

Program on Independent Journalism Portfolio Review

Sustainability of Public Interest Content in Transitional Societies

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1) Introduction

to sustain: keep in existence, maintain or prolong; provide sustenance or nourishment; comfort, buoy up, encourage; uphold the validity or justice of (Webster's Dictionary)

In the world of media and journalism development, sustainability has had a spectrum of meanings; at the sharp end, it means a *requirement* by donors for grantees to stand on their own feet within a defined period; at the soft end, it means a *commitment* of some kind by donors to help grantees become as self-sufficient – or resilient – as conditions allow.

Historically the Media Program took the softer approach. One of the program's strengths has been that it did not insist on sustainability as a condition of support where it was impossible. In a sector where lip-service has often been paid to this concept – donors pretend it is achievable, grantees pretend they agree and develop so-called viable plans to achieve it, and donors pretend to believe their grantees – our stance has been distinctive and respected by our partners. This has not meant, however, that we did not place importance on grantees strengthening their organisations, and becoming more resilient and less dependent on donor funding. They recognise, as we do, that this will help them safeguard their journalistic independence. On the other hand, our distinctive stance entailed a weakness; historically, we have not always provided adequate support and leadership with regards to this complex issue.

Over the past decade, the challenges to sustainability faced by independent media have changed dramatically in two ways. One set of challenges is driven by technology; the other, by economics. The 2008 global economic crisis was a watershed. The concept of sustainability for media in transitional societies subsequently assumed a new-found importance and complexity in our strategies.

In 2009-2011, we prioritised support for independent media struggling to survive in the wake of the crisis and as a result of the failing business model which had primarily sustained print journalism. These media were operating in countries where even in pre-crisis conditions revenue had been scarce. In 2012-2013, we aimed to fund professionalisation, capacity-

building, sustainability and innovation by media outlets and networks, with specific reference to technological developments. In 2014 we sought to help our partners develop their operations, foster innovation, and explore a range of sustainable models.

This portfolio review focuses on the global economic crisis period – 2009-2014 – and asks fundamental questions. Have we responded effectively to the needs of our partners and the field, and/or changed the field? How do we define sustainability? What have we learned from our efforts to foster it? Is it possible to say whether there is a tension or a positive correlation between journalistic excellence and sustainability? With the benefit of hindsight, what would we have done differently? What opportunities did we miss?

We are currently developing a 2015 transitional strategy for PIJ. Next year we will present a four-year strategy to OSF's global board. By reflecting on our past efforts and lessons learned, this portfolio review could help us define a new line of work linked to the sustainability of the journalistic initiatives we support. Our current work involving sustainability cross-cuts several portfolios, including Closed Societies and Investigative Journalism. In this review, however, we focus on the work I have managed in Transitional Societies.

2) **Our work:**

We have submitted background information for 21 projects. They represent approximately one-quarter of the projects we supported during this period. The majority of our grantees run multi-media operations that produce news, information, analysis, and investigative journalism. We have also financed a small handful of support organisations that contribute to the field via mentoring and training. In many cases, we support one project per country; almost all are important civil society partners for OSF's geographic programs. In PIJ's 2014-2017 strategy, our work falls under the umbrella of Content: Public Interest: The field. It does not include any concepts.

Funding: From 2009-2013, close to 30% of the annual PIJ budget was devoted to transitional societies. In 2014 the percentage was 12%. This represents a drop from \$3 million six years ago to approximately \$1.6 million in 2014. The latter figure includes \$1.1 million in core financial support (our primary tool), as well as \$200,000 in project support and \$250,000 in technical assistance (marketing, business plan development, organisational development mentoring, etc). The drop in funding reflects a reduction in the overall PIJ budget for project work as well as increased funding for the Investigative Journalism and Closed Societies portfolios. Almost all of our projects are co-funded by OSF's geographic and thematic programs; in 2014 this doubled our budget.

Tools: The primary tool of the Transitional Societies portfolio has been core grant-making, complemented by in-house mentoring, training and organisational and business development. In almost all cases our grantees have themselves decided how to use the funds, i.e. in what budget lines to place funding and if and when to modify those budget lines over the period of the grant. With very few, if any, exceptions, we have accepted requests for budgetary modifications. Grantees have generally used our financial support to sustain their operations, i.e. core needs, including salaries, communications and rent, or to fill gaps other donors couldn't (or wouldn't) support with their project grants.

Approach: During the first years (2009-2012) our approach was mostly opportunistic and ad-hoc. We were able to respond quickly to changes in the field and to grantees' requests, needs and experiments – a role that made us stand out as a donor, as few others are able to be flexible, rapid and take risks. Yet our responses and decisions were often intuitive and/or based on OSF's geographic priorities, rather than on strategic plans.

Over the past two years our approach has evolved significantly. To seize the opportunity presented by changes within OSF and our own program (e.g. we were able to develop an advance budget for our portfolio for the first time), we endeavoured to create a more systematic basis for engagement, including identifying partners and activities to provide sustained, pragmatic and bespoke assistance with regards to organisational development, financial health and sustainability (peer-to-peer mentoring, organisational audits, business development, closer partnership with the Media Development Investment Fund, etc). In response to a programmatic decision to move away from formalised group trainings – since we assessed that journalists were often unable to apply what they had learned back in their workplaces, and since we often found them inordinately expensive – we targeted in-house training and mentoring. Our desire to provide a more strategic and systematic response was also informed by the many requests we received for assistance, particularly with regards to business development, as well as the disappointing results of some of the previous mentoring and training we had funded.

Rather than singling out individual grantees, we prioritised geographies, starting with Burma, Central America and MENA. Our choices were based primarily on our grantees' requests for assistance, as well as on interest expressed by colleagues at OSF geographic and/or other thematic programs. We had particular concerns about a very small number of grantees; in an effort to proceed with as much sensitivity as possible, we included them in our strategic plan.

To assist with our work, we have established a close partnership with the OSF Audit Department. This was a pragmatic decision i.e. we have a global mandate but a relatively small amount of funds. By working with the Audit Department, we effectively expanded our resources. We were also reaching out to colleagues who had the kind of skills sought by our grantees and that we ourselves wanted to develop. Our goal, therefore, was to take advantage of OSF's internal resources before paying for external ones.

We have also been inspired by our interaction with the Media Development Investment Fund. After observing their close client relationships at their annual meetings and in the field, we re-examined our own interactions with our grantees, and increased our efforts to network them regionally and globally, and to encourage peer-to-peer mentoring. We also explored new forms of collaboration, e.g. working with grantees to identify new partners in their countries (such as in Malaysia) and regions.

Our response has been different in different geographies and with different grantees. In Latin America, La Silla Vacía's experimentation and risk-taking vis-à-vis revenue diversification continue to inspire and teach us. Our support has thus primarily been limited to core grants to enable it to experiment; we also provided one-off funding a few years ago so it could develop a new business plan. The grantees we support in Latin America (in Colombia, Nicaragua, El Salvador, Guatemala and Peru) are at different stages in their professional development. What

they share, however, is a strong vision and commitment to journalistic excellence; they are also pro-active in defining the kind of external assistance they need. In response to a common desire to explore new revenue models, for example, they founded the Aliados regional media business network. While the network is nascent, and its future role uncertain, it speaks to their pro-active cross-border collaboration. At their invitation, PIJ and MDIF have provided input into their strategic discussions and offered specific services, such as research and short-term consultancies linked to sustainability and business development.

During Burma's transition, we have been more hands-on. With journalists in exile and inside the country alike having to respond quickly to unexpected opportunities, we have endeavoured to provide support and to foster organisational development and increased sustainability. This kind of direct intervention requires trust which we had already developed over many years of work with exiled groups; the Burma Project had done the same working underground inside the country. We nonetheless had mixed results, described in section 5 below.

3) The Field:

There have been many changes in the field over the past six years. Ongoing communication and information disruptions, centring on the internet and digitisation, have democratised the making and disseminating of media content and created new opportunities. Channels and content producers have proliferated. Experiments with storytelling, new narratives, video, aggregation, audience-generated content and value-added services have abounded.

The ongoing impact of the global financial crisis continues to threaten the viability of traditional media businesses in many parts of the world – particularly print media traditionally known for producing the world's best independent journalism. The field is now increasingly characterised by fragmented audiences, a shift of public debate to new virtual spaces, and a loss of traditional business models and revenue bases, including a shift in display advertising from offline to online. At the same time, the lower costs of starting and operating digital media have benefitted community, local, and hyper-local outlets.

Our grantees' quest for the holy grail of new sustainability is familiar to independent journalists worldwide. The poverty of revenue choices stands in stark contrast to the number of content producers in the digital ecosystem. Moreover, according to our research and policy team, there are currently no reliable figures available on global funding for independent journalism, including funding directly related to sustainability.

Our place: As both a donor and a journalism program we bring unique resources, skills and experience to the table. At donor meetings, we're often one of the only organisations with journalistic vision and expertise. As other donors often provide project support, we also tend to be one of the few donors interested in, and able to support and sustain, core operations and organisational and business development.

Partners: Our closest relationship in the field is indisputably with the Media Development Investment Fund. By providing core grants – often prior to (Red TV and El Buho in Peru) or alongside its loans and investments (KBR in Indonesia; Ujyaalo in Nepal; Malaysiakini) - we are able to offer a more comprehensive and consistent service to our grantees and to increase our

own skills and knowledge. We currently work closely together in Latin America and across Asia. MDIF's staff members also work with our grantees on business development (Himal Southasian in Nepal; El Faro in El Salvador). They also regularly include them in regional business and revenue trainings.

The Omidyar Foundation is focused on investment and sustainability, although its recent decision to limit the majority of its work to a smaller number of countries has reduced opportunities for collaboration. With our assistance, they have recently engaged in Burma and we are now collaborating on an increasing number of projects. The same is true in Ukraine and MENA. At our recommendation, Omidyar is currently in discussion with the Aliados media business network in Latin America. The Gates Foundation is also a visible player yet its impact measurement discussions (ie obsession) can be a distorting and unhelpful force.

The Knight Foundation and the Knight News Challenge play a specific role in the field. Known for their focus on innovation, to the exclusion of all else, the journalists they incubate have often ended up at our door, requesting financial assistance. (We've often joked we have the unsexy job, i.e. assisting projects after other donors have taken credit for their incubation.) Knight is now reconsidering this narrow approach – a process that may potentially strengthen the field.

HIVOS also works in the field, e.g. by co-funding Plaza Pública in Guatemala. Increasingly, though, it is focusing on the relatively narrow intersection of arts/culture, business and media, particularly with regards to start-ups in MENA. Both HIVOS and Free Press Unlimited (Netherlands) are moving toward an almost 100% implementation model, and thus away from project funding.

The National Endowment for Democracy is also worth a mention as we have traditionally partnered on our work in a variety of countries, including Thailand, Malaysia and Burma. Their core grants to Burmese exiled media were significant, although once inside a country their grants are traditionally small. This is linked, in part, to their desire not to impact on free media markets. Following the same logic, they do not fund media in Cambodia, even though the space for independent journalism is in reality shrinking.

In certain geographies, particularly during times of transition, USAID/Office of Transitional Initiatives often has substantial funds to sustain and/or incubate independent journalism. In Afghanistan, for example, OTI provided start-up funds to some of the most innovative independent media operations, including our former grantee Pajhwok Afghan News; almost all of those initiatives continue to play important roles in the field. In Burma, it financed what has become DVB Multimedia's programmatic flagship (a live television debate program that is attracting advertising and which I would argue is one of their tickets to sustainability moving forward). SIDA is also interested in sustainability and business development, although its funding often comes from specific pockets (elections and democracy, poverty reduction and health, etc) that are not always easy to identify and quantify. That being said, the Norwegians and the Swedes provided the vast majority of core funding that sustained Burmese exiled media.

There is also a slew of support groups, including Internews, International Media Support (IMS) and IREX, that focus in different ways on sustainability. Yet as they often compete for funding with local groups in order to ensure their own sustainability, their support can be a double-edged sword.

4) Our ambitions and assumptions

To a large extent, our ambitions and assumptions over the past six years have been shaped by the experiments, frustrations, successes and failures articulated by our grantees vis-à-vis financing and the search for new revenue models.

a) By focusing on sustainability, we assumed we could help our grantees safeguard their independence, including from us. This doesn't mean all media should or could become self-sustaining; rather that by maximising their effectiveness and impact, they could become more resilient and better able to survive. This resilience and good economic standing could then enable and protect their independent editorial line.

b) By offering assistance linked to sustainability, we assumed we were responding to our grantees' willingness and seriousness to consider and implement change.

Over the past six years, most, if not all, of our grantees have told us their single biggest challenge is linked to financing – finding money, managing it, sustaining it, and learning to be entrepreneurs, risk-takers, and innovators. El Faro's founding director Carlos Dada has likened the search for new revenue models to banging one's head against a wall. The results of the Mapping Digital Media research project concur: virtually every independent media outlet in the 55 countries studied spoke of a similar struggle. That is also what we heard from our three grantees in Nicaragua, El Salvador and Guatemala earlier this year. In the company of a colleague from the OSF Audit Department, we spent two days with each of their teams, discussing journalism, strategies, financial management, business plans, leadership, and governance. A couple of years ago Malaysiakini CEO Premesh Chandran also said he wished we could work together more closely, similar to the way he worked with MDIF.

c) By supporting peer-to-peer mentoring via individual trend-setters and regional partners, we assumed our work would be more durable and culturally appropriate (with fewer power dynamics): This includes working with Aliados, the Austin Forum, Asia Calling, the South East Asia Press Alliance, the Asia Journalism Forum and the University of Hong Kong's Journalism and Media Studies Center. Prem Chandran and his colleagues at Malaysiakini now act as mentors for our partners in South East Asia and beyond. We've developed a similar relationship with Juanita León, the founding editor-in-chief of La Silla Vacía in Colombia. From the start, she conceived of La Silla Vacía as a journalism and experimentation hub for Latin America. She's now one of the drivers behind the aforementioned Aliados media business network, established by a group of like-minded content producers across the region, many of which are OSF grantees. This kind of initiative assures a particular kind of sustainability, i.e. the cross-border sharing of knowledge and best practices.

d) In recent years we've also been guided by the belief and/or assumption that our grantees could no longer depend on our long-term support: Both OSF and PIJ were changing and likely shifting priorities. To help our grantees prepare for this shift (i.e. to live without us), we wanted to help them become as strong as possible. This idea was tested when we moved toward zero budgeting at the end of 2013. Grantees told us this

decision caused a certain amount of panic in Latin America and elsewhere. Yet with hindsight we believe it spurred our partners to new action. For example, it helped move El Faro to a new stage in its organisational development. It was also one of the factors that led to the creation of the aforementioned Aliados network.

e) Due to their potential to be entrepreneurial, to monetise their products and to set up businesses, we assumed our journalism grantees constituted a unique group in the grant-making sphere. To survive in today's complex media ecosystem, there's a growing belief that all journalists need to be entrepreneurial, and if they're not, that they need to bring in people who are and/or to form relevant strategic partnerships. This doesn't mean they can all become self-sustainable; rather, that there are unique opportunities to be seized, whatever the geography or context.

f) Local ownership was a traditional core value of our program, and we also assumed it was central to our work vis-à-vis sustainability. Developing relationships of trust was also central. We knew that had happened with The Irrawaddy when they decided to share the details of their business plan (i.e. their trade secrets) with us.

5) Successes, surprises, disappointments and lessons learned:

Successes:

- Because of our financial support for independent content and experimentation, complemented by organisational and business development assistance, some of our grantees are more resilient and/or sustainable (i.e. The Irrawaddy: Yangon Journalism School; Burma News International; Mizzima; Malaysiakini; KiniTV; Tempo TV; Cambodian Center for Independent Media; Himal Southasian; Red TV; Confidential; El Faro; Pajhwok Afghan News, etc).
- We supported successful start-ups (La Silla Vacía; Media Frontiers; Plaza Pública; Nómada); the founder of Plaza Pública went on to found Nómada; we funded the development of Malaysiakini's video service which then spun off into an online tv subsidiary KiniTV (which we also incubated & which expects to be self-sustaining within 3 years); we also funded Tempo TV.
- We networked grantees regionally and internationally with a view to cross-border knowledge exchange and peer-to-peer mentoring.
- We built a strong partnership with MDIF.
- We developed strong partnerships with strategic grantees La Silla Vacía and Malaysiakini (re: standard-setting, experimentation, peer-to-peer mentoring).
- We supported local ownership and built relationships of trust.
- We reached out to other relevant OSF programs to influence their work with grantees vis-à-vis sustainability, financial health, business development.
- We established a strong relationship with the Audit Department and worked closely with its team in the field.
- Although El Faro is still far too dependent on OSF, it has strengthened its internal capacity, hired an excellent manager, and developed a business plan.
- We incubated the business/security support organisation Media Frontiers (now called Diversity Ad and Quirium); it now works closely with our exiled media grantees.

Surprises:

- The Irrawaddy has maintained a staunch independent stance during Burma's troubled transition, yet is nonetheless managing to strengthen its organisation and increase its self-generated income to close to 50% of its annual operating budget.

Disappointments:

- We didn't explore a broad enough range of financial support and diverse tools (i.e. conventional grants vs challenge/conditional grants etc).
- We lack credible, systematic data on the impact of our funding and technical support. We also lack precise data about the field and our place in it.
- In part because we work in so many places, we don't always know the local environment/ecosystem as well as we should and wish to. (This is one reason for our increasing focus on countries and regions where there is an OSF presence and where we can collaborate with colleagues and other donors.)
- We didn't take enough calculated/informed risks or seize enough opportunities, i.e. we have not spent enough time identifying new opportunities and grantees.
- Some long-time grantees are institutionally very weak. In some cases, we did not adequately engage (Radio publique africaine in Burundi). In other cases, we tried to engage but had little impact on organisational development and sustainability (Community Media Network in Amman; DVB Multimedia).
- At DVB Multimedia's request, we hired a consultant to help identify a revenue model suitable for the Burmese media market, to develop a business plan and to mentor staff. In the end, though, the consultant failed to achieve the agreed objectives, primarily due to DVB's weak capacity and management, and failure to hire relevant staffing.
- In an effort to survive, our former exiled media grantee Mizzima gave up majority control of its operations to two crony investors.

Lessons learned:

- Our assumption that grantees were serious and willing to consider and implement change was not always borne out i.e. DVB and CMN.
- Our assumption that we had relationships of trust was put to the test when we intervened in situations where there were financial and organisational problems.
- Our assumption that by focusing on sustainability we could help our grantees safeguard their independence, including from us, has not always worked (Nova; El Faro; Himal Southasian, etc).
- Not everyone wants to be entrepreneurial and to think about sustainability (even if they say they do).
- In hindsight, we didn't adequately develop and/or articulate our thinking about sustainability, in part due to an erroneous assumption that the concept was self-evident. On the contrary, it is now clear the word and the way it is defined are debatable, if not contentious. Moreover, its current over-use in the donor and media development world

has muddied its meaning and scope, and as often as not placed additional and unhelpful pressure on grantees. Resilience may be a more serviceable and accurate word. Sustainability can also mean ensuring information and knowledge survive even if the institution doesn't (institutional memory and sharing of lessons learned)

- Just because a grantee has a diverse donor base does not mean it is financially or organisationally healthy.
- We need to take more risks and be prepared to fail and/or to support several generations of ideas before expecting success. Failure can support the development of the media/journalism ecosystem.
- We should have ensured our research and policy objectives were better aligned with the rest of our work; this could have ensured we had access to relevant data about the field and about our work.
- We should always ensure we understand the organisational and financial health of our grantees and the challenges they face, and not assume systems are in place. (Good management can often be challenging – some would say particularly so for journalists).
- You can't predict what will happen when exiled media move inside (Kalima; The Irrawaddy; Mizzima; DVB Multimedia); an earlier focus on institutional development, particularly in the areas of marketing and business development, could have made a big difference.
- We should not incubate projects alone (e.g., Maw Kun, Nova).
- While we help our grantees become more financially sustainable, we recognise it's not a level playing field and that they may need donor support for some time to come.
- We need to employ caution vis-à-vis the use of metrics.
- We sometimes let our grantees drive our funding decisions instead of driving our own strategy.

6) The way forward:

If you look at the numbers – 12% of the PIJ budget – our work in transitional societies does not seem very significant. Yet the figure belies our visibility and impact. Co-funding from other programs currently doubles our own monies; these partnerships allow us to punch above our own weight, as do our dynamic external partnerships. As grant-making is our main tool vis-à-vis sustainability (used to sustain the core operations of our grantees and to enable development), this collaboration is significant. Our grantees are often high-profile leaders and standard-setters in the independent journalism field in their own countries, and in some cases across their regions and globally. They are also important civil society actors for OSF's geographic programs. In many cases, then, we have chosen the right partners.

Yet we may also have been too risk-adverse. Although this was at no stage our intent, with hindsight we may, at times, have been on auto-pilot, sticking without question to tried and true partners. Those decisions were not without justification. Yet knowing what we know now, we should have taken more risks and ensured a greater diversity of old and new partnerships. This also raises the question posed by PIJ Sub-board member Reg Chua: are we mission-driven or client-driven?

We have made some course-corrections over the past year or two. Of 29 current grantees, for example: 6 have been receiving funding for less than 1 year; 4 for up to 2 years; 11 for up to 5 years; and 9 for 5+ years. If we are to move further in this direction, we will need to develop a greater understanding of the field and geographies where we work, by spending more time in the field and via internal and external partnerships. As this kind of work is labour-intensive, it will also demand strategic planning and decision-making. Finally, we will need funding to seize new opportunities and to respond to requests from new potential partners. This is one of the assumptions driving our current focus on resilience and sustainability – that by assisting our grantees with their efforts to strengthen their organisations and diversify their revenues bases, we are helping them become more independent, including from us.

To coincide with Malaysiakini's 15th anniversary on 22 November, we are planning a two-day revenue summit in collaboration with the Malaysiakini team and MDIF. Fifteen of our grantees will join to discuss revenue models, and to present their case studies and experiments. We will also participate in MDIF's board meeting. These are the kinds of conversations we hope will continue as we move forward.

Questions for the group:

1. Is there a tension or a positive correlation between journalistic excellence and sustainability?
2. Should commitment to sustainability (entrepreneurism) be a condition of support? (Is there a risk that focusing on sustainability actually diverts our funds, always limited, away from core support for journalism?)
3. How can we best work with our partners to support the creation of new revenue and business models for the digital era, new sources of financing, and a new marketplace (investors, crowd engagement etc.)?

APPENDICES:

- a) Financial data and geographies
- b) Investigative Journalism and Closed Society Portfolios
- b) Media Development Investment Fund