Media Development Investment Fund Impact Dashboard 2019

Methodology

I. Introduction

Media Development Investment Fund invests in independent media around the world providing the news, information and debate that people need to build free, thriving societies. Since measuring impact is critical to our work, we produce an annual Impact Dashboard, which 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. However, it is in assessing these long-term trends that the methodology for the Dashboard becomes particularly complex. This paper details how we collect and analyze data for the Dashboard indicators as well as the methodological issues we face.

Overview

Since 2005, MDIF has published The Media Development Impact Dashboard to publicly present the annual analysis of our impact results. Building on our 22-year track record of investing in independent media, we have created a custom approach tailored to our mission and goals that involves proprietary metrics, combined with qualitative information. Our impact measurements follow a core principle of prioritizing efficiency and reflect the day-to-day business realities of media companies we support.

Overall, we focus our impact assessment efforts on two areas: first, impact of our investment on clients; and, second, our clients' impacts on their societies.

To evaluate the impact of our investment on our clients, we track how MDIF-supported organizations change over the course of their involvement with us. In order to do that, we evaluate performance of a given media company's in terms of their reach, revenues and viability. Although, we view our investment as a contributor to, not the sole cause of, our clients' performance over the years, this measurement helps us better understand the results of our work and the extent to which our support contributes to our clients' long-term sustainability. It also allows us to make more informed decisions around performance of our portfolio. Additionally, we present client evaluation of impact. Based on survey results, we 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 has impacted on their companies.

We also track the impact of our clients on society, believing that with the information obtained we can better gauge and convey the societal value of their journalistic work that contributed to changes in their communities, whether it is the enactment of a new law or the dismissal of an incompetent official, or through the payment of taxes that companies had avoided or fines for wrongdoing. On a broader level, we simply want to inform the public about why journalism matters and why it has critical civic importance. To assess the extent to which the independent media supported by MDIF impact on their societies, we first look into 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. 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.

Data sources

MDIF combines 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 clients. At the beginning of each calendar year, we approach MDIF-supported media with an annual comprehensive Impact Dashboard survey, which collects information on various aspects of their work, including their reporting on corruption, accountability, social issues and elections in the preceding year. We also rely on 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 also ingest data from 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 also quantify survey responses against comparable and pertinent indicators, including The World Press Freedom Index published by Reporters Without Borders, Corruption Perceptions Index by Transparency International, Social Progress Index by Social Progress Imperative, as well as the World Bank's Political Stability and Absence of Violence Index and Ease of Doing Business Index.

II. Indicators

The 2018 Impact Dashboard presents quantitative data from 2018 revenues, reach and financial viability as well as qualitative data on our clients' impact on society, with a focus on corruption and accountability, social issues and election reporting carried out in the preceding year. It includes indicators for current clients and former clients dating back to 1999 when we began to collect client impact data in a standardized format.

Impact on client business

a. Revenues

As an investor, our primary goal is to promote the long-term financial sustainability of the media companies we support. Beyond the clear fiscal logic for encouraging sustainable growth, academic scholars asserted that financial stability helps to preserve media's independence from the state and other vested interests[1], and supports quality journalism[2]. For example, media economics specialist Robert Picard argues that "*such strength creates conditions in which companies can act with integrity, provide quality content, and behave in ways that go beyond basic economic self-interests*". [1] Conversely, financially unstable companies can be susceptible to economic threats and may compromise their editorial values for monetary gain, damaging their reputation and limiting their ability to serve as an effective watchdog.

In order to measure the long-term financial well-being of the media companies we support, we look at their revenue trends over time. Revenues refer to the total amount of client income from circulation, advertising, printing services and other activities. Revenues data is readily available through clients' financial statements. Clients report their results in either US dollars (USD) or their local currency. To ensure comparability, we convert all local currency figures to USD using publicly available Treasury Reporting Rates of Exchange as of December 31 prepared by The US Bureau of the Fiscal Service.

When analyzing the revenues performance of MDIF-supported media, we evaluate four key metrics. First, we look at the total revenues number, which is a sum of the annual revenue of all individual MDIF clients included in the analysis, and then measure how it has changed over years. Second, we look at any client who has been with us for two years or more, whether they are clients currently or not. For these clients we evaluate the average and median change in revenues from their first year with MDIF to their second, third, fourth and fifth years. We believe this five-year window is the period during which MDIF's involvement and influence becomes most apparent. Third, we evaluate the annualized growth in client revenues by calculating the compound annual growth rate (CAGR) for each client from their first year through their fifth year with MDIF. Finally, we assess overall portfolio leverage, calculated by dividing the total portfolio revenues for the year by MDIF's total assets under management at the end of the year to show how much each dollar invested by MDIF leveraged client revenues in the given year.

[1] Picard, R. G. (2005) "Money, media and the public interest" in G. Overholser & K. Hall Jamieson (Eds.), "The institutions of democracy: The press" (pp. 337–350).
[2] Lacy, S. (2000) "Commitment of Financial Resources as a Measure of Quality" in R. G. Picard (Ed.), "Measuring Media Content, Quality, and Diversity: approaches and issues in content research" (pp. 25-50).

b. Reach

Expanding our clients' reach is central to both our financial and mission objectives. In mission terms, increased reach averages that more individuals have access to the quality, independent news they need to participate in the economic, political and social life in their countries. On the other hand, in financial terms, audience growth is important to the long-term sustainability of the media companies we support: larger audiences often translate into higher advertising rates and greater revenues opportunities.[3] Considering changes in media use over the last decade –especially increasing availability of smartphones and tablets – audience measurement is crucial to understanding and capturing shifts in news consumption habits.[4]

We assess our impact on client reach by looking at changes in their audience size from year to year. Reach refers to the total number of individuals, such as viewers, readers or listeners, who receive news and information from a given MDIF client. Reach is often a difficult variable to measure and analyze, particularly when comparing the reach of clients across media types since this value is determined using different methods for broadcast, online and print. The methodologies we use to calculate reach for each medium are as follows:

- The reach for print clients is based on the average edition circulation per publication. The data is obtained through the annual Impact Dashboard survey. MDIF encourages clients to use industry standards when reporting data, including applying a "multiplier" to a print publication's circulation to account for the fact that multiple people will read each copy sold. If a client operated multiple print titles, the total reach figures for the individual titles are calculated to form a combined print reach total for the client.

- The reach for broadcast clients is based on estimated audience share and size provided by clients in the annual Impact Dashboard survey. Many clients conduct external research to obtain these figures, but the specific scope and methodology employed differ from country to country. Wherever possible, we encourage clients to use internationally recognized audience research firms. If a client operated multiple television and radio channels, the total reach figures for the individual stations are calculated to form a combined broadcast reach total for the client.

- Online reach is derived from client websites and online broadcast platforms that provide news and general information coverage. In recent years, MDIF has worked with clients to ensure that Google Analytics—the industry standard for web analytics—is used across our portfolio. Nearly all of our clients are actively collecting data using Google Analytics. To assess the reach of an individual website we look at the median

[3] Picard, R. G. (1998) "A Note on the Relations Between Circulation Size and Newspaper Advertising Rates" in "Journal of Media Economics, 11:2" (pp. 47-55)
[4] Napoli, P,M. (2011) "Audience Evolution : New Technologies and the Transformation of Media Audiences"

monthly users (previously referred to as unique visitors) according to Google Analytics for the given year. One exception is the number of median monthly users of the sites of Polish media group Agora, for which the calculation is based on data collected through a publicly available internet audience measurement report by Research Gemius/PBI.

When evaluating the audience data of MDIF-supported media, we focus on four key metrics. First and foremost, we calculate two separate total reach figures for our portfolio: total traditional reach, which is the sum of newspaper, television, radio and news agency reach; and total digital reach, which includes reach via client operated websites and dedicated online broadcast channels. The sum of a client's traditional reach and digital reach equals its total reach for a given year. Additionally, we calculate average and median change in client reach from their first year with MDIF to their second, third, fourth and fifth years. We also measure the annualized growth in client reach by calculating the compound annual growth rate (CAGR) for each client from their first year through their fifth year with MDIF. Lastly, to ensure that we are aligned with our mission, we determine the percentage of individuals reached that are living in "Partly free" or not "Not free" countries as determined by The World Press Freedom Index published by Reporters Without Borders[5] and countries struggling with corruption according to Transparency International's Corruption Perceptions Index.[6]

c. Viability

From battling macroeconomic crises to fending of media capture, independent media need to be creative and resilient to survive. "*The financial lifeblood of professional journalism is being constrained by the societal and technological dimensions of the digital revolution*", says Andrew Currah of the Reuters Institute of Journalism at Oxford University.[7] With disruption of longstanding business models and the changing dynamics of distribution and monetization, the media sector globally has been under enormous financial pressure in recent years, facing a "*crisis of viability*", as dubbed by media researcher Jay Blumler.[8]

At MDIF, we developed an in-house risk-rating tool to monitor the viability of loan clients. Viability refers to media company's ability to continue to exist or develop. The risk-rating scale helps our management to assess the strength and weakness of a given investment and our investment officers provide consulting tailored to each borrower's specific needs. Risk ratings are updated regularly and the entire process is reviewed annually by an independent

[5] 0-25 "Free" (referred to as "good" and "fairly good" by RWB), 25.01-35 "Partly free" (referred to as "problematic" by RWB) and 35.01-100 "Not free" (referred to as "bad" and "very bad" by RWB)
[6] 0-49 "More corrupt", 50-100 "Less corrupt"
[7] Currah, A. (2009) "What's happening to our news: An investigation into the likely impact of the digital revolution on the economics of news publishing in the UK"
[8] Blumler, J. G. (2010) "Foreword: The Two-Legged Crisis of Journalism" in "Journalism Studies 11 (4)" (pp. 439-441)

auditor to ensure the validity of the scores. For the purpose of the Impact Dashboard, we look at the risk rating metric at the end of each year.

The seven indicators included in the Impact Dashboard risk metrics are:

- Earnings/operating cash flow trends – Are earning trends substantial or strained? Is there excess operating cash flow and a strong track record?
- Asset/liability value – Are assets above average quality? Is leverage low? What is the liability type?
- Financial flexibility/debt capacity – Is there access to the best international banks or large banks? What are the credit rankings and status of debt capacity?
- Industry/industry segment – What is the level of industry cyclicality and vulnerability to sudden economic or technological change? What is the capital intensiveness and operating leverage?
- Position within industry – Is the company a pricing leader and low-cost producer? What are the performance ratios in the industry, and where does the company rank?
- Management and controls – Is the company a world-class organization with a highly experienced management team with continuity and depth? Does the company have modern and highly efficient facilities and excellent internal controls?
- Financial reporting – Does the company have a clean audit with no qualifications with a major or reputable accounting firm? Does the company provide detailed and reliable monthly reporting?

The above indicators are combined and weighted to form a one-to-nine scale, where investments are assigned to 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 example, borrowers rated one carry the lowest risk lending and are characterized by a strong financial performance, leading market position and high-level management capacities. Conversely, clients with a rating of nine are deemed least viable. Based on the Chief Executive Officer's recommendation, MDIF's Board of Directors might decide to default on some of these non-performing loans.[9] These written-off debts are then excluded from the risk calculations and therefore contribute to the reduction in the number of high-risk companies and overall risk levels of our portfolio.

[9] As of December 31, 2018, our historical default rate stood at 10.8%.

Within the Impact Dashboard, we use the risk scores to calculate four key metrics. In order to assess risk across our portfolio, we calculate median risk rating of our loan portfolio and see how it has changed compared to the previous year. Then, we look at the distribution of client risk classifications, determining how many borrowers were identified as having low, moderate and high risk at the end of a given year. We also analyse how these changes have evolved over the past five years and how many clients maintained, lowered or raised their risk level from a year preceding the analysis. To quantify stability and operational difficulty, we map MDIF risk scores against World Bank data, using the Political Stability and Absence of Violence Index as measured by a -2.5 to 2.5 scale, where higher scores indicate greater political stability, as well as the Ease of Doing Business Index, which starts at 1 and finishes at 190, with lower scores indicating a better environment for business operation.

Additionally, to better understand challenges that affect the viability of MDIF-supported media, we conduct an annual survey asking clients to rank the following challenges from 1 to 5, where 1 represents the smallest challenge and 5 represents the biggest challenge:

- Political (such as government pressure and attacks on press freedom)
- Technological (such as social media disruption)
- Economic/business (such as dwindling advertising revenues and sales)
- Operational (such as inadequate staffing and capacity)
- Societal (such as declining public trust in media and shifting customer behaviors)

We also ask the respondents to describe the single biggest challenge their company faced that year and why.

d. Client evaluation of impact

To add context to performance trends related to revenues, reach and viability, we also ask clients to evaluate our effectiveness in helping to support the growth of their businesses. The aim is to gather meaningful information at investee level to better understand MDIF impact – both in terms of our affordable financing and the capacity building support provided by MDIF's technical assistance unit, Media Advisory Services (MAS) – and to assess whether we are achieving our purposes as agents of change. The collected data also serves as a feedback input that helps us make more informed decisions about our portfolio.

For that purpose, we ask the following survey question: *Since you started working with us, have there been changes in your company because of your involvement with MDIF?* If the answer is *Strongly agree* or *Agree* (compared to *Neutral, Disagree* and *Strongly disagree*), we ask the respondents to indicate whether these changes were positive or negative and generally explain these changes. For those whose organization or members of staff received capacity building support from MDIF, be it a workshop, training or a grant in that year, we also ask: *Have there been changes in your company because of that capacity building support?* Again, if the answer is *Strongly agree* or *Agree* (compared to *Neutral, Disagree* and *Strongly disagree*), we ask the respondents to indicate whether these changes were positive or negative and generally explain these changes.

Based on the obtained results, we present the percentage of MDIF clients who agreed or strongly agreed that there had been changes in their company because of their involvement with MDIF and the percentage of clients who received capacity building support in 2018 and agreed or strongly agreed that there had been changes in their company because of that support.

Client impact on society

a. Corruption and accountability

We invest in independent media businesses because of their positive impact on society. One of the most direct paths to impact for many journalists is through exposing corruption and holding the powerful to account. Ever since Edmund Burke described the media as the Fourth Estate, they have been regarded as a watchdog that oversees the activities of public authorities on behalf of citizens, playing an indispensable role in ensuring good governance. In fact, multiple studies have found that there is less corruption in nations with a free press.[10] [11] [12] [13] As Nobel Prize-winning economist Joseph Stiglitz said, "*free speech and a free press not only make abuses of governmental powers less likely, they also enhance the likelihood that people's basic social needs will be met*."[14]

To assess our clients' efforts to curb corruption and foster accountability, we conduct an annual survey asking clients the following questions: (1) *In 2018, did your organization publish any story on corruption that you think contributed to a real-world change or had a significant impact on your community?* and (2) *In 2018, did your organization publish any story that that held people and institutions in power to account for their words and actions that you think contributed to a real-world change or had a significant impact on your community?* If the answer is affirmative, we ask the respondents to provide a detailed description of their story, describe the changes the reported story directly or indirectly contributed to, and categorise them as the following type(s) of outcomes:

[10] Norris, P. (2006) "The Role of the Free Press in Promoting Democratization, Good Governance, and Human Development"
[11] Brunetti, A., and Beatrice, W. (2003) "A Free Press Is Bad News for Corruption" in "Journal of Public Economics, LXXXVII" (pp.1801–1824)
[12] Lederman, D., Loayza, N. V., & Soares, R. R (2005). "Accountability and corruption: Political institutions matter" in "Economics & Politics, 17 (1)" (pp. 1-35)
[13] Besley, T. and Prat, A. (2006) "Handcuffs for the Grabbing Hand? Media Capture and Government Accountability" in "American Economic Review, 96(3)" (pp.720-736)
[14] Stiglitz, J. (2002) "Transparency in Government," in "The Right to Tell: The Role of Mass Media in Economic Development" (pp.27-44)

- Institutional, such as official response, hearing, government investigation, reorganization, 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 base two metrics on the answers: the percentage of clients reporting on corruption and accountability that created impact in the past year, and the distribution of types of social outcome said to have followed the reporting. Additionally, we plot survey responses against relevant indicators and present the distribution of clients said to have reported on corruption by Transparency International's Corruption Perceptions Index. On top of this numerical data, we also present a selection of examples of powerful corruption and accountability reporting done 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.

b. 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 behavior across various social issues[15], from public health[16] and environment[17] to gender equality[18] and LGBT identity[19].

Consequently, we present our clients' efforts to provide reliable information on social issues that impact people's lives but which frequently struggle to receive media coverage or may be reported with prejudice. Social issues are defined as substantial public matters that directly or indirectly affect members of a community and require societal action. For the purposes of impact reporting, we concentrate on stories focusing on the environment, gender, minorities, immigration and LGBT. The relevance of the issues covered is mirrored in the United Nations Sustainable Development Goals (SDGs), which address equality (goal 5 and 10) and the environment (goal 7, 12, 11, 13, 14, 15).

[15] McCombs, M., Holbert, L., Kiousis, S. and Wanta, W. (2011), "The News and Public Opinion: Media Effects on Civic Life"
[16] Catala´n-Matamoros, D. (2011) "The Role of mass media communication in Public Health"
[17] 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)
[18] Jensen, R. and Oster, E. (2009) "The Power of TV: Cable Television and Women's Status in India" in "Quarterly Journal of Economics, Volume 124, Issue 3"
[19] Gomillion, S.C. and Giuliano T. (2011) "The Influence of Media Role Models on Gay, Lesbian, and Bisexual Identity" in "Journal of Homosexuality: Vol 58, No 3"

To identify powerful and memorable journalistic pieces on social issues, we ask the following survey question: *In 2018, did your organization publish any story on social issues, such as the environment, gender, minorities, immigration or LGBT, that you think contributed to a real-world change or had a significant impact on your community?* As in the case of corruption and accountability reporting, those clients who declare carrying out impactful social issues reporting are asked to describe the story, outline its outcomes and classify them into one of the categories – institutional, personal, civic or other.

This information is used to construct two metrics: the percentage of clients reporting on social issues that created impact in the past year and the distribution of types of social outcome said to have followed the reporting. We also present the distribution of clients reporting on social issues by Social Progress Index, published by Social Progress Imperative. Again, as in the case of corruption and accountability, we provide contemporaneous examples of powerful social issues reporting carried out in the 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.

c. Elections

Although media stimulate democratic participation in many ways, we focus on elections as the most basic, yet most essential, of the democratic exercises. [20] [21] Our experience corroborates what has been found by other authors: independent media have a profound impact on society during elections.[22] [23] For example, leading political scientist Pippa Norris identified three core roles for the news media within representative democracy: "*as a civic forum encouraging pluralistic debate about public affairs, as a watchdog guarding against the abuse of power, and as a mobilizing agent encouraging public learning and participation in the political process.*"[24]

In order to track how our clients encourage democratic participation, we ask the following survey question: *In 2018, did your organization publish any story on an election that you think contributed to a real-world change or had a significant impact on your community?* Again, those clients who declare carrying out impactful election reporting are asked to describe the story, outline its outcomes and classify them into one of the categories – institutional, personal, civic and other.

Such obtained information is used to construct two metrics: a percentage of clients reporting on elections that created impact in the past year and a distribution of types of social outcome said to have followed the reporting. We

[20] Dahlgren, P. (2009) "Media and Political Engagement: Citizens, Communication, and Democracy"
[21] Jebril N., Stetka V., Loveless M. (2013) "Media and democratisation : What is known about the role of mass media in transition to democracy"
[22] Khaquli, I. and Esipisu, M. (2009) "Eyes of democracy: the media and elections"
[23] Norris, P. (2000) "A Virtuous Circle: Political Communications in Postindustrial Societies"
[24] Gentzkow, M., Shapiro, J. and Sinkinson, M. (2011) "The Effect of Newspaper Entry and Exit on Electoral Politics," in "American Economic Review, 101(7)"

also present the distribution of clients reporting on elections by World Bank Voice and Accountability Index, which evaluates to what extent a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. Additionally, we present a selection of powerful election reporting from the previous year, gathered both through the survey and by reviewing clients' publishing records.

III. Methodological Challenges

Data selection issues and standarisation

To achieve a standard measurement across our portfolio, our metrics were chosen based on their relevancy for the largest number of MDIF-supported organisations. Yet, despite our efforts to standardise measurements across our portfolio, the media companies we invest in are diverse in terms of their business models, geographic focus and media type. Given these differences, the available data are to some extent affected by selection issues, with some clients able to provide accurate data for some indicators but not others. 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.

For example, our Impact Dashboard methodology is designed to assess media outlets that produce news and information content and are focused on generating revenues to support their operations. This averages that some of our more recent investees (such as early-stage companies focused on developing an idea or tool to support digital media instead of producing news content themselves, as well as technology businesses that offer platforms to connect users, rather than provide news and information to audiences) do not find many of the included indicators relevant. Examples of such clients include, for example, OnionDev that provides services such as a voice-activated social network for illiterate rural people in India, and Colab that connects Brazilian users with local administrations. In those cases, we ask clients to provide data only for those indicators that are relevant to their work.

Additionally, at times a specific metric is not applicable to a client during the period of evaluation or a client is unable to provide updated numbers on an annual basis. In a limited number of cases, when clients are unable to provide updated data for the current year, we use the last year of fully vetted data as a proxy until actual data are available. Overall, the Impact Dashboard is based on the best available information at the time of publication and we use our best efforts to avoid bias and ensure that the analysis reflects the underlying performance of MDIF-supported organisations.

Reliability of information

To collect data, we rely in part on our clients' records and their answers provided in the annual Impact Dashboard survey. We take due diligence and care in reducing inaccuracies and errors to the extent possible, validating results clients report, cross-referencing them with our data and third-party services and eliminating or adjusting anomalous figures. In particular, collecting accurate reach data on a regular basis remains a challenge for many companies in our portfolio and especially those working in underdeveloped markets. For example, broadcast audience estimates in developing countries are often imprecise. This can make it difficult to analyze overall client growth, but a best-faith effort is made by both the client and MDIF to be as accurate as possible. We work closely with clients to improve their data collection procedures and encourage the use of audience research data and internationally recognized audience research firms.

The multiplier estimate

MDIF's print reach calculations depend on a variable 'multiplier' being applied to circulation figures to calculate reach, with estimates obtained directly from the clients and through research. Although multipliers are the industry standard for establishing readership, there is still subjectivity inherent in this process. We are continuing to examine ways of collecting multiplier estimates that are both more independent and accurate.

Online reach

The way clients use online research tools, including Google Analytics, can affect the results produced. For example, where tracking code is placed on a web page can greatly influence the resulting data. We continue to work closely with clients to ensure the consistent tracking and reporting of their online audience.

Another challenge for the near future will be to measure reach for online news platforms beyond just their websites. As digital news becomes more important as a medium, it will be critical to count people who are getting independent news from social media profiles. At present, we do not factor audience on social media sites into our Impact Dashboard methodology, but we plan to integrate this information in the future.

Double counting of reach

The main area where double counting occurs is when traditional media clients have an overlapping online audience. In such cases, readers who also access news content via a publisher's website as well as its print edition will be counted twice. This is a problem for the media industry as a whole – there is currently no agreed method for determining how many traditional media consumers are also digital consumers. As industry standards are established, we will incorporate them in our impact assessment work to resolve this issue. To a lesser degree, this problem also exists when clients have multiple traditional news products. For example, when a reader buys two newspapers published by the same company, he or she will be counted twice. Finally, there are also potential issues when several clients work in the same region and may share audience members.

Inflation with revenues growth

When calculating growth in client revenues over time, inflation has not been taken into account. At this point, we have determined it is impractical to calculate revenue figures taking into account domestic inflation rates because of the number of countries in our portfolio and the limited availability of accurate inflation data in many contexts. However, we will continue to assess whether this approach can be improved in the future.

Summarising data

When reporting on our clients' performance, we are aware that data from outliers, i.e. exceptionally well- or poorly-performing clients may skew the averages up or down. Therefore, we report median results alongside averages to provide a more reliable picture and give a better sense of typical performance.

Establishing change and causality

Many factors can impact a media company's growth and establishing exactly which casual factors led to improvement or decline can be difficult. To establish causality, it would be necessary to determine that an observed change in a client's performance over time is not the result of a broader market rise or other external factors. The best way to do this would be to benchmark MDIF clients against a control group of media businesses comparable in terms of different variables, such as region, news medium and size. Unfortunately, it is impossible to obtain the relevant indicator data from companies that do not have a working relationship with MDIF due to the sensitive nature of such information. Even if we were able to access such data, it would be impossible to isolate all external factors that could account for the changes, thus impeding internal validity of any inferences.

This risk could be mitigated by randomization, but, in the case of MDIF, random assignment of subjects to experimental and control groups is impossible. All MDIF investments go through a multi-level vetting process and must be certified by the Board of Directors as meeting MDIF's investment criteria of mission impact, potential for long-term viability and editorial integrity. Considering the rapidly changing nature of the media sector, this would render any such analysis quickly outdated, and we deem randomised control trials (RCTs) – the industry gold-standard for proof of effectiveness in impact assessments – as not suitable for our purposes. Consequently, we refrain from attributing causation and instead view our investment as a contributor to, not the sole cause of, our clients' performance over the years.

Alignment to existing social impact frameworks

In recent years, there has been an emergence of standardized metrics to measure social impact, such as Impact Reporting and Investment Standards (IRIS) or the Global Impact Investing Rating System (GIIRS). However, these standards are very broad and, due to the specificity of our investments, do not adequately meet our needs, nor are they aligned with our mission to support independent media around the world providing the news, information and debate that people need to build free, thriving societies. On the one hand, these frameworks are highly generic and their one-size-fits-all approach fails to reflect the context and impact of media development. On the other hand, industry-specific metrics have been developed for evaluating work in areas such as banking, health care or environment, but not for media. Given the still-evolving status of impact measurement and management practice, we are closely following the developments as they happen and striving to improve our approach.

Alignment to SDGs

Recently, many impact investors have been orienting themselves to the United Nations' (UN) Sustainable Development Goals (SDGs). MDIF is committed to helping achieve the SDGs and our work directly contributes to Goal 16 ("Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels"), in particular target 10, in which the international community pledges to "ensure public access to information and protect fundamental freedoms" by 2030. However, indicators that were selected to underline target 10 – measuring attacks on the press and human rights advocates (16.10.1) and the existence and implementation of legislation ensuring public access to information (16.10.2) – were not designed to be reported on by individual organisations, but rather at a national level. Additionally, these areas of focus, particularly policy implementation, are not within the scope of MDIF's work that aims to ensure access to timely, accurate and relevant information by strengthening the business side of media. Yet despite these limitations, as a part of our annual survey, we do ask clients the following question: *Has your outlet and/or your journalists faced any attacks, arrests or harassment in 2018?* We present the results in terms of percentage of all respondents in the Impact Dashboard Viability section. This secondary metric does not quantify the impact that each media company is having on achieving target 10, and instead solely aims to provide context that reflects the critical importance of the SDGs.

Our work also indirectly supports most other SDGs. The media companies we work with actively report on issues such as poverty, health, education, the environment and other areas covered by the SDGs and, by exposing wrongdoing and holding those responsible to account, bring about concrete change in their communities.

Measuring journalism's impact

One of the key examples of our custom approach to impact measurement is our assessment of impact of clients on their societies, where we collect qualitative data on the instances of real-world change arising after their reporting. Our selection of impact priorities developed in-house – corruption and accountability, social issues, and elections – although based on empirical research, including studies on media influence and media affects, does not aim to be comprehensive, but rather illuminates, by collecting concrete examples, the work of MDIF clients. Similarly, the descriptive categories of real-world changes – institutional, personal, civic and other – has been established to augment metrics with context. These categories have been developed in-house based on existing taxonomies of media impact by the USC Annenberg School for Communication and Journalism's Norman Lear Center Media Impact Project[25] and the Center for Investigative Reporting[26], and serve simply as averages to characterize and classify the outcomes reported by MDIF clients.

Although we believe that numbers alone, such as reach measured by the number of readers, listeners or viewers, are insufficient to unearth or communicate journalism's impact, our focus on real-world outcomes does create several significant challenges. In practice, typically affected by many variables and unobservable effects, the outcomes can be both extremely nuanced and staggeringly complex. We also struggle with long timelines, as in many cases, the impact of a story might not be felt for months or years, something that is at odds with the annual cycle of the Impact Dashboard. Consequently, we are very careful not to attribute causality and we view our clients' work as a contributor to, not the sole cause of the changes that occurred in their communities. We also vet the reported impact stories by reviewing media coverage of events, both by our client and other media outlets in the market.

If you have any thoughts or suggestions on how we might improve the Impact Dashboard, please email us at mdif@mdif.org.

[25] Media Impact Project (2014) "Offline Impact Indicators Glossary" http://www.mediaimpactproject.org/uploads/5/1/2/.../offline_impact_indicators_glossary.pdf
[26] The Center for Investigative Reporting "Impact Glossary" http://impact.cironline.org