



ENABLING MEDIA MARKETS TO WORK FOR DEMOCRACY

AN INTERNATIONAL FUND FOR PUBLIC INTEREST MEDIA

SUMMARY

A detailed feasibility study setting out the case for establishing a new International Fund for Public Interest Media is being published in April 2020. The Fund is designed to focus on resource poor settings where the economic, as well as political, challenges confronting independent media have become overwhelming.

The International Fund will provide an effective, legitimate and efficient way of increasing support to independent media. International media support today constitutes less than 0.3% of official development assistance. Other support strategies tend to be fragmented and are proving difficult to scale. The study is addressed to international development agencies, technology companies, philanthropic organisations and others with an interest in supporting democracy and development where the market can no longer sustain independent media.

This summary outlines the problems the Fund is designed to address, its mission, how it would be governed and structured, what it would be designed to achieve

and the steps and support that now need to be taken to advance the proposition.

Much more detail on these and other key issues can be found in the full feasibility study, *Enabling Media Markets to Work for Democracy: An International Fund for Public Interest Media*. It has been produced by BBC Media Action, the BBC's international development charity (which first proposed the proposition), with the support of Luminata, which was founded by the The Omidyar Group. It is based on an extensive consultation process with media and media support organisations around the world, donors, technology companies and other interested parties. Feedback on the document has been collected by the Global Forum for Media Development through a consultation exercise engaging its extensive membership of media and media support organisations. In addition, PwC were contracted to conduct a study of the key design considerations for "Global Funds", which involved analysis on how other similar multilateral funds were set up.

THE INTERNATIONAL FUND WILL
PROVIDE AN EFFECTIVE, LEGITIMATE
AND EFFICIENT WAY OF INCREASING
SUPPORT TO INDEPENDENT MEDIA

THE PROBLEM STATEMENT

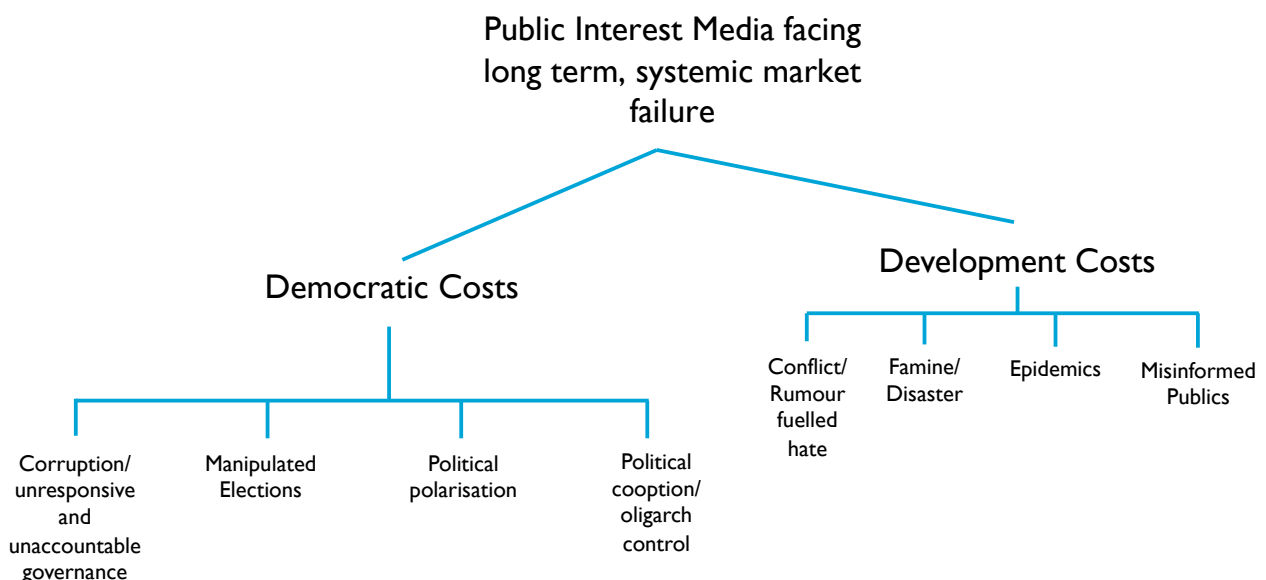
As advertising revenue to journalism organisation declines, political and other factional actors invest in their own media, and the costs of carrying out independent journalism escalate, the business models available to public interest media are disappearing. The evolution of digital advertising, in particular, has destroyed funding models for journalism - news media are on course to lose around \$23.8 billion in annual advertising revenue between 2017 and 2021. The strategies available to public interest media to sustain themselves are extremely limited, especially in resource poor settings. The capacity for people, especially those not in a position to pay for their news and information, to access trustworthy information and platforms for public debate, is declining as a result.

The consequences of this decline for the prospects for democracy, development and good governance are dire. There is ample evidence that, as well as weakening electoral and democratic processes, corruption, conflict, violent extremism and man-made disasters like famines and epidemics are more likely.

The prospects for achieving the Sustainable

Development Goals without informed and engaged societies are remote. An independent public interest media system is critical to democratic self-determination and to economic development: in the words of former Ghana President, John A. Kufuor, who provides a Foreword to the feasibility study, "Independent public interest journalism across Africa and elsewhere is in grave danger of dying and with it will go an essential engine shaping a successful democratic future."

A new International Fund for Public Interest Media provides a fresh, ambitious, coordinated and well-resourced strategic international response to this crisis. Based on a cost analysis and the PwC benchmarking analysis with analogous "Global Funds", an International Fund for Public Interest Media would be worthwhile establishing with an annual budget of \$100 million. The ambition of the Fund should, with resources coming from official development assistance, technology companies and other philanthropic sources, extend to ten times that amount.



MISSION STATEMENT

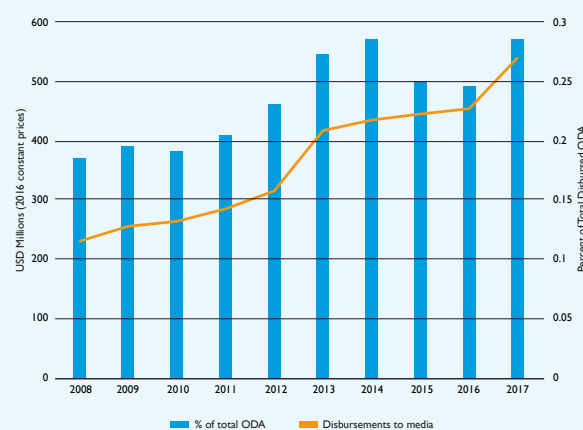
The mission of the International Fund for Public Interest Media will be to support the development, sustainability and independence of public interest media especially in resource poor and fragile settings. Public interest media is defined here as media that is free and independent, that exists to inform publics on the issues that shape their lives in ways which serve the public's rather than any political, commercial or factional interest, to enable public debate and dialogue across society, and to hold those in power to account on behalf of the public interest. It implies a focus on ethical and credible media working in the interests of all people across all of society, not just those who have the power or money to pay for or influence media. Public interest media can be commercial, public service or community media and distributed online, broadcast, through print or other channels.

Such a fund could:

1. dramatically expand the resources available to support independent public interest media especially in resource poor settings
2. lower the transaction costs of development agencies and other donors in doing so
3. increase the legitimacy of financial support being provided to independent public interest media
4. radically improve the coherence, coordination and strategic consistency of such support, and
5. improve the impact, impact assessment and learning of what works and does not work in this highly complex arena.

By making it simpler to support public interest media, the Fund is designed to galvanise and release new resources but it is not designed to reorganise or centralise existing media support efforts. It is also centrally focused on addressing the challenge of market failure and ensuring sustainability of public interest media and is not focused on broader media development concerns better addressed by existing strategies (for example around safety of journalists).

OVERSEAS DEVELOPMENT SUPPORT FOR MEDIA AND INFORMATION, 2007–18



Less than 0.3% of Official Development Assistance is directed towards supporting independent media according to the OECD Development Assistance Committee. There are few signs of that figure substantially increasing despite growing concerns for democracy and development of the decline in public interest media. A doubling of assistance from a low level would amount to more than \$500 million per year

GOVERNANCE

The International Fund for Public Interest Media will be governed by an expert board whose decisions will be informed by a larger, representative advisory council.

The governance structure is guided by a set of clear principles:

- i. Gender diversity will be essential with an equal number of women and men on the board (or as close to it as possible given the total board numbers will be an odd number). A similar proportion of board members should be from countries typical of those IFPIM is designed to benefit.
- ii. Spending priorities are principally determined by the Board, not by donors. As well as representing good practice, this principle means that those who financially support the Fund cannot be accused of using their funding to interfere in the internal affairs of the countries where funding is focused.
- iii. Board membership should comprise those best qualified and in the best position to govern a Fund of this kind. People will be appointed therefore based on their expertise and credibility, not necessarily on their organisational affiliation.
- iv. Governments, representatives of political parties or interests or similar affiliation should not be represented on the Board.

Following these principles, the board structure is expected to be as follows:

- Four professionals or former professionals with acknowledged and proven expertise collectively reflecting a diversity of relevant experience and skills necessary to shape direction and take decisions. At least two of these will come from countries reflective of the kind focused on by the Fund. They will need to command the trust and respect of a wide range of media and other stakeholders and have management or other similar experience relevant to overseeing the management of such a Fund. One of these will be the chair of the Board.
- Two members of the media academic or research community, with at least one of these from countries reflective of the kind focused on by the Fund.
- One highly respected figure credible to donor or development agencies such as a former head of a development, donor, foundation or similar entity or former diplomat but not currently serving in that capacity. This person may be deputy chair of the Board.
- The Chair of an Advisory Council.
- An expert in financial or fund management who will also be Treasurer of the Board.

Major decisions on strategy will normally be expected to be unanimous but, in the event of a majority vote, would need to be by a majority of at least 7 to 2. This is to prevent any one voting bloc having undue power on the board.

Two committees of the Board will be established. One of these will focus on Finance and Audit issues. The second will focus on donor liaison ensuring that proper dialogue and engagement with the key donors to the Fund is maintained.

IFPIM WILL BE GOVERNED BY AN EXPERT BOARD
WHOSE DECISIONS WILL BE INFORMED BY A LARGER,
REPRESENTATIVE ADVISORY COUNCIL

ADVISORY COUNCIL

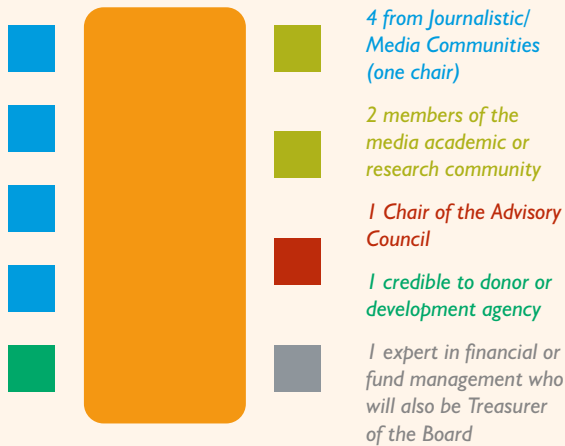
The Advisory Council will be designed to reflect the interests and perspectives of different stakeholders of the work supported by the Fund. It should consist of:

- One person from each region focused on by the Fund who is considered representative of or credible to the media and media support communities in that region (one each from Latin America and the Caribbean, sub Saharan Africa, Middle East and North Africa, and Asia and the Pacific). (4 people)
- The Director of the Global Forum for Media Development.
- One person from the investigative journalism community.
- One person from the Freedom of Expression Community or from the Information and Democracy Forum if that link becomes more concrete.

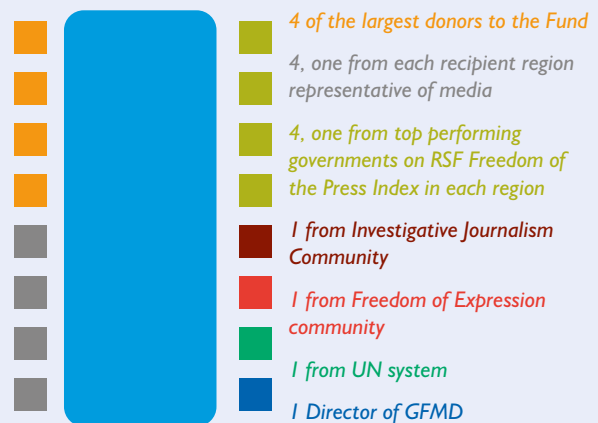
- Four of the largest donors to the Fund, of which at least one of which would be from a non-governmental Foundation or private sector donor.
- A joint representative from the UN system on behalf of UNESCO and UNDP.
- In addition to this, invitations to join the Council would be issued to the governments of the top performing country from each region of the Reporters without Borders Freedom of the Press Index (a total of four) to appoint a representative to the Fund.

The Chair of the Council will be elected by the Advisory Council and will also serve on the IFPIM Board. The Chair of the Council cannot be a government representative (either of a government donor or a recipient government representative).

BOARD MEMBERSHIP



ADVISORY COUNCIL MEMBERSHIP



THE FUND STRATEGY AND OPERATIONS

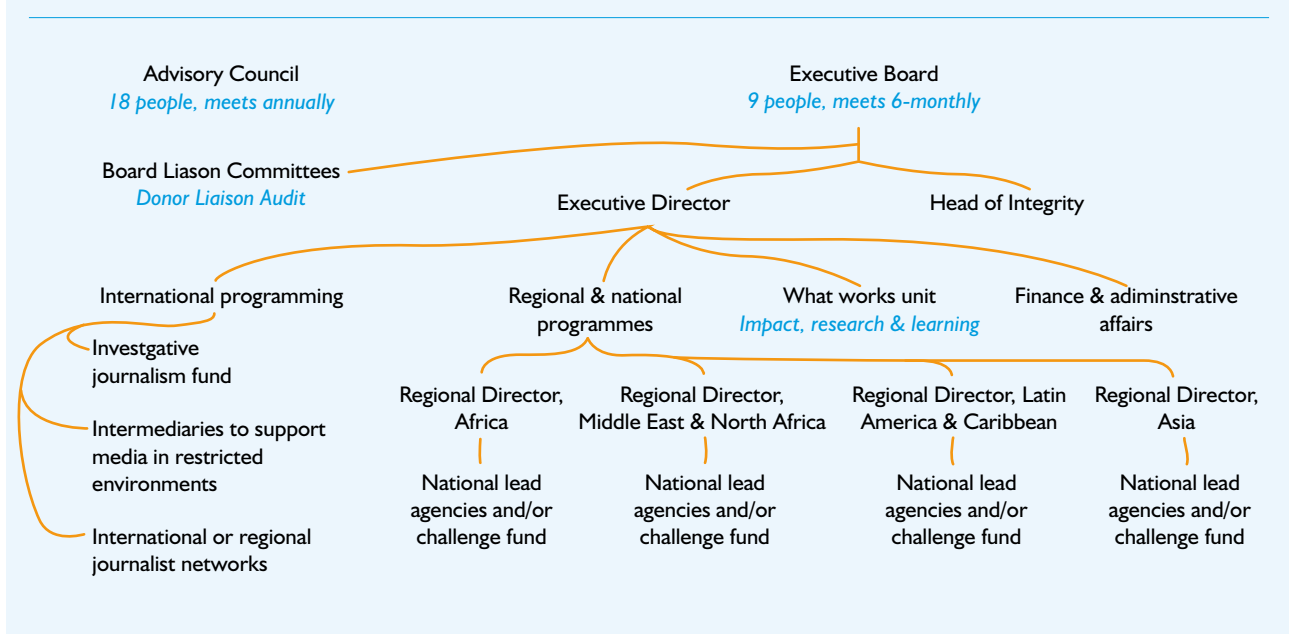
The work of the Fund would rest on four pillars:

1. The first would be managed out of a series of regional offices and would focus on **support to national and local level media**.
2. The second would focus on institutional support to **international and regional intermediary media assistance organisations** which already provide a strong infrastructure for international media assistance.
3. A third pillar would focus explicitly on supporting **investigative journalism**.
4. The fourth would be a What Works unit, This will be established as an agile learning entity capable of ensuring that IFPIM decisions are informed by the best possible research and analysis of which strategies are likely to be most effective.

To guard against corruption, a Head of Integrity who would have the power to investigate any potential wrongdoing, carry out inspection visits and monitor and assure systems to protect against corruption, would report directly to the Board.

An outline structure based on this model is provided below.

PROPOSED STRUCTURE OUTLINE



THE FUNCTIONS OF THE FUND

The principal role of the Fund is to enable media to work for democracy. It will do so by sustaining public interest media, whilst also helping to create the conditions where the Fund will no longer be required. More specifically it will be a:

- Sustainer of proven institutions and models of public interest media which have successfully established themselves as trustworthy sources of information but who cannot finance themselves through market models alone. Where existing institutions are weak or do not exist, it will fund or co-fund strategies to enable them.
- Catalyser and Market Enabler of new approaches to improve sustainability, with the intent to highlight which media business models are working in different contexts and replicate those models in analogous markets.
- Incentiviser of support for public interest media by providing normative as well as financial support to media to serve the public interest and to help provide a stronger, more robust and focused normative system to encourage those in a position to support public interest media to do so.

DONORS TO THE FUND

It is expected that the capital to finance the fund would come from three types of donors:

1. Government aid agencies: doubling of low levels of ODA (0.3% to 0.6%) would equate to c.US\$550m per annum, with additional funding focused on country need. Many governments are seeing the democratic costs that weak media ecosystems result in. Increasing the aid capital going to media development should reduce disinformation and foreign election interference.
2. Big tech: Facebook, Google and others have put hundreds of millions of dollars into supporting journalism in recent years. This money has been spent, often directly by the staff of those organisations, on a variety

of different strategies and geographies. A credible, independent, strategic vehicle for funding independent media at scale and capable of demonstrating clear impact would likely be appealing to companies wishing to ramp up their commitment in this area.

3. Philanthropy: Foundations and philanthropists, especially those not currently supporting independent media, will be an important funder, especially in the early stages of the Fund (i.e., setup and fundraising). Flexible, risky capital will be required to get the Fund to a place of credibility and cost effectiveness.

Grant capital only is being raised from these donors; the Fund will not make for-profit investments.

OUR ASK TO YOU

We are asking those who can to support this effort

FOR DONORS

Luminate is planning to work with other donors and others with resources to support a foundational secretariat for the Fund. This has a total budget of \$1.9 million over two years which will pay for the steps outlined below. For those donors interested in supporting this process please contact james.deane@uk.bbcmmediaaction.org in the first instance who will suggest a direct conversation with Luminate.

FOR MEDIA AND MEDIA SUPPORT ORGANISATIONS

Please take steps to advance this proposition or make suggestions on how it can be further improved or refined. Comments can be sent to james.deane@uk.bbcmmediaaction.org as can requests for the full feasibility study.

The next steps for this proposition are:

- An interim Executive Director will be hired, along with a very small team (1-2 people), to fundraise, design, and iron out outstanding questions not covered by this feasibility study. This person will bring in legal and financial capacities to start putting the scaffolding in place and create an investible entity.
- A series of e-events designed to build support for the International Fund will be held to build both support for the Fund in donor countries and build and articulate demand for a Fund from those countries it is designed to

benefit.

A series of Ambassadors will be appointed from respected and well known figures, especially from the Global South, to advance this prospectus. Former President John Kufuor of Ghana has already agreed to play this role and invite other former African Heads of State to do so.

- An Advisory Group of key experts and stakeholders has been appointed and is likely to develop further in order to help inform the development of the proposition.
- Communicating demand for the proposition from those within the countries it is designed to benefit. For example, former President John A. Kufuor of Ghana is planning to host a major meeting of former African Presidents as well as other leading actors and donors to build support for the proposition.
- Further stakeholder consultation is planned, especially in the Global South but also in donor countries with key constituencies whose support will be needed. These include journalist unions who will be vital in encouraging their development agencies to prioritise support in resource poor countries whilst fully understanding their own memberships will be suffering from market failure.

Further discussions will take place with other major complementary initiatives designed to address crises of media and democracy and to seek strategic synergies with them.

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