



7 The MDDA's guiding principles in funding decisions

Detailed criteria for selecting projects, as well as guidelines around application procedures, will be provided in regulations that will follow the MDDA legislation. The set criteria will aim to ensure that, amongst other things, marginalised communities, particularly those living in rural and peri-urban areas, receive top priority. The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution a project makes to media development and diversity.

As part of the application procedure, applicants will be required to provide information regarding, amongst other things, the goals and objectives of the project, the proposed budget, as well as detailed business plans containing measures for future sustainability. The MDDA will assist media projects to further develop sound business plans as part of its capacity building programme. Feasibility studies, taking into account both economic and social viability, will be conducted to assist this process.

As the Agency will seek to promote sustainability wherever possible, projects must have good governance practices. Further selection criteria include community representation on the boards of community media projects, community participation and equity plans.

The MDDA will also promote sustainability by facilitating assistance from relevant government and other business development services. Priorities will be around the development of managerial and business expertise, information sharing, and networking. Where needed, the MDDA will help orientate other service providers in media development and diversity issues and priorities.

In addition, the MDDA will coordinate and facilitate access to other funding sources, such as donor organisations.

In the case of small commercial media projects, the MDDA will generally facilitate access to low-interest loan finance through lending agencies.

7.1 Media projects requiring long-term support

The MDDA will, however, recognise a category of media projects that may not become sustainable over a long period. 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 long-term funding because of the function they play in a community, or in society as a 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 ratios, or community participation.
- ▶ The community's capacity to:
 - absorb the grant;
 - contribute to the project's 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. Media projects will be offered assistance to develop these practices.

Good governance 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

The MDDA will not interfere in the content of any newspaper, TV or radio station it supports.

The MDDA Board will decide on any transgressions of funding conditions by media projects.

If necessary, the MDDA will develop conditions, additional to those in 7.2 that apply to the specific context of individual projects. It could, for example, place as a condition of support a restriction on 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 will be stipulated in a funding contract.