



media
development
investment
fund

Impact Dashboard 2021



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Photo Katadata

Executive summary

Portfolio in 2020



\$114.5m total assets
under management



\$5.7m of new
investments in **16**
media companies



76% provided as equity
and **24%** as loans



9 companies and **2**
countries new to MDIF

Clients in 2020



47 media companies
in **29** countries



89% in countries where
press freedom is limited



5,800 media workers,
44% of them women



at least **90** awards
received

Impact on client business

Reach

262m

people received their information from MDIF clients in 2020

190%

average reach increase after 5 years of working with MDIF

Revenues

322m

in revenue generated by MDIF clients in 2020

205%

average revenue increase after 5 years of working with MDIF

Viability

63%

clients classified as having low or moderate risk in 2020

11%

average risk rating increase after 5 years of working with MDIF

Client evaluation

59%

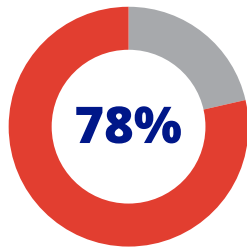
clients seeing positive change due to work with MDIF in 2020

85%

clients seeing positive change due to MDIF media advisory

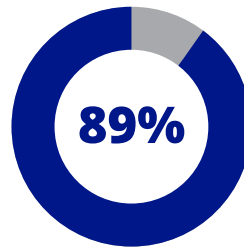
Client impact on society

Corruption and accountability



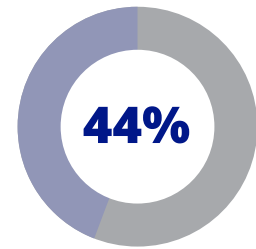
clients published **corruption and accountability** information that had impact in 2020

Social issues



clients published **social issues** information that had impact in 2020

Elections



clients published **election** information that had impact in 2020

Special focus: Covid-19

88% clients saying Covid-19 had a negative impact on their business

70% clients seeing the economic impact and decline in revenues as the biggest challenge

95%

clients published **Covid-19** information that had impact in 2020

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 mobilises other investors to maximise 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 Radio Daljir

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. We focus our impact assessment efforts on two areas: direct impact of our investment on clients and our clients' impacts on their societies.

Level 1: Impact on client businesses

MDIF provides affordable debt and equity financing to independent media businesses in challenging environments. Our investments are additional to the activities from the commercial market, in that they are extended to media businesses who could not obtain adequate financing from commercial sources on an economically feasible basis, or those that could do so only under conditions that would threaten their editorial independence.

Alongside the financial additionality, MDIF contributes with non-financial value to the investee companies by providing business and management support through our Media Advisory Services (MAS) and fostering good corporate governance and financial practices. We hope that with this support investees will get the most out of our financing and grow resilient, resourceful businesses that can continue serving their communities and making a difference.

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.

To add context to performance trends we present client **evaluation of impact**, where we gather testimonials of MDIF clients about the quality of our support and improvements their businesses have experienced. The aim is to gather meaningful information at investee level to better understand MDIF impact – both in terms of financing and the venture support – and to assess whether we are achieving our purposes as agents of change.

The special focus of this year's Impact Dashboard is **Covid-19** and the disruption it had on clients' performance. Although our sample is not representative, and thus, inadequate for

¹ Hamilton, J.T. (2016) "Democracy's Detectives: The Economics of Investigative Journalism"

² World Bank CommGAP (2009) "Media Effects, Technical Brief"

³ World Bank (2009) "The Media and Development: What's the Story?, Working Papers"

generalisations, it nevertheless offers useful insights into the wider situation in the global media industry during the Covid-19 crisis.

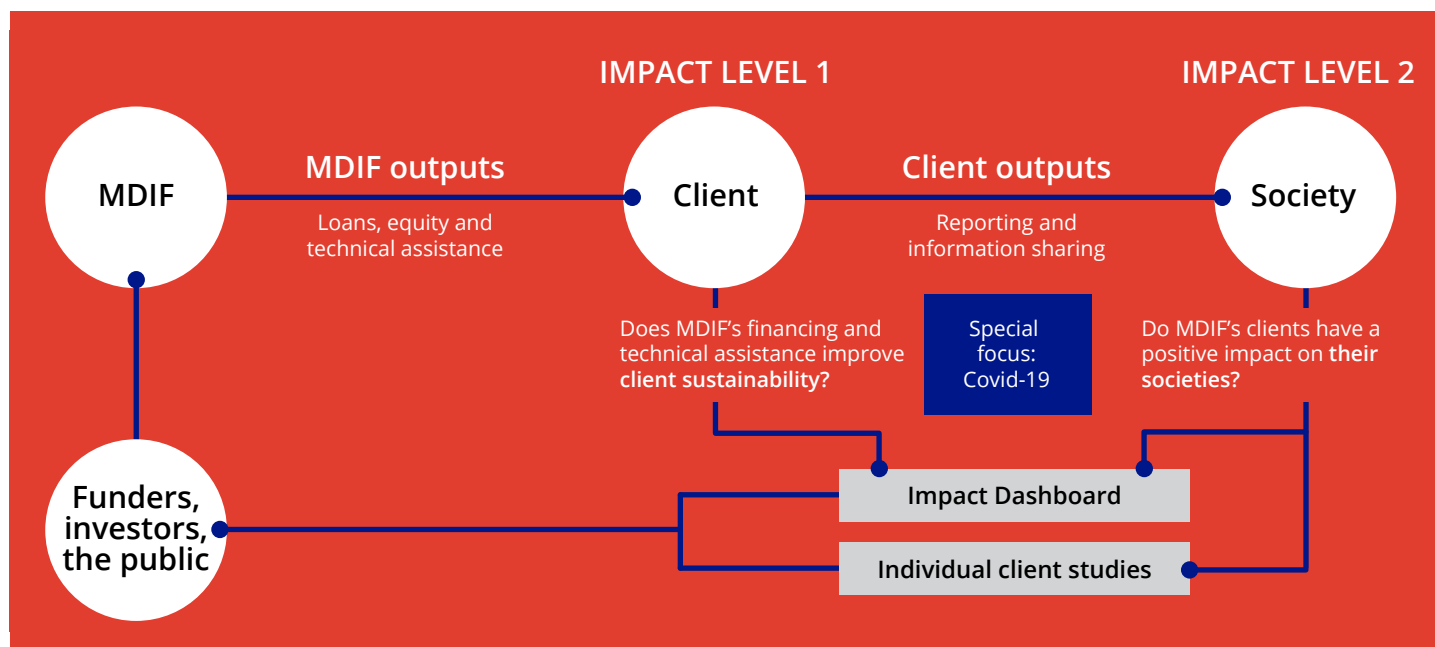
Level 2: Impact on societies

We invest in independent media businesses because of their positive impact on society and 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 benefits¹. Gains are shared by the whole community who can experience the galvanising 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, we focus on their reporting and information sharing around **corruption** and **accountability, social issues** (like the environment, gender, minorities, immigration or LGBTQ+) and **elections**, and explore the ultimate social outcomes that followed. Those areas have been selected based on existing research, from studies on media affects² and how they influence people, to work on the role of the media in development and democracy³. The relevance of the issues covered is mirrored in the United Nations Sustainable Development Goals (SDGs). This year we also look at investees' work around **Covid-19** that had a significant impact on their communities.

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.

MDIF's approach to impact assessment



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

Impact level	Key impact question	Impact area	Key metrics and focus areas	Data sources
Special focus: Covid-19 impact	Do MDIFs clients experience Covid-19 impact?	Clients share their evaluation of Covid-19 impact	- clients' perceptions of Covid-19 impact, biggest challenges and measures introduced to tackle the crisis	Client survey
	Does their work around Covid-19 have a positive impact on their societies?	Clients carry out Covid-19 reporting	- % of clients reporting and sharing information on Covid-19 that created impact - % of types of social outcomes said to have followed - distribution by the performance of countries in managing the pandemic	Client survey and publishing records, Lowy Institute's Covid Performance Index

Data sources

To get the most accurate picture of our and our clients' impact, we combine various data sources, including data readily available through internal quarterly monitoring, our annual Impact Dashboard survey and from several external data sources. For instance, to monitor the online reach of our clients, we rely on data gathered by Google Analytics. To add context, across different impact areas, we also quantify survey responses against comparable and pertinent indicators, such as the World Press Freedom Index published by Reporters Without Borders, Social Progress Index by Social Progress Imperative, or, for example this year, the Lowy Institute's Covid Performance Index.

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 these and other 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 the next page 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.

Methodology

While the outlets we invest in are diverse in terms of their business models, geographic focus and media type, we try to employ standardised metrics that would be relevant for the largest number of clients in our portfolio. Our impact measurements follow a core principle of prioritising 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. Our objective is to collect data with an appropriate degree of rigour that allows us to

Current portfolio

Over **25 years** in operation, MDIF has invested in **128** independent media businesses across **44** countries around the world, from Slovakia to Lesotho and from Peru to Malaysia. As of December 2020, we had provided **\$240 million** in financing in total, including **\$209 million** in loans and equity investments, **\$31.2 million** in media advisory and grants, and \$0.6 million through a secure payment service for independent media.

In 2020 alone, we carried out **18** investments in **16** media companies in **13** countries, amounting to **\$5.7 million**. Out of the total, **76%** (\$4.3 million) was provided as equity, while **24%** (\$1.4 million) was distributed in loans. Across different funds, **seven** media companies were assisted with follow-on financing and **nine** new companies joined our portfolio, including four online news sites, a business publisher, a national tv channel, a video publishing company, a women-only social platform and a knowledge-sharing platform.

Out of all investments conducted last year, **seven** were in Asia, **five** in Europe, **five** in Latin America and **one** in Africa, underlining the geographical reach of our work. In 2020, we also extended our operations to **two** new countries – El Salvador and Moldova.

We finished 2020, a year defined by the coronavirus pandemic, with **\$114.5 million** total assets under management. The largest share of our assets under management was allocated in Europe (**76%**), with **15** out of **47** companies in the portfolio based in the region, followed by Asia at **14%** (12 companies), Africa at **8%** (8 companies), and Latin America at **1.5%** (10 companies), in addition to **0.5%** allocated to 2 international projects with global reach.

At the end of the year, our global investment portfolio included **47** independent media companies spread across **29** countries. From digital startups to national multiplatform

Key metrics:

- In 2020, MDIF's portfolio included **47** media companies spread across **29** countries employing **5,800** media workers, **44%** of them women.
- **89%** of our clients operated in countries where press freedom is limited and **83%** in countries perceived as struggling with corruption problems.
- **59%** of MDIF clients were recognising with awards. Over the year, clients received at least **90** professional honours and accolades.

broadcasters – in keeping with our mission statement – they provide the news, information and debate that people need to build free, thriving societies.

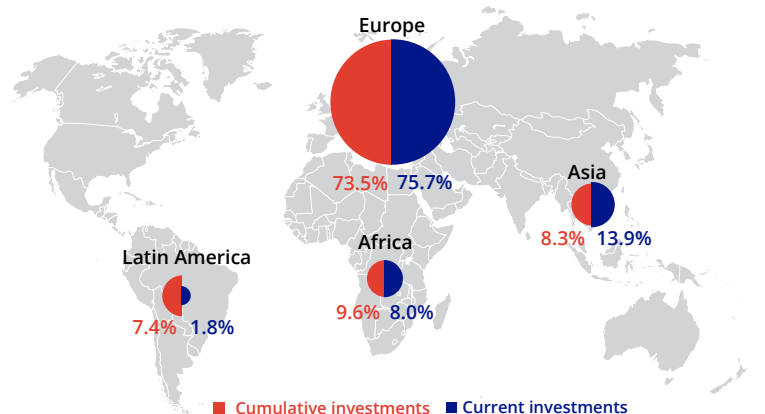
In 2020, **59%** of MDIF clients included in our annual survey reported receiving awards that year. Out of those presented with prizes, **16** were recognised with national awards, **11** with international awards and **3** with local awards. We counted as many as **90** honours and accolades earned by our clients in 2020, 35 more than in 2019. This remarkable number speaks to the dedication and professionalism that media companies supported by MDIF exhibited in their work in 2020 despite the highly unfavourable environment.

MDIF clients winning awards in 2020

59% of MDIF clients were recognising with awards in 2020



MDIF's assets under management by region⁴



It is the people who work for our clients and their dedication and professionalism that have made this possible. Last year, our investments supported the work of more than **5,800** journalists, publishers and other media workers, **44%** of them women. In particular, female participation among management stood at **45%**, and among newsroom leadership at **35%**.

The challenges of the pandemic were exacerbated by a continuing decline in media freedom globally. **38%** of MDIF-supported media organisations included in our annual questionnaire reported experiencing attacks, arrests or harassment in the past year.

Employee gender distribution of MDIF clients in 2020

44% of MDIF clients' employees in 2020 were women



AFRICA

Botswana, Lesotho, Nigeria, Malawi, Senegal, Somalia, South Africa, Zambia, Zimbabwe

ASIA

Cambodia, India, Indonesia, Malaysia, Nepal, Philippines

EUROPE

Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Hungary, Moldova, Montenegro, North Macedonia, Poland, Russia, Serbia, Slovakia, Ukraine

LATIN AMERICA

Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Guyana, Paraguay, Peru, Venezuela

*OTHER

Outlets with global reach based in the Netherlands and USA

⁴ Other (which covers outlets with global reach based in the Netherlands and USA) stood at 1.2% for cumulative investments and 0.7% for current investments.

Portfolio summary

	2016	2017	2018	2019	2020 (unaudited)	Cumulative
Assets under management	\$66.8m	\$70.1m	\$63.9m	\$115.2m	\$114.5m	n/a
Number of total clients	48	47	42	42	47	128
Number of new clients	2	4	2	4	9	n/a
Number of countries	28	26	25	28	29	44
New investments made	\$21.5m	\$3.7m	\$3.0m	\$55.2m	\$5.7m	\$209m
Principal recovered	\$3.0m	\$1.96m	\$1.86m	\$1.8m	\$387k	\$74.5m
Interest, dividends & capital gains collected	\$1.2m	\$917K	\$263k	\$867k	\$174k	\$42.8m
Returned to investors	\$6.4m	\$9.1m	\$2.0m	\$6.1m	\$3.4m	\$57.4m

Portfolio in context

MDIF's mission reflects an abiding commitment to a free press. 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.

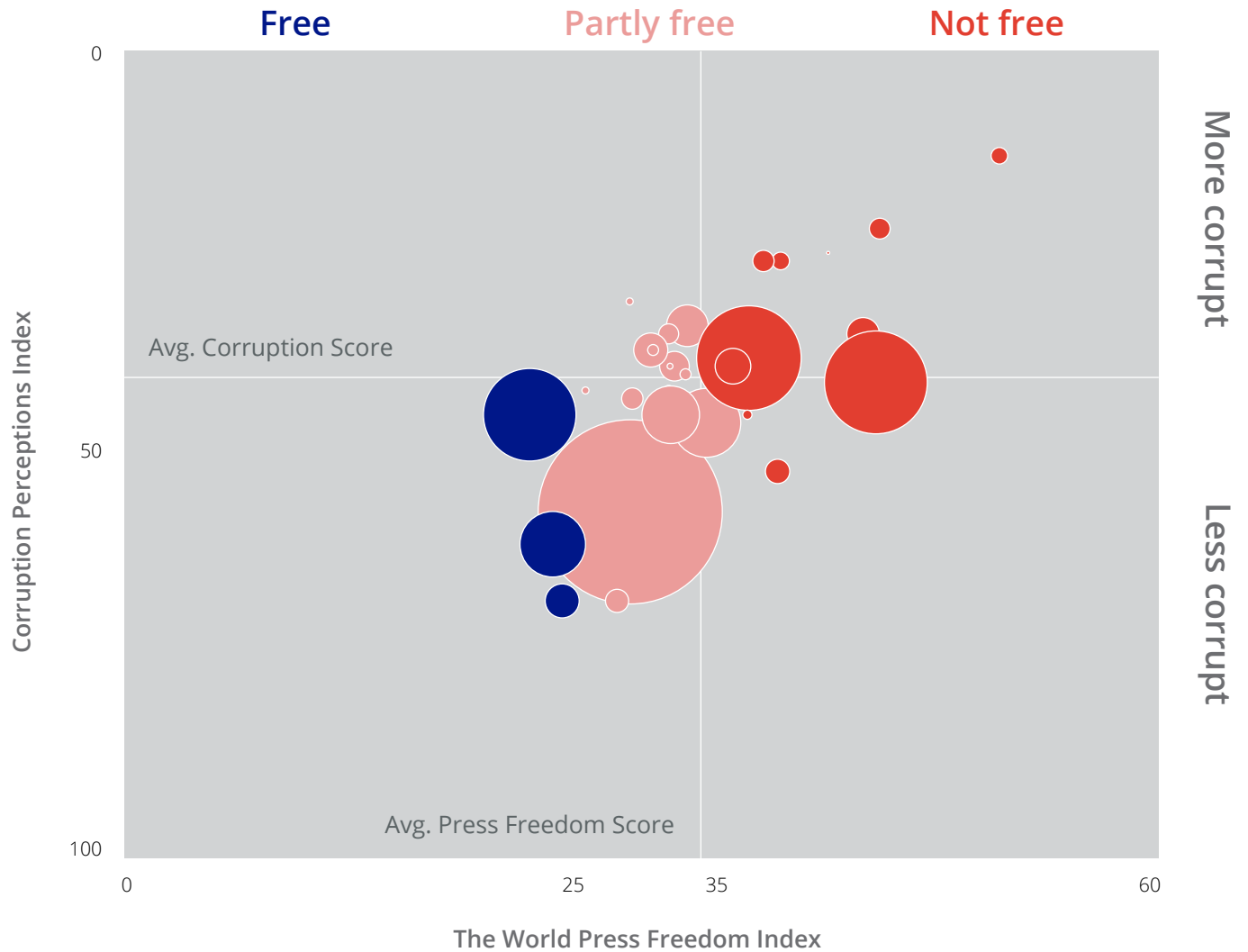
At the end of 2020, **42 out of 47** media companies we supported operated in countries where the media environment is partly free or not free, according to The World Press Freedom Index published by Reporters Without Borders (RWB)⁵. **39 out of 47** clients in 2020 were in countries perceived as struggling with corruption problems, as measured by Transparency International's Corruption Perceptions Index⁶.

The chart on the next page presents portfolio allocations by country by RWB's World Press Freedom Index and by the 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 higher on the chart, the more corrupt the country is perceived to be by its citizens.

⁵ 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)

⁶ 0-49 "More corrupt", 50-100 "Less corrupt"

MDIF's assets under management by press freedom⁵ and corruption perceptions⁶



Impact on client business

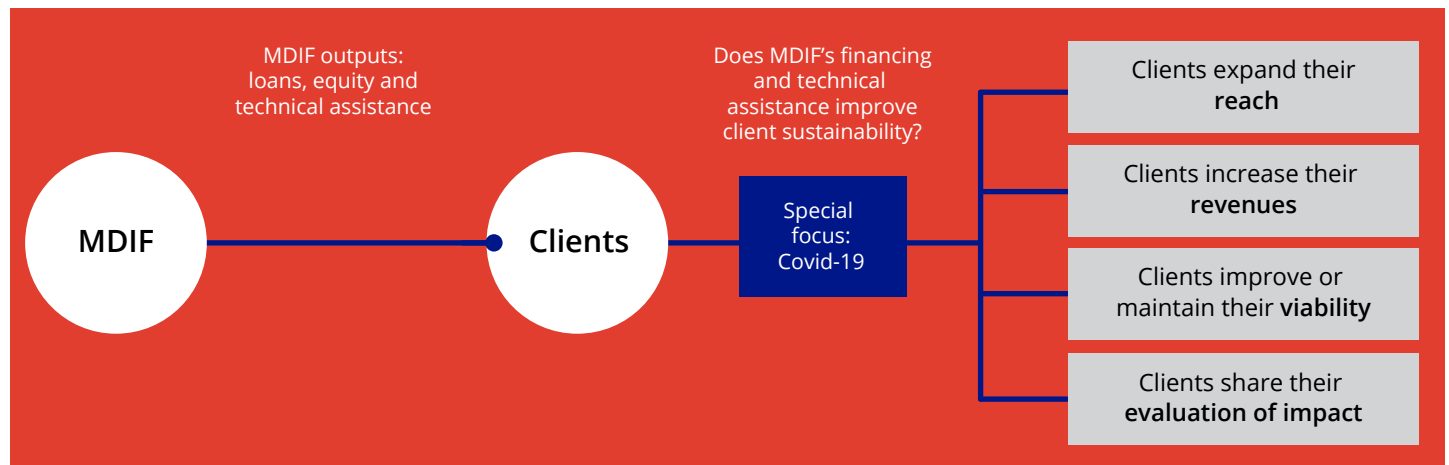
Covid-19 defined 2020 for people and media businesses around the world. Thus, in addition to the usual analysis of changes in clients' performance, the focus of this Impact Dashboard is the disruption the pandemic brought to our clients. When the virus forced newsrooms to close their doors and make changes to their daily operations (see **Special focus** section on the next page), it also slashed many of their revenue sources, as described in the **Client revenue** section of this report. The economic crisis resulting from the pandemic exposed and aggravated underlying structural and operational issues, impacting overall media sustainability, as shown in the **Client viability** section. As a counter-trend, audiences for high quality media rose dramatically, as presented in the **Client reach** section.

Unsurprisingly, our main focus in 2020 was on helping clients survive the havoc wrought by the pandemic, limiting

their losses and giving direction to their business decisions. It is incredibly challenging to measure whether our support is effective and to what extent it makes a difference for the companies we support, but as a testament to clients' hard work – and to our great relief – all but one of our clients managed to make it through the year, and its closure was not related to Covid-19.

The value of our support is reflected in our **clients' evaluation of impact**, including accounts of how MDIF financing as well as strategic advice and venture support have impacted on their media companies. The results, as presented in this report, validate our mission and attest to our 25-year track record of providing financing and media advisory to help public interest media companies develop sustainable businesses, while safeguarding their editorial independence.

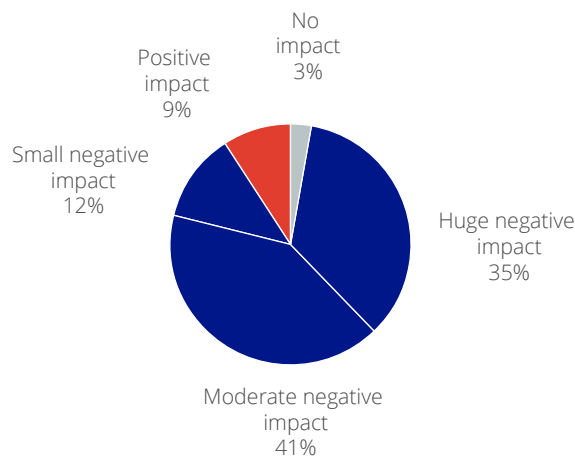
MDIF's approach to measuring impact on client business



Special focus: Covid-19

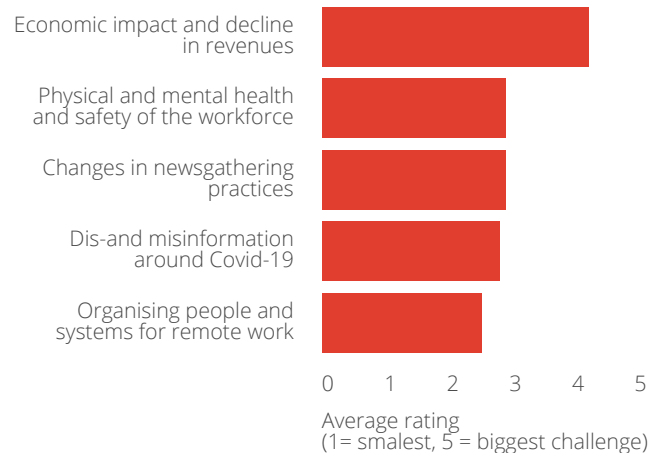
It is impossible to look back at 2020 without assessing the impact of Covid-19 which, apart from being a global pandemic and public health crisis, has severely affected the global media industry. Its economic consequences have exacerbated challenges facing media all over the world – from bringing to light unsustainable cost bases to accelerating decline in print circulations due to lockdown restrictions. Here we present some of the findings of our annual Impact Dashboard questionnaire, which surveys our media clients, and look at how the pandemic affected their operations.

Perception of Covid-19 impact



To give perspective to the scale of the challenge, for a large majority of respondents – **88%** – Covid-19 had a negative impact on their business, ranging from huge (35%), moderate (41%) to small negative impact (12%). Only **3%** said that the pandemic had no impact on their business, while **9%** said that the impact was positive, as shown on the graph below.

Perception of challenges amid Covid-19



Key metrics:

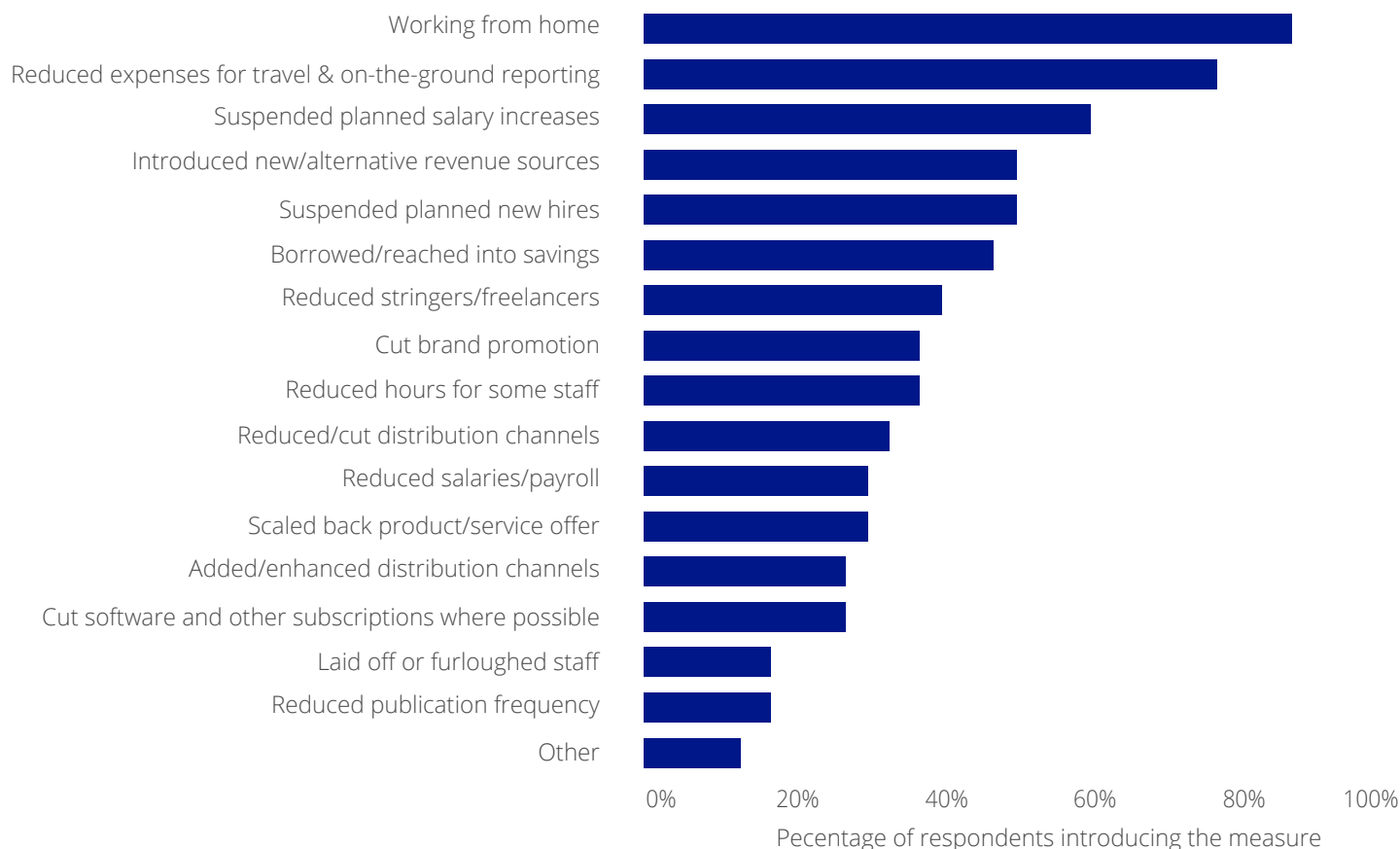
- **88%** of MDIF clients said that Covid-19 had a negative impact on their business.
- Only **3%** said that the pandemic had no impact on their business.
- **70%** of MDIF clients saw the economic impact and decline in revenues as the biggest challenge.

The biggest challenge was, by far, the economic impact and decline in revenues, with **70%** of respondents rating it as 4 or higher, where 5 represents the biggest challenge and 1 represents the smallest challenge, with an average rate of **4.1**. In comparison, the second most-rated were changes in newsgathering practices as well as the physical and mental health and safety of the workforce (both rated **2.9**), as presented on the graph on the page before.

To limit the adverse impact on their businesses, media had to be agile in their response to rapidly changing circumstances. When, as part of the annual Impact Dashboard survey,

presented with a list of 17 different measures and asked to indicate those introduced to tackle the crisis, **70%** picked 5 measures or more, while **23%** ticked 10 or more. Working from home (**87%**), reduced expenses for travel and on-the-ground reporting (**77%**) and suspended planned salary increases (**60%**) were the three most common measures taken (see graph below). When asked, which out of all measures introduced had the greatest positive impact, the respondents picked working from home and the introduction of new/alternative revenue sources (each **23%**).

Measures introduced to tackle the crisis



Covid-19 in clients' own words



Cash flow management was the biggest challenge as we lost 15% of advertising revenues and 40% of revenues from the events business in comparison to 2019. Both revenue lines are the two most important for us

Client in Europe

The decline in revenues in terms of newspapers sold and advertising revenue severely affected our profitability and cashflows. The printing press also faced regular challenges with sourcing technical assistance (for plant maintenance) from abroad due to lockdowns and border closures

Client in Africa

Reducing revenue from advertising by 30% and adjusting expenses by laying off employees and reducing all employees' salaries by 25% was very challenging. Then, we had to change the company structure to put emphasis on readers' revenue, which requires changes in the way of working and the way editors view relations with the audience

Client in Asia

In an editorial office with a small number of people, every lockdown and illness had a very negative effect on the work. The drop in income had a bad effect on salaries, which resulted in bad morale and the departure of several journalists

Client in Europe

The Covid-19 crisis deepened the economic recession in our country, causing two effects on the business environment: the main one was the difficulty in closing new commercial agreements and generating new members. In addition, it caused financial difficulties due to the delays in the payments by brands that were advertising with us.

Client in Latin America

In our journey so far, we have relied heavily on brand-driven sponsorship as a revenue line. With Covid-19 brands cut down on these spends, and that had an impact. To err on the side of caution, we decided to significantly cut down our expenses, reducing the team size, spends on acquisition, engagement and more. We have had to operate in a much leaner fashion, while still trying to do more

Client in Asia

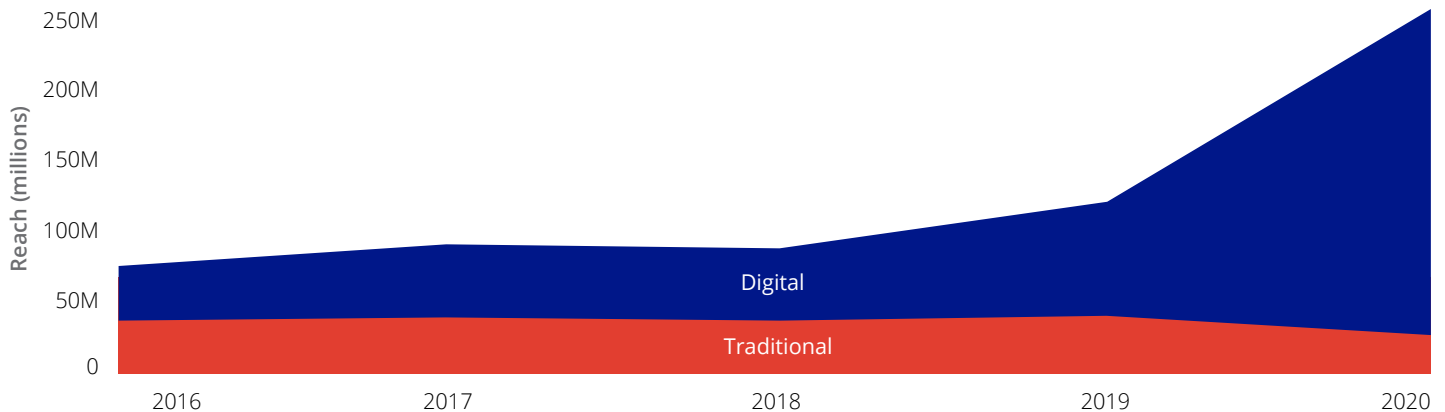


Client reach

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 timely, accurate and relevant information, vitally important at all times, but particularly during a pandemic. In financial terms, audience is an essential part of building a robust media organisation and is tied to various revenue streams, such as leveraging advertisement dollars, subscriptions, memberships or print circulation.

In 2020, **262 million** people around the world got their news and information from MDIF clients – a record high in our 25 years of work and double the total reach in 2019 – with the overall increase largely attributable to new digital companies joining the MDIF portfolio and their substantial reach adding to the cumulative MDIF reach, but also record-breaking audience numbers registered during the peak days of the Covid-19 crisis.

Total annual client reach by type, 2016-2020



Key metrics:

- In 2020, **262 million** people received their news from MDIF clients, **233 million** online and **29 million** through traditional media.
- The Covid-19 pandemic has drawn record numbers of people to quality news and information, with **312 million** people reached by MDIF clients in March 2020.
- After five years of working with MDIF, client reach increased on average by **190%** (a median of **34%**).

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.

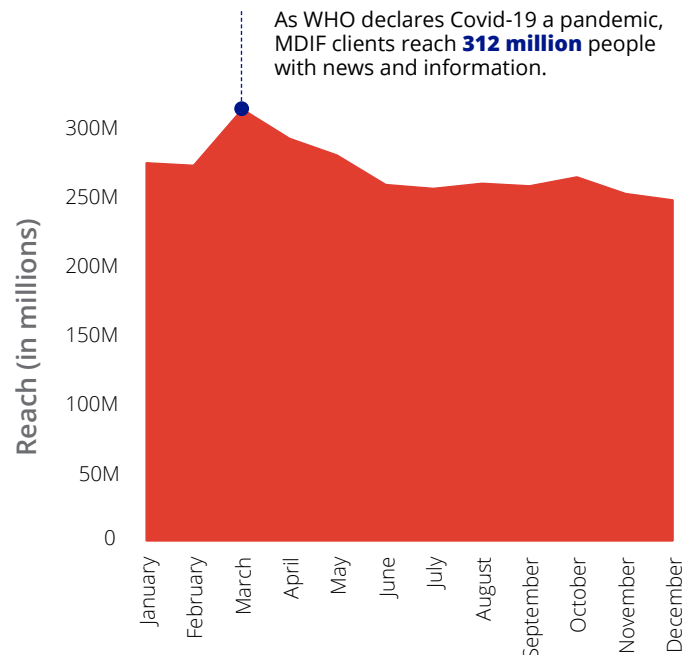
For more on the methodology we use to collect and analyse our impact data, see the Impact Dashboard Methodology section on our website.

Last year, **233 million** people were reached through digital and only **29 million** through traditional media, including TV, radio and print. This is the fourth consecutive year in which more people received news from MDIF clients online than through traditional means, a transformation underpinned by the changes in MDIF's investment strategy, with each year more investments allocated to digital-only companies and the legacy media companies either exiting our portfolio or increasingly shifting towards digital.

More importantly, though, the results reflect the continuing changes in global media consumption habits, with people increasingly spending more time online, away from their TV sets and printed newspapers. Particularly in 2020, digital media use increased as people in lockdown sought latest updates, information and news about the pandemic without leaving the house and as quickly as possible.

MDF clients experienced their peak audience in mid-March, coinciding with the WHO declaring Covid-19 a pandemic, reaching as many as **312 million** people that month. At a time when lives were at stake, media have been playing a key role, tirelessly bringing much-needed updates, and

Total client reach throughout 2020



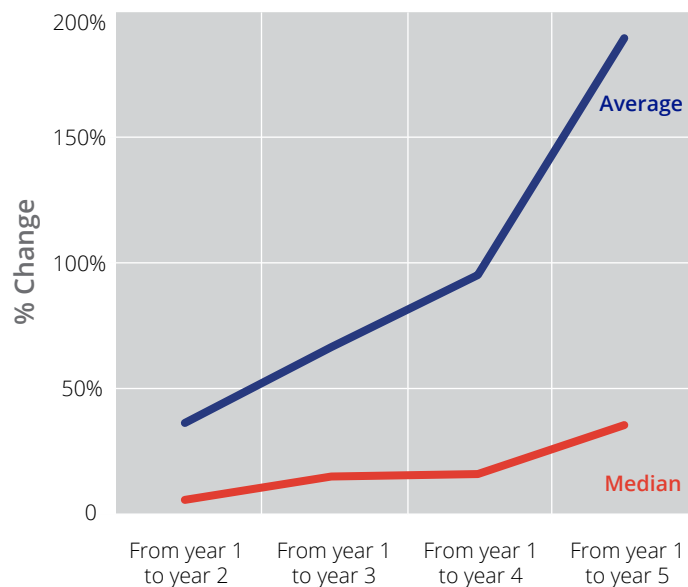
keeping checks and balances on the government response on behalf of citizens. But following the unprecedented spike in traffic, the so called “Corona bump” wore off, with audience numbers back to pre-Covid levels, as presented on the graph on page 21.

On an individual level, clients active in both 2019 and 2020 increased their reach by **42%** on average between the two years. In fact, **90%** of MDIF-supported media increased (**84%**) or maintained (**6%**) their reach, while **13%** doubled their reach between 2019 and 2020.

We also found that clients involved with MDIF for at least five years saw their reach increase by an average of **190%** between their first and fifth year (a median of 34%). Over the same period, a median year-over-year growth rate (CAGR) amounted to **8%**.

Overall, taking into consideration all data gathered since we first started compiling audience figures, seven in ten clients increased or maintained their reach from the beginning to latest year of their relationship with MDIF (**74%**) and four in ten doubled their audience or better (**42%**). Average growth from a client’s first year of involvement to their latest was **546%** (a median of 35%). Median year-over-year growth rate (CAGR) for the full investment term stood at **8%**.

Change in client reach from first year with MDIF



Client example

El Búho is a regional media company based in Arequipa, Peru, and a well-recognised and influential local brand synonymous with quality journalism. Founded as a printed weekly magazine in 2000, El Búho became a digital platform in 2014. Last year, MDIF matched the company with a marketing strategist and digital media expert specialised in the Latin American market, who provided long-term mentoring support in digital advertising and sales. One of the goals was to develop a plan for strengthening El Búho’s digital presence. With

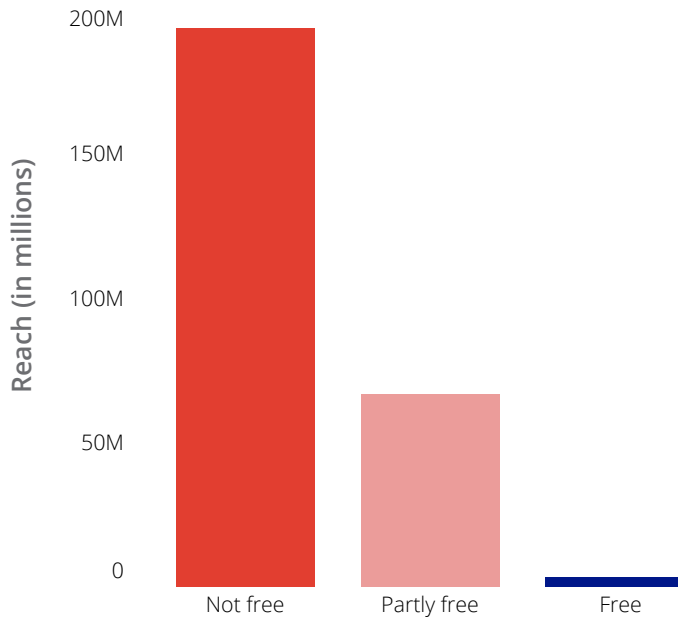
training and advice from the consultant and hard work by the El Búho team, the news site’s audience more than tripled, increasing by 301.7% in terms of median monthly users from 2019 to 2020. By adding reporting that could appeal to a more national audience and strengthening its SEO results, El Búho opened up to a new set of clients beyond the usual regional advertisers and has started earning revenue from programmatic advertising.

Clients' reach in context

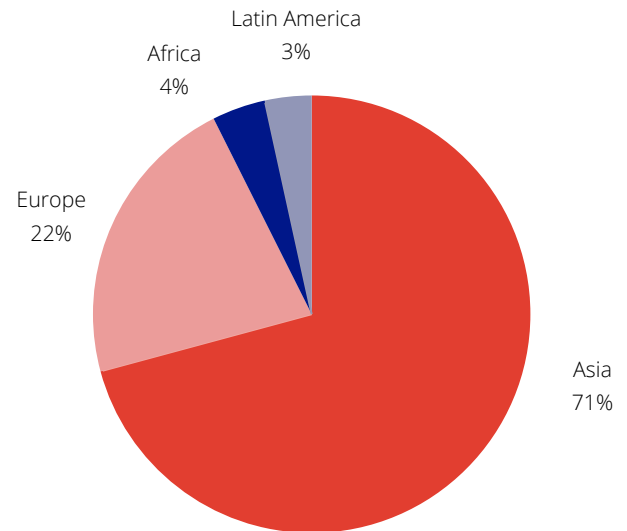
MDIF-supported companies reach various readers, listeners and viewers across the world, from rural communities in India to business professionals in Ukraine. They operate in a range of countries where press freedom is under threat and where access to reliable information can play a key role in supporting public accountability and transparency.

In 2020, the largest share of our clients' audience — **71%**— lived in Asia, followed by Europe at **22%**, Africa at **4%** and Latin America at **3%**. Additionally, **259 million** people – **99%** of the audience MDIF clients served – lived in partly free or not free countries, according to the World Press Freedom Index published by Reporters Without Borders⁷.

Client reach in 2020 by the World Press Freedom Index⁷



Client reach in 2020 by regions



⁷ 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)

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 enables media to safeguard their editorial independence and provide the news, information and debate uninterrupted.

In 2020, the media industry was put under tremendous financial strain, exacerbating an already existing trend of changing revenue flows, disrupted business models and increased competition. The biggest challenge that the Covid-19 emergency posed was, as indicated by our clients, the economic impact and decline in revenues (see

Special focus section). When the virus began its global march, advertising and other business partnerships largely collapsed as companies cut marketing budgets and alternative established sources of income, such as live events, disappeared.

The overall picture painted by an analysis of clients' revenues last year clearly, and unsurprisingly, indicates that the pandemic had a major impact on their businesses. In 2020, we registered a total of **\$322 million** in client revenues, a **26%** decrease from 2019. Revenue leverage – the ratio of total client revenues to total assets under management – also decreased by **25%**. In 2020, it stood at **1:2.8**, meaning that each \$1 managed by MDIF leveraged **\$2.8** in client revenues.

MDIF revenue leverage in 2020

Each **\$1** invested by MDIF leveraged **\$2.8** in client revenues in 2020

MDIF assets
under management



Client revenues
leveraged



Key metrics:

- In 2020, MDIF clients generated **\$322 million** in revenues, with each dollar managed by MDIF leveraging **\$2.8** in client revenues.
- Clients' revenues worsened during the Covid-19 pandemic: among companies active in both 2019 and 2020, **53%** saw their revenues decrease from year to year.
- After five years of working with MDIF, client revenues increased on average by **205%** (a median of **85%**).

How we track our clients' revenues

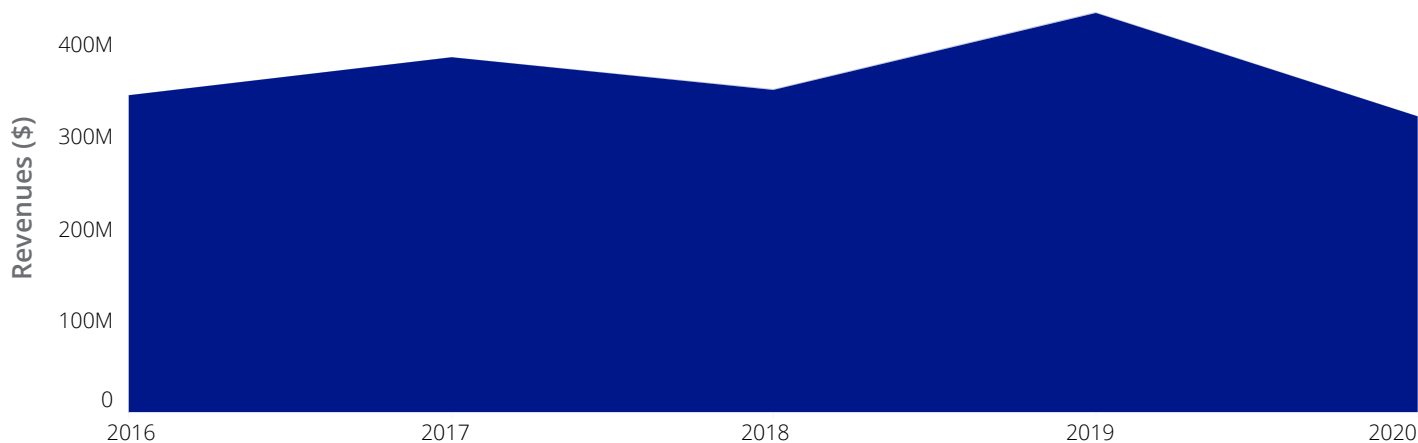
Revenues refer to the total amount of client income from circulation, advertising, printing services and other activities before any costs or expenses are deducted. Revenue data is readily available through quarterly reports submitted to MDIF by clients and their annual income statements. Clients report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

Among companies active in both 2019 and 2020, over half saw their revenues decrease from year to year (**53%**), with drops ranging from -1% to -68%. The other half increased (**28%**) or maintained their revenues (**19%**), with only one client managing to double their revenues between the two

years. Average change from 2019 to 2020 stood at **-1%** (a median of -4%). These are remarkably positive results given the immense challenges created by the pandemic and are a testament to the professionalism, creativity and resilience of our clients.

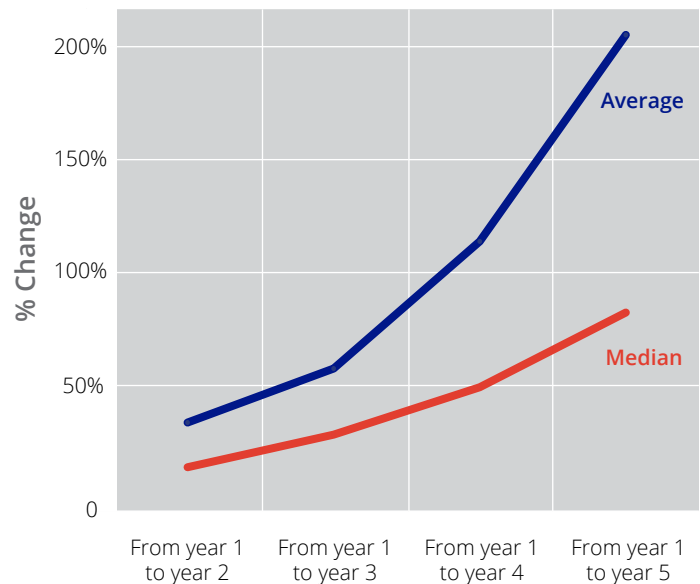
Total annual client revenues, 2016-2020



Within the dark reality, clients proved that there are glimmers of hope and possibilities. The emergency showed the importance of experimenting with alternative revenues and proved that sustainable news organisations should have several sources of income. According to our annual Impact Dashboard survey, when asked about their main sources of revenue in 2020, **71%** of clients picked at least 3 sources or more and **35%** at least 4 or more. Additionally, when advertising dollars got pulled back, many of the clients turned to subscription, membership, and donations to make up for lost income and diversify their revenue mix. In fact, after advertising (picked by **76%**), it was reader revenue (**38%**) that was the most common source of income among MDIF clients.

Long-term analysis also paints a more positive picture. Media companies involved with MDIF for at least five years saw their revenues increase by an average of **205%** between their first and fifth year (a median of 85%). Over the same period, a median year-over-year growth rate (CAGR) amounted to **6%**. Seven in ten increased their revenues from the beginning to latest year of their relationship with MDIF (**68%**) and almost three in ten doubled their revenues or better (**29%**). Average growth from a client's first year of involvement to their latest was **276%** (a median of 34%), while a median year-over-year growth rate of **6%** (CAGR) for the entire investment term.

Change in client revenues from first year with MDIF



Client example

Malaysiakini is the leading political news site in Malaysia, providing news in English, Bahasa Malaysian, Chinese, and Tamil to 10 million people each month. It started subscriptions way back in 2002, when few media companies were doing so. In 2020, with advertising dollars shrinking due to the pandemic, it was critical to drive up reader revenue. To assist them, MDIF engaged a mentor in area of reader revenue and consumer monetisation. The intensive mentorship and workshops helped to drive the building of a new subscription system,

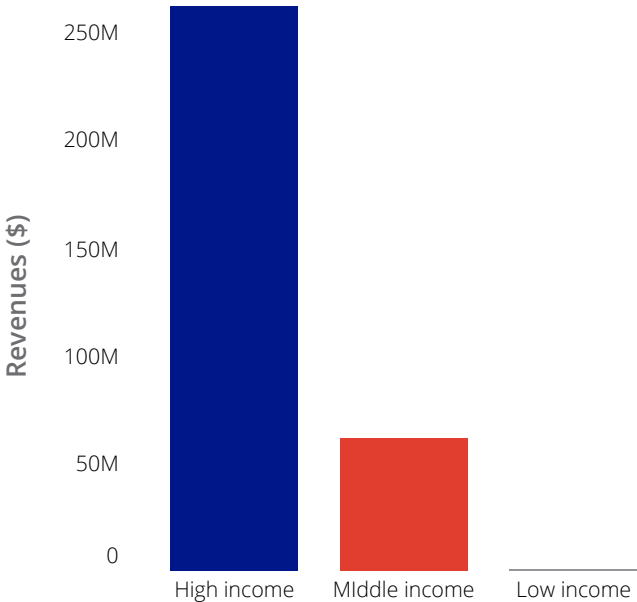
adjusting the membership offer and ramping up newsletters to increase engagement. It catalysed much-needed growth: from the end of January to the end of November, Malaysiakini grew its subscribers by 47.7%. Malaysiakini's overall revenue mix is also shifting from a 70/30 split between advertising and subscriptions to closer to 50/50, in line with longer-term ambitions of reducing reliance on advertising.

Client revenue in context

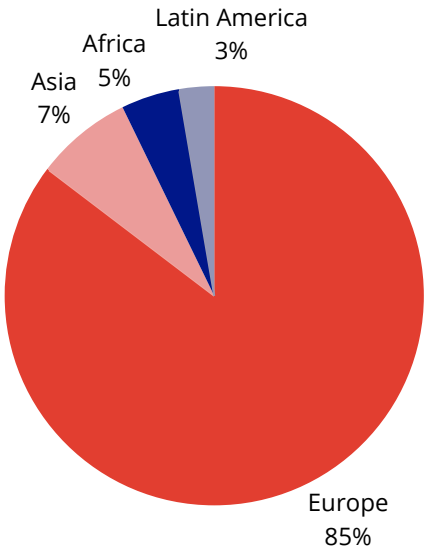
MDIF-supported media businesses operate in different financial conditions, from mature markets in Europe to fast-growing economies in Asia. We recognise that undoubtedly it is easier to generate revenue in richer countries where ad spending is higher and more people are willing to pay for news.

In 2020, the largest share of our clients' revenues — **85%**— were raised in Europe, followed by Asia at **7%**, Africa at **5%** and Latin America at **3%**. Additionally, **\$261 million** were generated in high income countries, according to the World Bank classification.

Client revenues in 2020 by World Bank's Classification of Countries by Income



Client revenues in 2020 by regions



Client viability

Through our financing and business and management support, MDIF aims to create resilient, resourceful, and innovative media businesses, strong enough to maintain their editorial independence and fulfil their critical role of providing society with relevant timely and reliable information. Thus, as a part of our annual measurement, we also review clients' viability, an area closely tied to our activities and mission.

Media viability was particularly affected in 2020. From strategy and revenue to workflows and products, running a media company has always been challenging, but the ongoing pandemic and its economic consequences have exacerbated the difficulties facing media all over the world, forcing forward the debate on and experimentation in how media can remain – or become – viable.

According to our externally audited risk-rating tool developed in-house and used to monitor viability, at the end of 2020, the number of high-risk loan clients (the risk-

rating tool is not applicable to equity clients) increased from **20%** in 2019 to **37%** in 2020. Meanwhile, **63%** of companies were classified as low-risk (16%) or moderate-risk (47%) companies.

Among clients active in both 2019 and 2020, **13%** maintained their risk rating from year to year, while **87%** saw their risk level rise. Between 2019 and 2020, the median risk rating of our loan clients increased from **5.8** to **6.5**, a historically high level but still within the moderate risk range on the nine-point scale.

Overall, taking into consideration all data gathered since we first started our annual risk monitoring, our median risk rating oscillated between **4.5** and **6.5** on the nine-point scale, which puts our historical median risk rating at **5.1**, squarely within the moderate range.

Key metrics:

- In 2020, 63% of MDIF loan clients were classified as having low or moderate risk.
- Clients' viability worsened during the Covid-19 pandemic: among companies active in both 2019 and 2020, 87% saw their risk rating rise from year to year.
- After five years of working with MDIF, client risk rating increased only slightly, by 11% on average (a median of 5%).

How we track our clients' viability

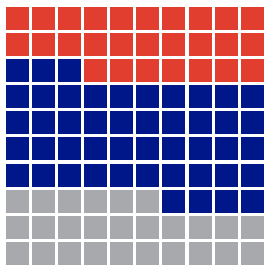
We assess viability from an individual media organisation's perspective. Clients' financial viability determines the overall sustainability of the MDIF loan portfolio clients (the risk-rating tool is not applicable to equity clients) and the strength and weakness of a given investment. Calculated using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

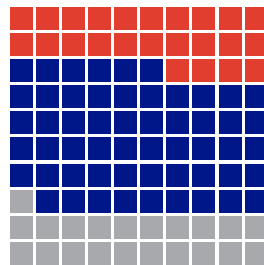
MDIF risk scores, 2016-2020

2016



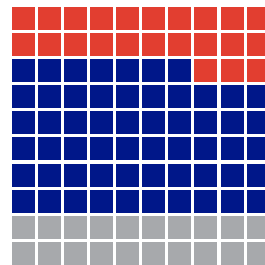
High 27%
Moderate 57%
Low 16%

2017



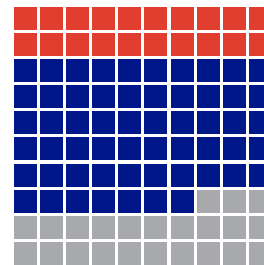
High 24%
Moderate 55%
Low 21%

2018



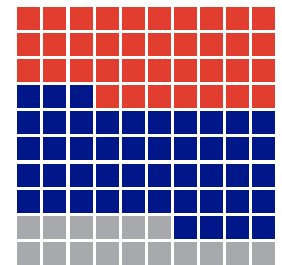
High 23%
Moderate 57%
Low 20%

2019



High 20%
Moderate 57%
Low 23%

2020

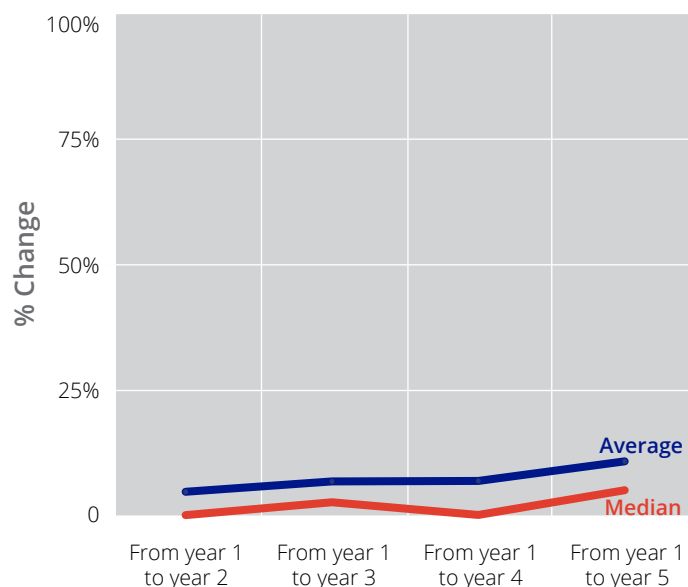


High 37%
Moderate 47%
Low 16%

Despite the uncertain and highly precarious media business environment, including the most recent effects of the Covid-19 pandemic, we found that clients involved with MDIF for at least five years saw their risk rating increase only slightly, by an average of **11%** between their first and fifth year (a median of 5%) and by **25%** from a client's first year of involvement to their latest (a median of 19%).

These have been and will continue to be challenging times, but we look forward with optimism. We work hard to ensure that our investees are better off than they would be in the absence of our support, with our efforts focused on helping them to emerge from the emergency leaner and more resilient. We have already seen many of them go far beyond survival in 2020, finding opportunities in the crisis. To our great relief, in 2020, all but one of our clients managed to stay in operation, and its closure was not related to Covid-19.

Change in client risk rating from first year with MDIF



Client example

GK is a small digital outlet based in Ecuador that focuses on producing long-form journalism and providing context to complex political and cultural narratives. Founded by two talented reporters, the company was strong editorially, yet, when it started growing, the lack of a solid financial foundation started taking a toll on the company's operations. In the past year, MDIF helped GK to restructure its finance department and managerial team. The outlet brought in a CFO, whose profile and job description and selection process were designed and undertaken with the assistance of MDIF's Media

Advisory Services. The new position helped GK define a clear cost structure and quickly and proactively respond to projected cash shortages triggered by the Covid-19 pandemic. While in the previous year the company carried heavy losses, GK kept a tight grip on costs and finished 2020 with a 10% net margin. In addition to financial discipline, GK also experienced a change in organisational culture, with finance now considered a fundamental part of the company, along content and tech.

Client viability in context

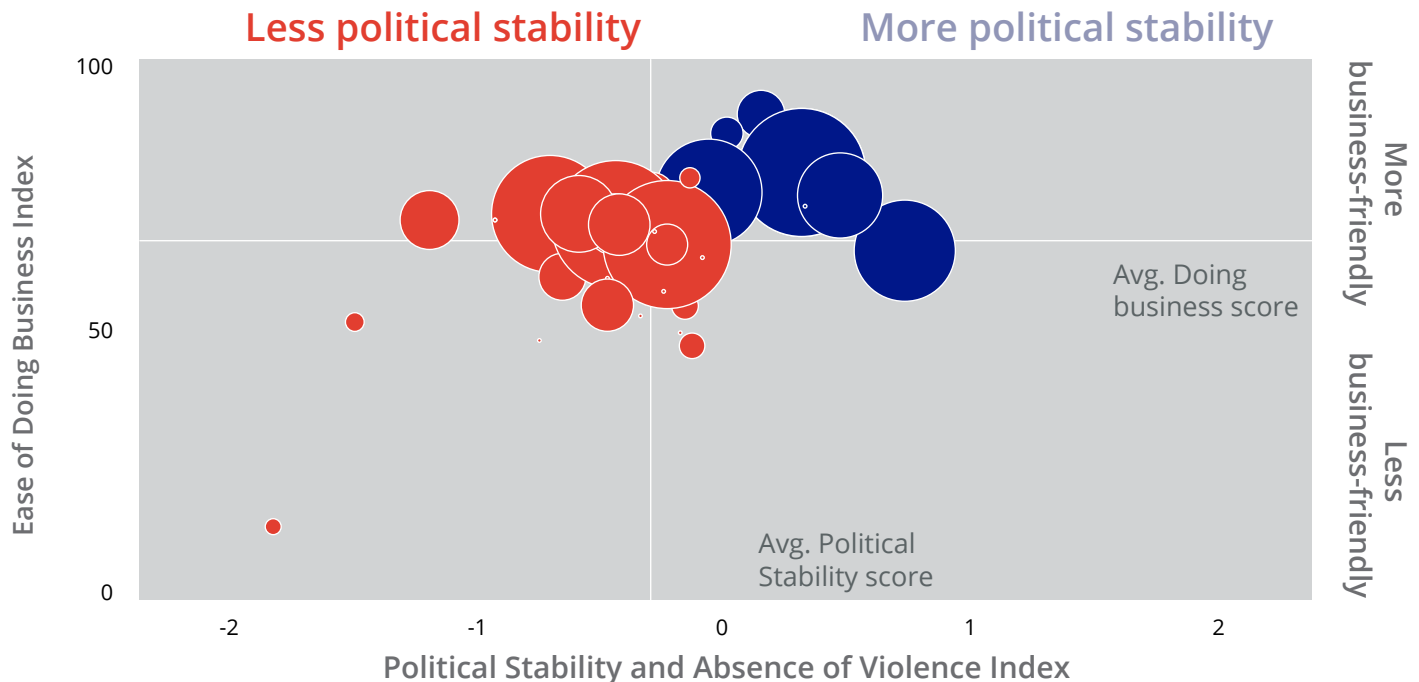
While focusing our work on the financial aspect of the viability of individual media organisations, we are aware that there are many other factors in the media environment that influence the functioning of media businesses. In many countries, challenging business, political and regulatory conditions work against independent and sustainable media. Without enabling conditions, even the most innovative business model cannot ensure long-term viability.

In 2020, the average World Bank Ease of Doing Business country rating for our portfolio was **67.87** 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 was **-0.31**, as measured by the World Bank's -2.5 to 2.5 scale, where higher scores indicate greater political stability.

The chart below presents our loan portfolio by each of the above-mentioned World Bank indices and show a concentration of MDIF investment in countries with medium levels of political instability, yet with a broadly suitable climate for business. The further an investment is to the right, the more politically stable the country the client operates in, and the higher on the chart, the more business friendly. The size of the circle corresponds to the size of the loan.

Portfolio World Bank Ease of Doing Business Index⁸ and Political Stability and Absence of Violence Index⁹



⁸ 1-50 "Less business-friendly", 50-100 "More business-friendly"

⁹ -2.5-0 "Less political stability", 0-2.5 "More political stability"

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. The collected data is particularly relevant during emergency situations, like Covid-19, and helps us determine how we prioritise our planning and efforts.

When asked to evaluate our support, **three out of five** MDIF-supported media surveyed as part of our annual questionnaire said that they “strongly agree” or “agree” that there had been changes in their company because of

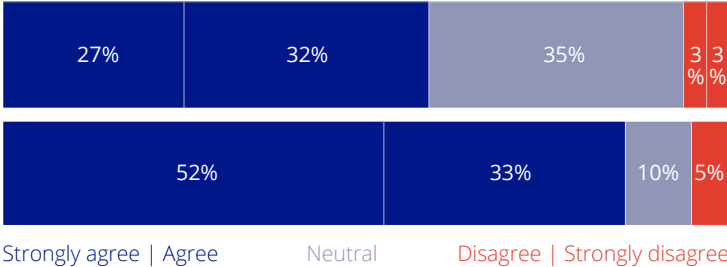
their involvement with MDIF (35% remained neutral and 6% disagreed). Most importantly, **100%** of the changes that occurred as a result of the involvement with MDIF were viewed as positive, with a selection of client testimonials below.

Moreover, out of all investees that reported receiving strategic advice and venture support from MDIF in 2020, **six out of seven** said that they “strongly agree” or “agree” that there have been changes in their company because of that support (10% remained neutral and 5% disagreed). Again, **100%** of the changes that occurred as a result of media advisory 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 2020.



Key metrics:

- **59%** of MDIF clients agreed or strongly agreed that there had been changes in their company because of their involvement with MDIF over the past year.
- **85%** of MDIF clients who received strategic advice and venture support from MDIF in 2020 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 media advisory 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 is our best ally, partner and investor (...) In 2020, not only a loan, but also support from MAS, allowed us to reorganise our financial structure, making us a more solid and stable company even in a year of pandemic
[Client in Latin America](#)

Due to MDIF's guidance we were able to steer our organisation into the right direction and create new revenue streams. MDIF also helped us to allocate funds in a more efficient way to ensure that we survive the pandemic's impact
[Client in Asia](#)

In the initial years of MDIF involvement, the financial contribution of MDIF as a shareholder secured our survival. In 2020, MDIF contribution took the form of professional support in a very critical period
[Client in Europe](#)

Most valuable support was financial assistance in the form of loan funding, support for new innovation projects and advice, counselling and specialised consultancy on specific projects
[Client in Africa](#)

Client impact on society

All around the world, the pandemic underscored the value of media that provide reliable news and information. At a time when millions of lives have been lost, media have played a key role, tirelessly bringing much-needed updates about the spread of the virus and timely health advice, and keeping checks and balances on government responses on behalf of citizens (see **Special focus** section below).

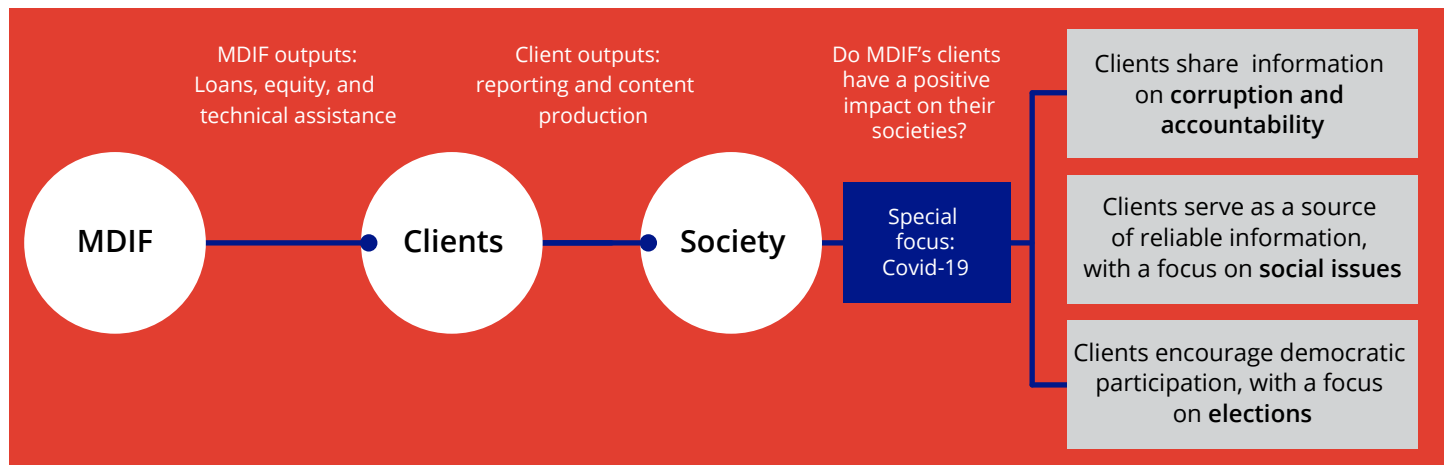
MDIF-supported media continued making a difference in their communities, cities, regions and countries beyond Covid-19. From changing laws to changing lives, they played a central role in uprooting corruption and holding those in power accountable (as described in the **Corruption and accountability** section), provided citizens with information about social issues like the environment, gender, minorities,

immigration and LGBTQ+ that are otherwise under-reported or reported with bias (**Social issues** section) and encouraged democratic participation during elections (**Election** section).

This vital work underlines the essential role of media in society and demonstrates once again that they – in keeping with our mission statement – are key in providing the news, information and debate that people need to build free, thriving societies.

Overall, by showing examples of powerful and impactful reporting, 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.

MDIF's approach to measuring client impact on society



How we track our client social impact

To assess the extent to which the independent media supported by MDIF impact on their societies, we first look into their work around 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 LGBTQ+. Additionally, to show how our clients encourage democratic participation, we examine their work around elections. The special focus of this year's Impact Dashboard is Covid-19.

Data and examples of powerful and impactful reporting and information sharing are collected through our annual Impact Dashboard survey. As a part of the questionnaire, we ask clients whether their organisation carried out reporting or other work around a given topic in the previous year that they think contributed to a real-world change or had a significant impact on their community. If the answer is affirmative, we ask the respondents to provide a detailed description of their work, describe the changes it directly or indirectly contributed to. We also try to explore the ultimate social outcomes that followed, by asking whether the change the stories led to was:

- Institutional, such as official response, hearing, government investigation, reorganisation, change in law or policy, etc.
- Personal, such as dismissal, resignation, criminal charges, fine, penalty, formal apology, improvement in person's working/living conditions, etc.
- Civic, such as protest, petition, community engagement, increased donation to a cause, etc.
- Other

We plot these survey responses against relevant indicators and for each topic, we present a selection of examples of powerful reporting carried out in previous year. While most examples are drawn directly from the survey, we do also occasionally feature other impactful examples of reporting collected over the course of the year. 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.

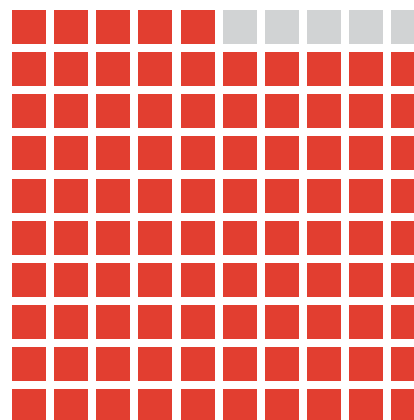
For more details on how we track our client social impact, see the Impact Dashboard Methodology on our website.

Special focus: Covid-19

Public interest media have played a key role during the pandemic, as confirmed by numerous studies, affecting Covid-19 threat perception, health literacy, endorsement of misinformation and engagement in preventive behaviours¹⁰. In the midst of a health emergency, media have a paramount task of combatting disinformation, scrutinising the response of the public authorities and stimulating public debate and critical thinking. Most importantly, receiving timely, accurate, relevant information is critical for enabling individuals to take appropriate actions to stay safe and healthy.

In 2020, **95%** of MDIF-supported media surveyed as part of our annual questionnaire declared that their organisations reported on or carried out other work around Covid-19 that had an impact on their communities, such as reporting on bodies lost in Ecuador's virus chaos and exposing price gouging in Botswana's Covid-19 response. **93%** of this work took place in countries that were less effective in handling the Covid-19 pandemic, that is, those that scored lower than 50 in the Lowy Institute's Covid Performance Index¹¹. Institutional changes (such as an official response, hearing, government investigation, reorganisation and change in law or policy) were the most mentioned category of tangible effects that followed this crucial journalistic work, reported by **42%** of respondents.

Percentage of MDIF clients who reported publishing Covid-19 information with impact



95%
of MDIF clients in 2020 published Covid-19 information that created impact

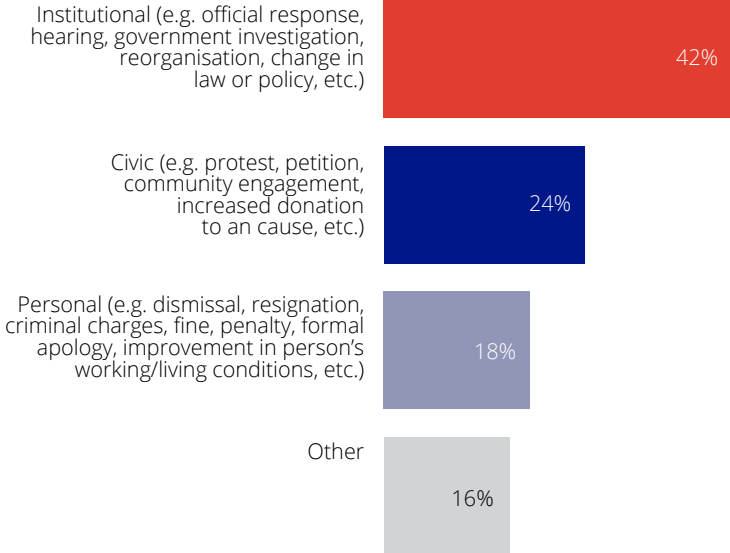
Key metrics:

- **95%** of MDIF clients declared that their work around Covid-19 created impact in 2020.
- **83%** of Covid-19 work took place in countries that were less effective in handling the pandemic.
- **42%** of Covid-19 work led to institutional changes, such as an official response, hearing, government investigation, reorganisation, change in law or policy

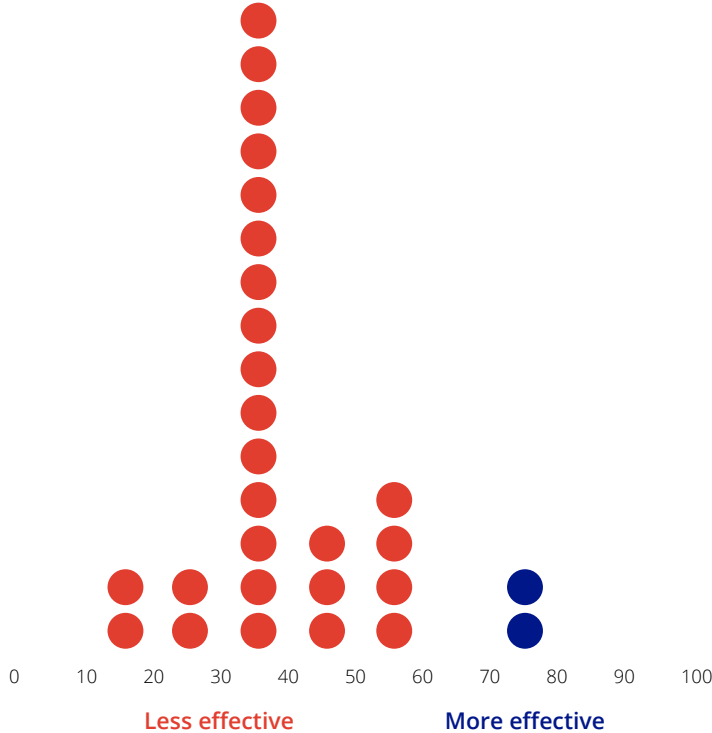
¹⁰ For example: Dhanani, L. Y., Franz, B. (2020) "The Role of News Consumption and Trust in Public Health Leadership in Shaping COVID-19 Knowledge and Prejudice" Vai B, et al. (2020) "Risk Perception and Media in Shaping Protective Behaviors: Insights From the Early Phase of COVID-19 Italian Outbreak" Bridgman, A., et al. (2020) "The Causes and Consequences of COVID-19 Misperceptions: Understanding the Role of News and Social Media"

¹¹ 0 to 100 score, with higher scores indicating better performance: 1-50 "Less effective"; 50-100 "More effective"

Type of change that followed Covid-19 reporting



Distribution of clients reporting on the pandemic by the Lowy Institute's Covid Performance Index¹¹



Examples: Covid-19



Photo: GK/ Twitter

GK Ecuador

14 | Lowy Institute's Covid Performance Index¹²

PARTLY FREE
The World Press Freedom Index¹³

In **Ecuador**, the city of Guayaquil made international headlines as bodies piled up in homes and even on the streets. GK, a digital outlet based in the city, reported on overwhelmed morgues and the difficulty of recovering bodies at one of the city's hospitals. Soon after, remains were discovered in mobile morgues outside the clinic, many of them unlabelled. Large numbers of misplaced and misidentified bodies in Guayaquil prompted an official investigation, in which a judge issued a sentence against several institutions for negligence and Ecuador's government publicly apologised to the families of Guayaquil's Covid-19 victims. Despite forensic work, many bodies remain missing to this day. Recognising the stark reality of mourning during the pandemic, with many families unable to say goodbye to their loved ones, GK created a collaborative virtual memorial called "Voces para la Memoria" (Voices for Memory).



Photo: Gram Vaani

Gram Vaani India

26 | Lowy Institute's Covid Performance Index¹²

NOT FREE
The World Press Freedom Index¹³

In **India**, the Covid-19 lockdown and subsequent public health measures severely impacted poor and vulnerable populations' food security, livelihood and access to health services. Digital company Gram Vaani documented the stories of vulnerable groups who faced challenges in accessing Covid-relief. Its #NotStatusQuo campaign captured many such issues via 7,000 voice reports submitted through its Mobile Vaani voice-based community platform and prompted wider action. For example, in Tamil Nadu, Gram Vaani has been engaged in a very active campaign for resumption of meals for children in the "Midday meal" scheme. After disruptions in child health and nutrition services were reported through Mobile Vaani, many of the affected children started receiving their rations again. "I recorded the issue related to non-availability of mid-day meals on Mobile Vaani and after 3-4 days, the ration got distributed to all children of my village", one testimony read.



Photo: MDIF

Tsodilo Services Botswana

N/A | Lowy Institute's Covid Performance Index¹⁴

FREE
The World Press Freedom Index¹³

In **Botswana**, Sunday Standard, a weekly newspaper published by Tsodilo Services, revealed serious overpricing in the public procurement of supplies required for containment of Covid-19. One of its investigations revealed how two suppliers of testing kits inflated prices by more than 1000%. To make the matter worse, plans to commence community testing collapsed because the overpriced testing kits were not delivered, forcing the government to cancel the tender. Using documents leaked to the outlet, reporters also compared a detailed breakdown of the Ministry of Health and Wellness budget against market rates, revealing that in some cases the prices were inflated by more than 150%, with the total budget padded by about \$90 million. Following reports of widespread corruption, the task of administering the Covid-19 budget was withdrawn from the Ministry of Health and Wellness and placed under the Office of the President. The President also sacked the country's Ministry of Health and Wellness permanent secretary and deputy permanent secretary.

¹² 0 to 100 score, with higher scores indicating better performance: 1-50 "Less effective", 50-100 "More effective"

¹³ 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)

¹⁴ Country not included in Lowy Institute's Covid Performance Index



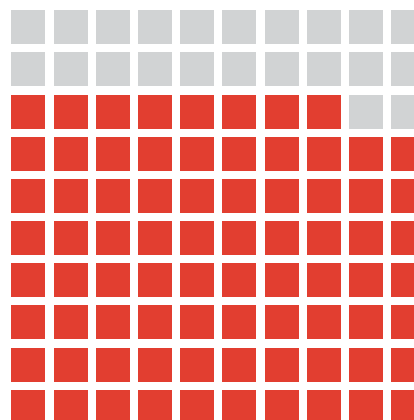
Corruption and accountability

The relationship between media and corruption is well-documented; multiple studies have found that there is less corruption in nations with a free press¹⁵. According to their public watchdog and Fourth Estate role, media play indispensable role in ensuring good governance and providing a system of checks and balances on power. As they unearth stories that otherwise may remain untold, they contribute to reducing impunity and malfeasance, 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.

In 2020, **78%** of MDIF-supported media surveyed as part of our annual questionnaire declared that their work around corruption and that held those in power to account created impact. From investigating cronyism in Covid-19 contracts in Poland to exposing profit shifting and tax leakage in Indonesia's pulp exports, **86%** 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 Index¹⁶. Institutional changes (such as an official response, hearing, government investigation,

reorganisation and change in law or policy) were the most mentioned category of tangible effects that followed this crucial journalistic work, reported by **46%** of respondents.

Percentage of MDIF clients who reported publishing corruption and accountability information with impact



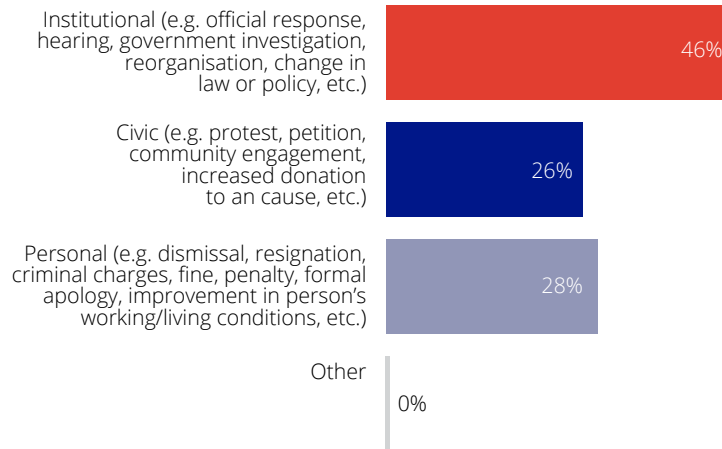
78%
of MDIF clients in 2020 published corruption and accountability information that created impact

Key metrics:

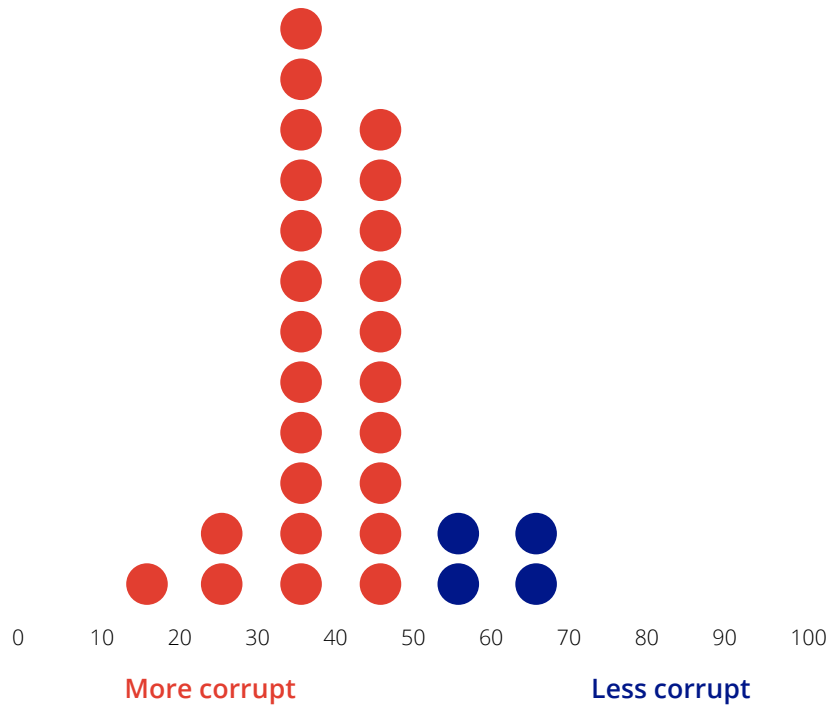
- **78%** of MDIF clients declared that their work around corruption and accountability created impact in 2020.
- **86%** of corruption and accountability work took place in countries with greater perceived corruption.
- **46%** of corruption and accountability work led to institutional changes, such as an official response, hearing, government investigation, reorganisation, change in law or policy.

¹⁵ Norris, P. (2006) "The Role of the Free Press in Promoting Democratization, Good Governance, and Human Development"
Brunetti, A., and Beatrice, W. (2003) "A Free Press Is Bad News for Corruption"
Lederman, D., et al. (2005) "Accountability and corruption: Political institutions matter"
Besley, T. and Prat, A. (2006) "Handcuffs for the Grabbing Hand? Media Capture and Government Accountability"

Type of change that followed corruption and accountability reporting



Distribution of clients exposing corruption scandals by Corruption Perceptions Index¹⁶



¹⁶ 0 to 100 scale, with higher scores indicating less corruption, 0-49 "More corrupt", 50-100 "Less corrupt"

Examples: corruption and accountability

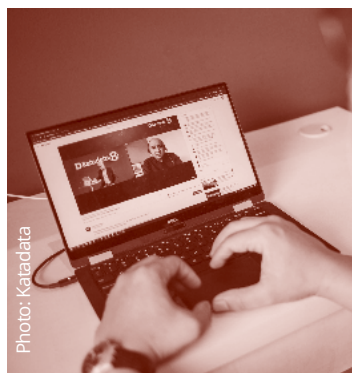


Agora Poland

56 | Corruption
Perceptions Index¹⁷

PARTLY FREE
The World Press Freedom Index¹⁸

In **Poland**, the coronavirus crisis exposed another pandemic – corruption. Daily Gazeta Wyborcza denounced the cronyism of the country's Health Minister after it uncovered evidence showing that his department had purchased overpriced protective masks which did not meet safety standards. The person benefitting from the transaction was the Health Minister's ski-instructor, who had no previous experience selling medical equipment, and was paid more than three times the other offers sent to the Ministry. The Minister's brother had played the role of middle-man and the Deputy Minister of Health finalised the transaction. Soon after, both the Minister and Deputy Minister resigned. The Prosecutor's Office in Warsaw opened an investigation into mismanagement of public funds, but then decided to discontinue it, sparking outrage among opposition politicians who accused them of covering up crime for political ends.



Tempo.co, Suara & Katadata Indonesia

37 | Corruption
Perceptions Index¹⁷

NOT FREE
The World Press Freedom Index¹⁸

In **Indonesia**, a major pulp and paper producer associated with widespread deforestation and land conflicts was exposed as having misreported its wood pulp exports while shifting large profits overseas. Three MDIF-supported companies Tempo.co, Suara and Katadata were part of IndonesiaLeaks, a whistleblower coalition, which went through a cache of offshore documents showing suspicious transactions. The exposé showed that the company mislabelled the more expensive dissolving pulp as cheaper paper-grade pulp to understate its revenue, reducing its tax liabilities, and to transfer the company's profits offshore. In a statement released to the Indonesian Stock Exchange after the exposé, the company denied any wrongdoing but a few months later a coalition of 25 NGOs published an 82-page report based on the IndonesiaLeaks investigation and called on the Government to crack down on the pulp industry's profit shifting.



Liga Ukraine

33 | Corruption
Perceptions Index¹⁷

PARTLY FREE
The World Press Freedom Index¹⁸

In **Ukraine**, more than 600,000 people are at risk of losing their money after participating in a Ponzi scheme disguised as a network of jewelry stores. Digital outlet Liga published an in-depth investigation describing the activity of the pyramid, with one of its journalists going undercover and becoming part of the network of its contributors. Six months later, the Security Service of Ukraine (SBU) blocked the illegal activities of the organised criminal group. As part of ongoing criminal proceedings, law enforcement officers conducted 48 searches. According to the SBU, 59 stores operating in Ukraine, Russia and Kazakhstan defrauded more than \$250 million, and organisers spent the money on luxury items and cars and even purchased an island on the Dnipro River in Kyiv. The persons of interest face up to 15 years in prison and confiscation of property.

¹⁷ 0 to 100 scale, with higher scores indicating less corruption, 0-49 "More corrupt", 50-100 "Less corrupt"

¹⁸ 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 Vijesti Facebook

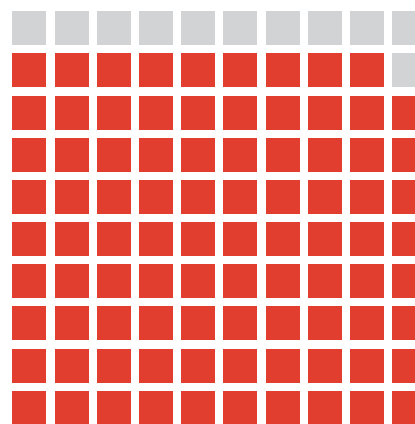
Social issues

In our work, we have seen many examples of how timely and reliable information provided by clients have helped to shape public opinion on important social issues that affect citizens' lives. This is consistent with a compelling body of research showing evidence that media coverage influences public perception and changes in behaviour across various social issues, from environment to gender equality¹⁹. 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.

In 2020, **89%** of MDIF clients surveyed as part of our annual questionnaire reported publishing stories or carrying out work around social issues, like the environment, gender, minorities, immigration, or LGBTQ+, that made an impact in their communities. From exposing gender-based violence within the South African army to covering religious violence in India, **82%** of this reporting was carried out in countries that ranked low or middle in the Social Progress Index²⁰, which measures the extent to which countries provide for the social and environmental needs of their citizens. Civic changes (e.g. protest, petition, community engagement, increased donation to a cause, etc.) were the most mentioned

category of changes that followed reporting on social issues, cited by **35%** of respondents.

Percentage of MDIF clients who reported publishing social issues information with impact



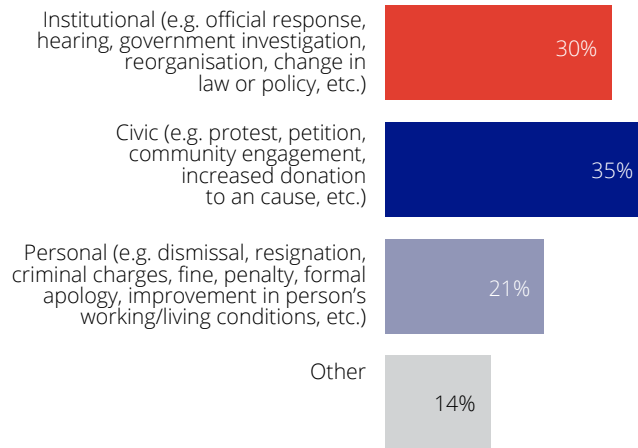
89%
of MDIF clients in
2020 published
social issues
information that
created impact

Key metrics:

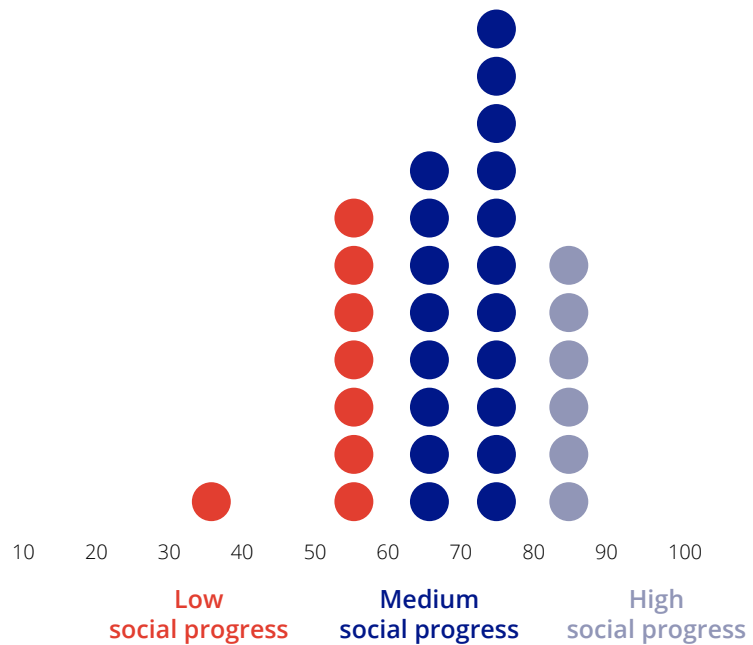
- **89%** of MDIF clients declared that their work around social issues created impact in 2020.
- **82%** of the work around social issues was carried out in countries with low or middle levels of social progress.
- **35%** of the work around social issues led to civic changes (e.g. protest, petition, community engagement, increased donation to a cause, etc.).

¹⁹ For example: McCombs, M., et al. (2011), "The News and Public Opinion: Media Effects on Civic Life"
Lemish, D., et al. (2017) "Beyond the Stereotypes? Images of Boys and Girls, and their Consequences. Introduction"
Plan International & Geena Davis Institute on Gender in Media (2019) "Rewrite her story: How film and media stereotypes affect the lives and leadership ambitions of girls and young women"
McDonald, S. (2009), "Changing climate, changing minds; applying the literature on media effects, public opinion, and the issue-attention cycle to increase public"

Type of change that followed social issues reporting



Distribution of clients' reporting on social issues by the Social Progress Index²⁰



²⁰ 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.

Examples: social issues



Mail & Guardian South Africa

70 | Social Progress
Index²¹

FREE

The World Press Freedom Index²²

In **South Africa**, national outlet Mail & Guardian has been investigating sex abuse and institutional gender-based violence inside the South African National Defence Force (SANDF). In 2019, it obtained a leaked internal report showing that at least 41 members of the army were charged with sexual-related offences. According to the expose, sexual abuse by troops on peacekeeping missions in the Democratic Republic of the Congo occurred so often that the United Nations threatened to expel SANDF personnel. In 2020, the outlet reported how a captain at the Military Academy in Saldanha died — allegedly by suicide — after a case of being drugged and raped by one or more of her colleagues was reported. This and further cases prompted the Minister of Defence and Military Veterans to establish a ministerial task team to probe the allegations, which after reviewing all cases confirmed the culture of sexual abuse and the need for reform. By March 2021, 15 sexual offences cases had been completed and the offenders dismissed from the army.



Scroll India

57 | Social Progress
Index²¹

NOT FREE

The World Press Freedom Index²²

In **India**, riots broke out in Delhi between protesters for and against the Citizenship Amendment Act (CAA), a controversial law criticised for offering citizenship on the basis of religion. The violence took a communal turn and led to the death of more than 53 people over the course of the next 10 days. Digital outlet Scroll covered the riots, which left many dead and injured, with some of their journalists risking their safety by reporting from the protests. Among multiple reports, Scroll interviewed rioters who said they killed Muslims and its journalists tracked down three cases that raised questions over the police's conduct. Scroll also described a story of a missing toddler, torn from its family as communal violence engulfed the area. Thanks to increased attention, three days after the report came out the child was reunited with its family.



Agora Poland

84 | Social Progress
Index²¹

PARTLY FREE

The World Press Freedom Index²²

In **Poland**, after the Constitutional Tribunal tightened the law on abortion, massive demonstrations ensued across the country despite Covid-19 restrictions that limited public gatherings. Journalists of daily Gazeta Wyborcza brought the latest updates from the frontline, sometimes risking their own safety. One of Wyborcza's photographers was wrongly arrested for allegedly assaulting an officer, while another was teargassed, despite wearing a press arm band. To support the cause, the outlet added a protest poster to its paper edition and donated revenues from its digital subscriptions to support the National Women's Strike movement. Almost 10,000 people joined the fundraising campaign and, as a result, Wyborcza collected \$180,000, with proceeds used for buying flags and megaphones, printing posters and banners and covering legal costs for people who had been detained.

²¹ 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.

²² 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 GK

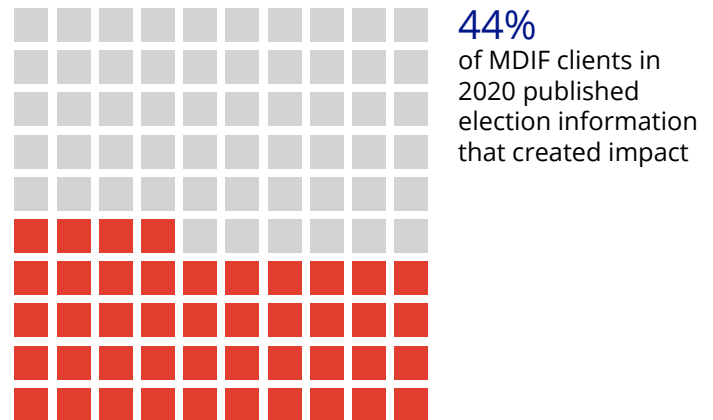
Elections

In our work, we have seen numerous examples of how media stimulate democratic participation. Our experience corroborates what has been found by others: independent media have a profound impact on society during elections²³. They foster exposure to a range of political opinions, enable the electorate to cast an informed ballot and act as watchdogs and fact-checkers. 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.

In 2020, **44%** of MDIF-supported media 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 – we recorded 11 major votes in 2020. From exposing secret negotiations with gang leaders inside El Salvador’s jails, to investigating social media abuse in Philippine elections, **27%** of impactful election work 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 Indicator²⁴. The most commonly-mentioned impact area

were civic changes (such as protests, petitions, community engagement and increased donations to a cause) and institutional changes (such as an official response, hearing, government investigation, reorganisation, change in law or policy), both reported by **42%** of respondents.

Percentage of MDIF clients who reported publishing election information with impact

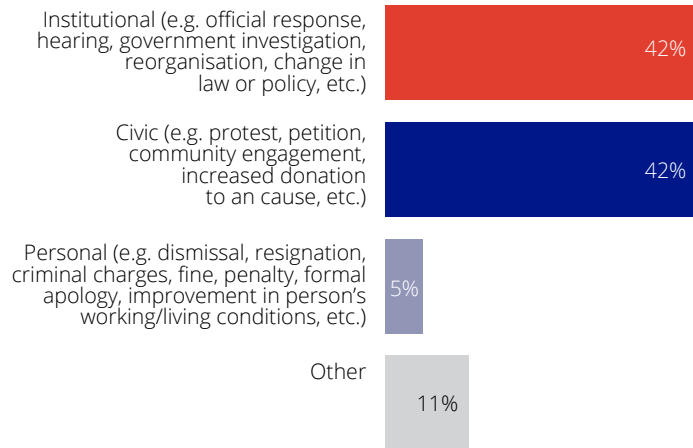


Key metrics:

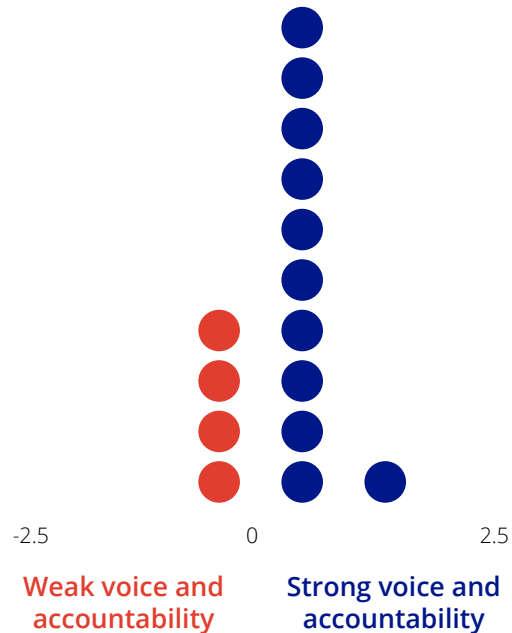
- 44% of MDIF clients declared that their election reporting and information sharing created impact in 2020.
- 27% of this election reporting and information sharing was carried out in countries with restricted voice and accountability.
- 42% of election reporting and information sharing led to institutional changes (such as an official response, hearing, government investigation, reorganisation, change in law or policy) and to civic changes (e.g. protest, petition, community engagement, increased donation to a cause, etc.).

²³ 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

Type of change that followed election reporting



Distribution of clients' reporting on elections by World Bank Voice and Accountability Index²⁴



²⁴ -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"

Examples: election



Rappler Philippines

-0.10 | World Bank Voice and Accountability Indicator²⁵

NOT FREE
The World Press Freedom Index²⁶

In the **Philippines**, hundreds of social media pages linked to a digital agency that promoted government propaganda were banned from Facebook before the start of the 2019 election season. In a data-driven investigation, digital news outlet Rappler showed how almost two years later, the network still flourished on the platform, unearthing the loopholes in Facebook's system that allowed it to find its way back into business. Using Sharktank, its tool for tracking Facebook groups and pages, and internal documents of the agency, Rappler brought to public attention the tactics used to gain fake engagement, including how the agency paid stars for amplifying its messages critical of President Duterte's opponents. Rappler fears that the scheme could be used in the 2022 elections. After some delay, Facebook took down several of the accounts and pages mentioned, thereby confirming results of the months-long investigation.



El Faro El Salvador

0.04 | World Bank Voice and Accountability Indicator²⁵

PARTLY FREE
The World Press Freedom Index²⁶

In **El Salvador**, when homicide numbers suddenly started to drop, El Faro published an exposé detailing secret negotiations with gang leaders inside jail. Citing leaked documents, the award-winning digital outlet described how the government negotiated with incarcerated leaders of the MS-13 gang to reduce violence on the streets and win their support in mid-term elections in exchange for prison privileges. The President and the administration denied the allegations and accused the outlet of money laundering. The Attorney General's Office opened a probe, with prosecutors not only confirming the existence of the negotiations, but also finding that the government was also negotiating with both factions of Barrio 18 and that prison officials had tried to hide logbooks and hard drives documenting the talks. Soon after, the Legislative Assembly, controlled by the President's party, illegally removed and replaced the Attorney General in charge of the investigation. The new Attorney General then disbanded the unit handling the case.



Molodoy Bukowinets Ukraine

0.09 | World Bank Voice and Accountability Indicator²⁵

PARTLY FREE
The World Press Freedom Index²⁶

In **Ukraine**, Molodoy Bukowinets published a series of articles covering corruption in the Chernivtsi City Council. One of them was investigations into benefits acquired by individual deputies through abuse of office. After publication, the Council vetoed land acquisition by the relatives of one of its members. Molodoy also carried out an analysis of absenteeism during Council meetings by deputies over their five years in office. For years, the outlet had advocated that deputies who deliberately ignored their responsibilities should be dismissed, but councilors acted together to block this move. Elections proved to be the best accountability mechanism. During the 2020 Ukrainian local elections that took place on 25 October, the political forces that made up the majority in the City Council lost and found themselves in the minority.

²⁵ -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"

²⁶ 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)





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