealed the lack of oversight of private education centers. To break the silence and prevent any further harm (the gym where the abuse took place had been in operation for more than 30 years and was still open at the time of publication), the women launched a campaign, #SeremosLasUltimas (“We will be the last”). Soon after, child protection authorities ordered the closure of the sports’ facility and prohibited the trainer to approach any of the girls who were still training. Other victims of the same gym teacher spoke out and a collective legal strategy was sought to try to overcome the 10-year statute of limitations on sexual abuse.



## Malaysiakini MALAYSIA

76.96 | Social Progress Index<sup>21</sup>

**PARTLY FREE**  
The World Press Freedom Index<sup>22</sup>

In **Malaysia**, Malaysiakini investigated the abuse and labour exploitation of migrant workers from Bangladesh. Interviews with more than 100 workers, agents and companies unearthed the existence of a scheme which placed the Bangladeshis in slave-like conditions despite seemingly tight regulations, with workers passed around from employer to employer without their consent. The four-part series was the result of cross-border collaboration between Malaysiakini and Bangladesh media outlet Kaler Kantho. Following the publication of the series, the authorities moved to raid a printing factory in Kapar town in Klang district. The alleged offences discovered included the company’s failure to report the hiring of migrant workers and irregular deductions to salaries. One former worker claimed that the management had placed some 16 to 20 workers in hostel rooms meant for 4 people and then charged them for lodging. Investigations at the factory are ongoing for potential offences under the Employment Act 1955.



## Scroll INDIA

56.80 | Social Progress Index<sup>21</sup>

**NOT FREE**  
The World Press Freedom Index<sup>22</sup>

In **India**, online news site Scroll published an article in which a former Supreme Court employee accused one of the serving Chief Justices of India of sexual harassment and recounted a series of subsequent workplace suspensions, with the victim, her husband and brother-in-law laid off from their public service jobs. Once the former employee filed an affidavit detailing the harassment, the Supreme Court set up an in-house committee to look into the allegations. The accused judge put himself as the chair of the committee and only after protests stepped down. After carrying out an internal investigation without the victim, who walked out of the proceedings, the internal panel of judges quickly cleared the Chief Justice of wrongdoing. One day later, civil society groups held a protest against the decision, calling for a new and impartial probe subject to public disclosure. Some time later, the Delhi Police reinstated the jobs of the husband and brother-in law of the woman complainant, without any explanation as to why.

<sup>21</sup> 0 to 100 scale, with higher scores indicating higher social progress: 100-81.92 “High social progress” (referred to as “Tier 1” and “Tier 2” by Social Progress Index), 81.02-63.52 “Medium social progress” (referred to as “Tier 3” and “Tier 4” by Social Progress Index) and 62.41-0 “Low social progress” (referred to as “Tier 5” and “Tier 6” by Social Progress Index). Due to unavailability of data, Kosovo was not included in the Social Progress Index.

<sup>22</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: Children's Radio Foundation / Sydelle Willow Smith



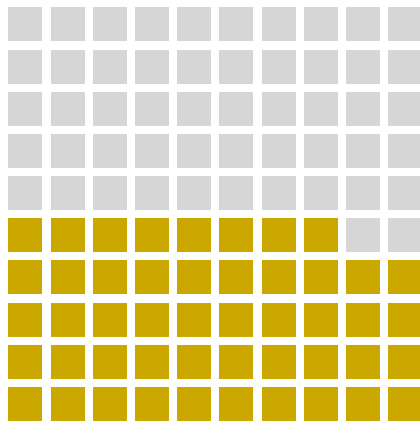


# Democratic participation during elections

Both our experience and the academic evidence<sup>23</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

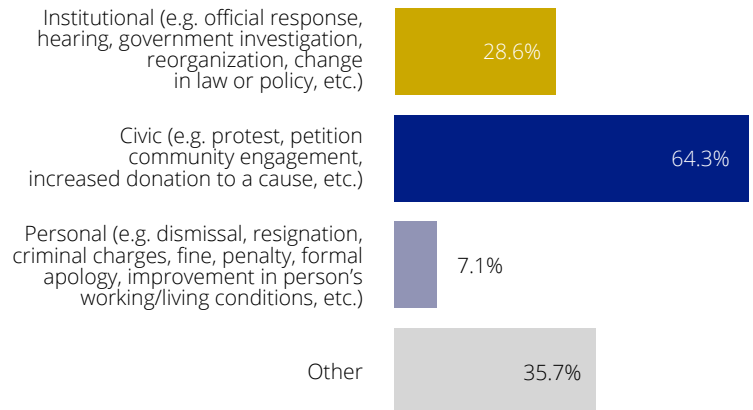
and fact-checkers, scrutinizing claims by those running for office as well as exposing wrongdoing, fraud and deceptive statements. Through the rigorous reporting of results and monitoring of vote-counting, independent media outlets help ensure transparency, public oversight and confidence in the electoral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

## Percentage of MDIF clients publishing election stories with impact



**48.3%**  
of MDIF clients  
in 2019 published  
election stories  
that created  
impact

## Type of change that followed reporting on election



## Key metrics:

- 48% of MDIF clients declared that their reporting on elections in 2019 created impact.
- 79% of this election reporting was carried out in countries with restricted voice and accountability.
- 64% of election reporting led to civic changes, such as protests, petitions, community engagement and increased donations to a cause.

<sup>23</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>24</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

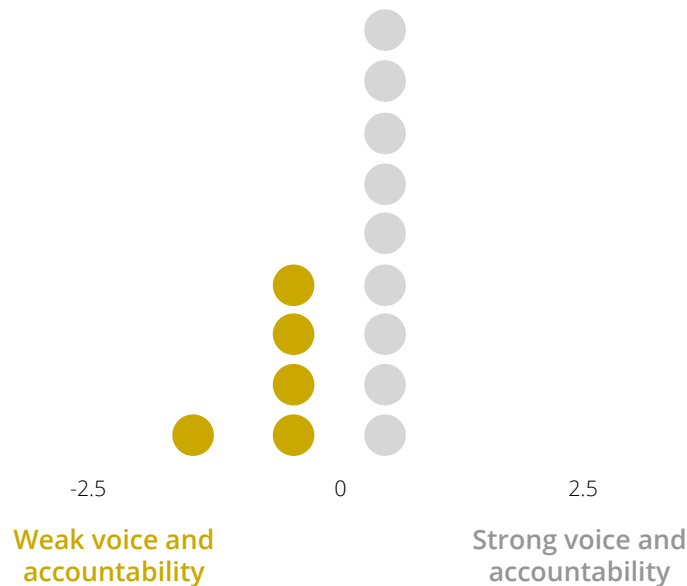
Data and examples of powerful and impactful election reporting are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organization published any stories on elections in the previous year that they think contributed to a real-world change 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 2019, **48.3%** of MDIF-supported media organizations surveyed as part of our annual questionnaire declared that they had published stories on elections that created impact. Not all countries in which we operate held elections in 2019; we recorded **14**, including elections in the Philippines, India and Indonesia. Moreover, **35.7%** 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>24</sup>. The most commonly mentioned impact area was civic changes, such as protests, petitions, community engagement and increased donations to a cause, reported by **64.3%** of respondents.

### Distribution of clients reporting on election by World Bank Voice and Accountability Index<sup>24</sup>



# Examples of client election reporting



Photo: Rappler

## Rappler PHILIPPINES

0.03

World Bank Voice and  
Accountability Indicator<sup>25</sup>

NOT FREE

The World Press Freedom Index<sup>26</sup>

In the **Philippines**, Rodrigo Duterte's allies won a resounding victory in mid-term elections, further consolidating the President's power. Digital outlet Rappler reported extensively about how supporters of Duterte weaponized social media to attack his critics, beginning in the 2016 presidential elections and continuing throughout the 2019 mid-term election. The outlet tracked thousands of pages and groups using Sharktank, a tool it developed for monitoring information flows and publicly available content on Facebook. Based on their investigation, Rappler notified Facebook of the fake account network followed by millions of users. After months of inaction, Facebook removed a number of pages and accounts due to their "spammy content" and "coordinated inauthentic behavior", first in October 2018, and then again in March 2019. In retaliation for its critical reporting, Rappler and its reporters have experienced continued harassment, both from the violence-inciting troll army and from the administration, facing a total of 11 probes and lawsuits.



Photo: Erkki Mervala

## Scroll INDIA

0.29

World Bank Voice and  
Accountability Indicator<sup>25</sup>

NOT FREE

The World Press Freedom Index<sup>26</sup>

In **India**, 2019 was a busy election year, with multi-phase general elections, local elections and numerous other by-elections taking place. Digital outlet Scroll traveled to Jharkhand where state assembly elections were to be held and where a local protest movement was a major issue during the campaign. The outlet revealed how, as a part of a crackdown on the movement, police filed cases against 10,000 people using a colonial-era sedition law that carries a maximum penalty of life imprisonment. Those facing charges were said to be the largest number of people booked for sedition at one time in one district anywhere in India. The day the story broke, a senior advocate cited the Scroll report in a passionate plea before the Supreme Court in another case, warning that the country is "becoming a police state". Rahul Gandhi of India's main opposition party also cited a Scroll report, criticizing the government for letting this slip under the radar. Just a day after coming to power the new local government dropped all cases against all the accused, fulfilling its election promise.



Photo: Hukumonline

## Hukumonline INDONESIA

0.16

World Bank Voice and  
Accountability Indicator<sup>25</sup>

NOT FREE

The World Press Freedom Index<sup>26</sup>

In **Indonesia**, the country held the world's biggest single-day elections in 2019, combining presidential, parliamentary and regional votes, with incumbent President Joko Widodo winning a second term. Legal publisher Hukumonline broke the news about the Supreme Court decision that enabled ex-graft convicts to run as legislative candidates, as long as they publicly declare their previous convictions to the public. The Supreme Court ruled that a by-law issued by the General Elections Commission (KPU) barring ex-graft convicts from campaigning contradicted a 2017 law on elections. Thanks to increased media attention, during the first presidential debate, this issue was raised as a question to one of the candidates, whose party placed ex-graft convicts on its candidate list. In the end, out of the 8,000 people vying for seats, more than 40 from 16 political parties had been convicted of graft.

<sup>25</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>26</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: Nhlantla Vitaka Igumundu Agency





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