

## 7 The MDDA's guiding principles in funding decisions

The MDDA will develop an overview of the entire media landscape so as not to duplicate other media funding efforts, and ensure that resources are not concentrated in certain areas.

The MDDA will recognise that there is a range of donors in the media sector. Some are already part of the Interim Media Funders Forum (IMFF) that was set up to try and co-ordinate media funding activities prior to the establishment of the MDDA. In the interests of co-ordination, streamlining and greater impact, funders will be encouraged to channel their funding resources and efforts through the MDDA, on the understanding that commercial interests should not substitute for, nor subvert, the objectives of the MDDA.

The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution a project makes to media development and diversity. It will seek to promote sustainability wherever possible and to fund projects that have good governance practices. Other considerations include representation on the boards of community media projects, community participation and equity plans.

The MDDA would assist media projects to develop sound business plans, and promote sustainability by facilitating assistance from relevant government and other business development services. Priorities would be developing managerial and business expertise, information sharing, and networking. Where needed, the MDDA will help orientate service providers in media development and diversity issues and priorities.

If feasibility studies indicate that a project can become sustainable, the MDDA will generally seek to direct it towards accessing loan finance through loan agencies.

### 7.1 Media projects requiring long-term support

The MDDA will, however, recognise a category of media projects that may not become sustainable even over a long period of time. The MDDA would:

- ◆ Work rigorously with such projects to identify the impediments to sustainability.
- ◆ Focus on developing an enabling environment.

Community media projects that are not financially sustainable may justifiably require continuous funding because of the function they play in a community, or in society as whole. The MDDA will establish criteria to assess these cases. It would, if warranted, conduct a feasibility study to establish the project's viability. Criteria for continued support could include:

- ◆ Community interest and support for the project, as gauged, for example, from listenership/readership, or community participation.
- ◆ The community's capacity to:
  - absorb the grant;
  - contribute to the projects' sustainability.
- ◆ The extent to which the project offers:
  - access to information not offered by another media service;

- diversity;
- social and economic benefits.
- ◆ The media project's performance, in terms of indicators drawn from the above.

## 7.2 Good governance

The MDDA will consider good governance as vitally important, both in its own practices, and in the projects it funds. This includes:

- ◆ Sound financial and narrative reporting, and accountability to all stakeholders.
- ◆ Adherence to law, such as taxation, and employment equity laws.
- ◆ The MDDA's own good grant making practices, including streamlined and efficient application procedures, and regular monitoring, evaluation and reporting.

## 7.3 Conditions

If necessary, the MDDA will develop conditions, additional to those in 7.2, for individual projects. It could, for example, reserve the right to restrict the sale (transfer of ownership) of a project for a specific period of time. Another condition might be that project members take part in media diversity awareness and training. Such conditions would be stipulated in a funding contract.