



media  
development  
investment  
fund

# Impact Dashboard 2016



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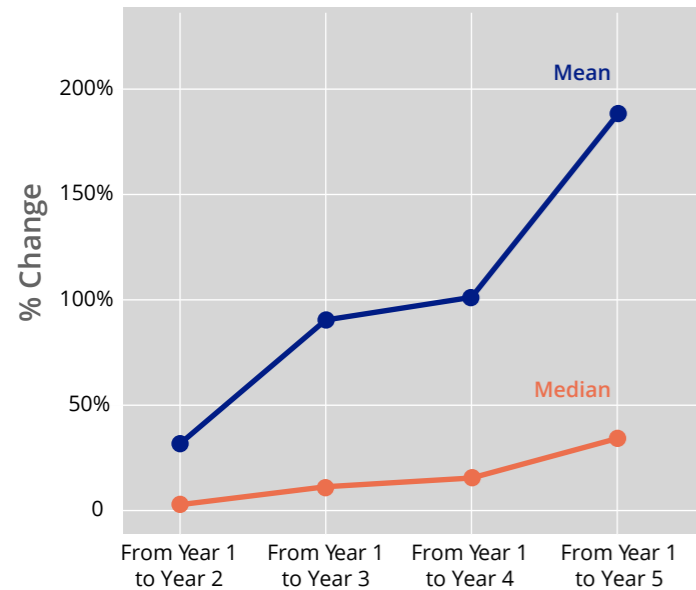


# Executive Summary

## Client Reach

In 2015, **60.9 million** people received their news from an MDIF client, **23.1 million** through digital media and **37.8 million** through traditional media. After five years of working with MDIF, client reach increased by a median of **33%** (on average by 183%).

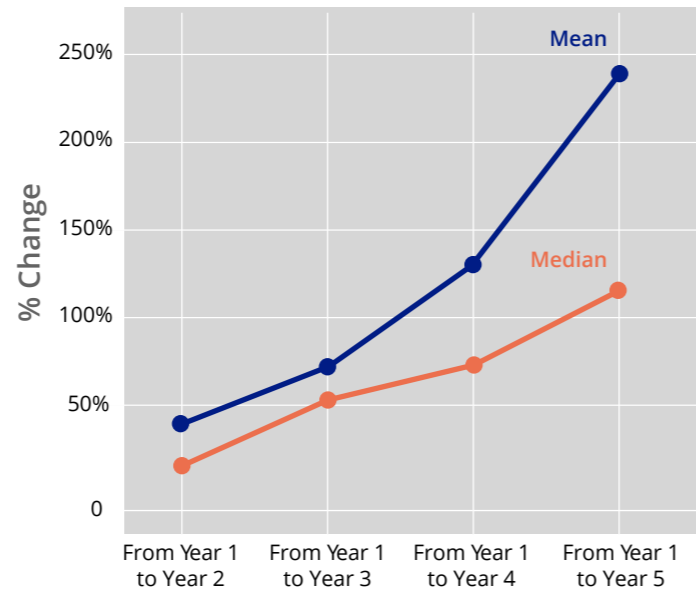
Change in Client Reach from First Year with MDIF



## Client Sales

In 2015, MDIF clients generated a total of **\$56.3 million** in sales. After five years of working with MDIF, clients increased their sales by a median of **113%** (mean of 227%). Each dollar invested by MDIF leveraged **\$1.46** in client sales.

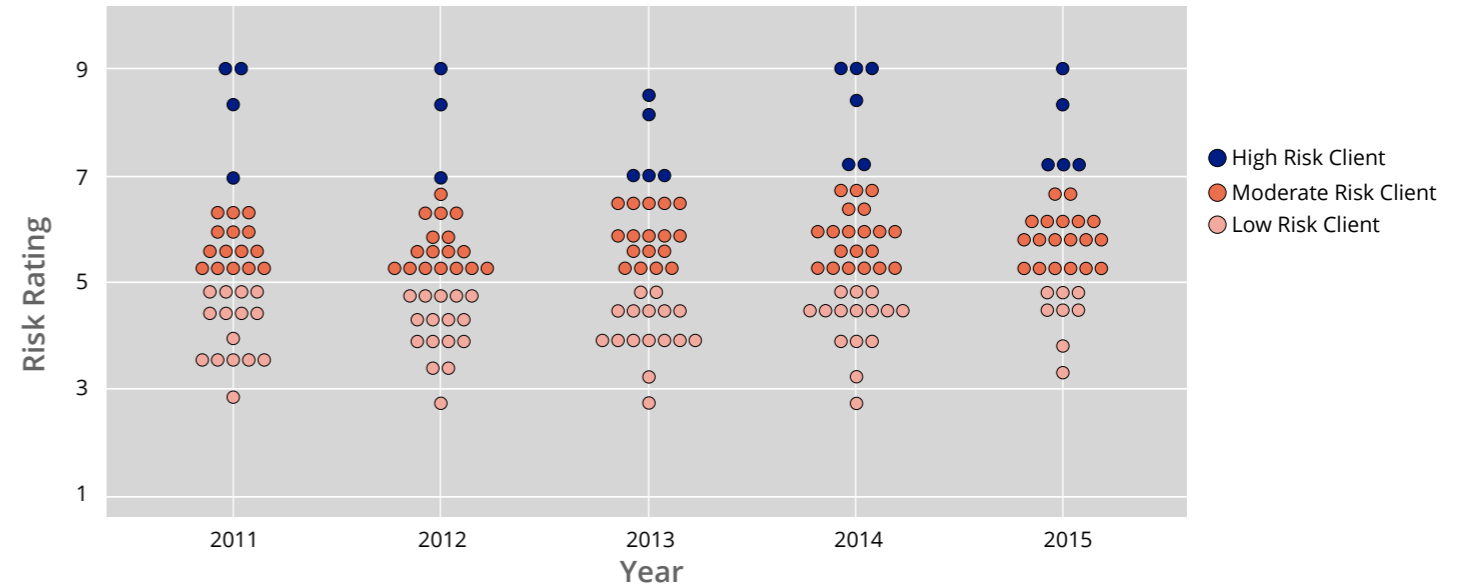
Change in Client Sales from First Year with MDIF



## Client Viability

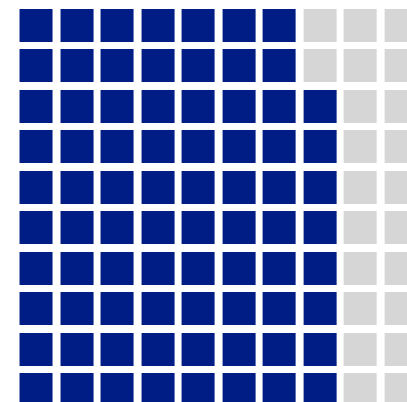
In 2015, the median risk rating across the portfolio was **5.71**, an 8% increase from 2014 but still within the **moderate risk range**. Across the portfolio half of clients maintained or lowered their risk rating from 2014 to 2015.

Distribution of MDIF Risk Rating Scores, 2011 - 2015



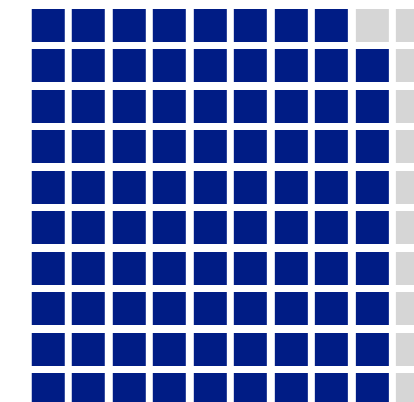
## Client Impact on Society

Percentage of Clients Exposing Corruption in 2015



**78%** of MDIF clients exposed corruption scandals in their country in 2015

Percentage of Clients Holding Leaders Accountable in 2015



**89%** of MDIF clients held governments accountable for their policy promises in 2015

# Mission Statement

Media Development Investment Fund (MDIF) invests in independent media around the world providing the news, information and debate that people need to build free, thriving societies.

## Why We Are Here

Timely, accurate, relevant information is critical to free societies. It enables fuller participation in public life, holds the powerful to account and protects the rights of the individual.

## How We Choose Clients and Areas of Operations

MDIF invests in independent media companies in a range of countries where access to free and independent media is under threat. Clients are selected based on three broad criteria: mission impact in relation to investment; potential for long-term viability; editorial integrity.

## How We Work

MDIF financial investments include affordable loans, equity investments, loan guarantees and technical assistance grants. MDIF mobilizes other investors to maximize the impact of its financing. MDIF seeks to establish long-term relationships with its clients, which may involve advice and assistance in business planning, media management and other technical support.

## Providing Access to Capital

MDIF clients are starved of capital because they work in environments with poorly developed banking systems, distorted markets and unfavorable investment climates. Often, they work in transition economies or under governments that are hostile to the idea of free and independent media. In all cases, a lack of funds is the main obstacle to their growth and development and seriously hampers their ability to be commercially viable and self-sustaining.

## The Changing Landscape of Media and Investment

In the last decade, a technological revolution has transformed the media business and the way people access news and information across the world. MDIF invests in established and experimental digital products and businesses that contribute to the provision of information in the public interest.

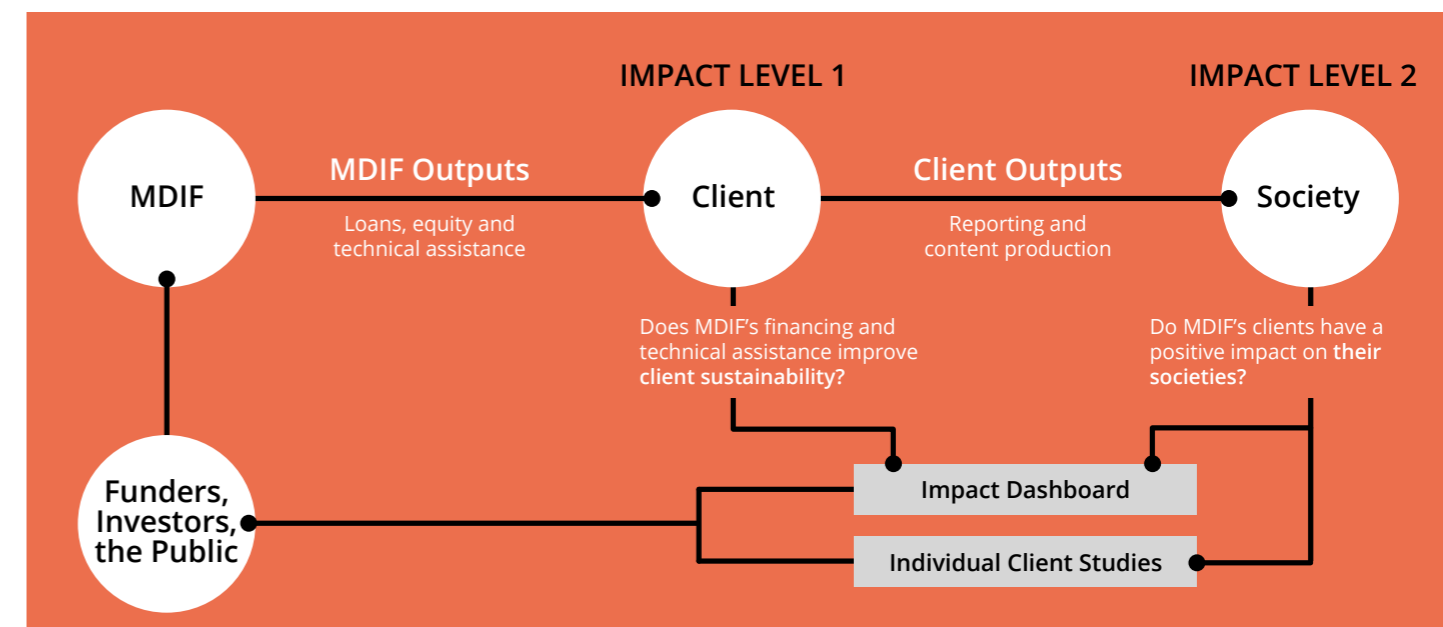
# Dashboard Introduction

## Impact Assessment Strategy

At MDIF, impact assessment is a critical part of our work. Since 2005, we have published our Impact Dashboard to publicly present the findings of our annual analysis. The Dashboard provides a comprehensive description of impact results from the preceding year as well as longitudinal

analysis of outcomes across our portfolio. We focus our impact assessment efforts on two areas: first, direct impact of our investment on clients; and, second, our clients' impacts on their societies.

## MDIF's Approach to Impact Assessment



# Impact Level 1: MDIF's Impact on Client Sustainability

Our primary objective is to support independent media businesses with the financing and technical assistance they need maintain editorial independence and grow. To assess the extent to which our support contributes to our clients' long-term sustainability, we evaluate how each media company's **reach, sales** and **viability** change over the course of their involvement with MDIF. While the outlets we invest in are diverse in terms of their geographic focus, revenue models, and media type we believe that these three metrics are relevant for the largest number of clients in our portfolio.

Over the years, we have worked to improve our approach to impact assessment and to adapt in response to sweeping changes in the media sector. These efforts aside, there are two important limitations inherent in the Dashboard that readers should keep in mind.

First, the methodology is designed to assess established media outlets that produce news and information content and are focused on generating revenues to support their operations. In recent years, we have expanded our portfolio to include a wider range of news-related digital. Some of these clients are early-stage companies focused on developing an idea or tool to support digital media instead of producing news content themselves. For others, the early stages of developing a digital media business are focused on building an audience, not sales; generating digital revenue often depends on a business already having established a

strong user-base. Consequently, these early-stage digital startups are not included in the Impact Dashboard.

Second, to collect sales and reach data, we rely in part on our clients' records. While this is generally not an issue for sales figures, collecting accurate reach data on a regular basis remains a challenge for many companies in our portfolio and especially those working in underdeveloped markets. We work closely with clients to improve their data collection procedures. These improvements include standardizing the tools clients use to collect online metrics and improving their overall awareness and use of audience research data. While many clients have made vast improvements some issues remain. Notably, because many of our clients distribute content both online and offline, some amount of audience double counting is inevitable. Additionally, broadcast audience estimates in developing countries are often imprecise, and print reach calculations depend on a variable 'multiplier' being applied to circulation figures. To the extent possible, we validate the reach results clients report, eliminating or adjusting anomalous figures.

As we continue to address these challenges we believe that full transparency regarding our Impact Dashboard methodology is important both for accountability and learning. For a complete description of how we collect and analyze the Dashboard data see the full Impact Dashboard Methodology on our website.

Impact Area	Key Impact Question	Data Source
<b>Reach</b>	On average, do clients expand their reach while working with MDIF?	3 <sup>rd</sup> party audience measurement, Google Analytics, and client records
<b>Sales</b>	On average, do clients increase their sales while working with MDIF?	Company financial statement
<b>Viability</b>	Do clients improve or maintain financial viability while working with MDIF?	Audited MDIF risk rating

# Impact Level 2: Client Impact on Society

We invest in media as a way of helping people build free, thriving societies. Research has demonstrated the positive effects free and independent media can have on the economic and political health of countries around the world. Independent media hold the public and private sectors accountable; provide the news and information necessary for political and economic life<sup>2</sup>; and engage citizens in the processes of discussion, debate and advocacy that are at the heart of democratic governance<sup>3</sup>.

MDIF's experience working with media outlets around the world corresponds with this body of academic research. In countless instances we have seen our clients have demonstrably positive impacts on their societies in three key areas:

1. Exposing corruption and holding leaders accountable
2. Providing citizens with the reliable information they need to make economic and political decisions
3. Supporting democratic participation by fostering debate and motivating citizens to participate in public life

In the Impact Dashboard, we focus on our corruption and accountability reporting, asking all of our clients whether they have exposed a corruption scandal or held an official responsible for a policy promise in the last year. To assess our clients' efforts to provide reliable information and encourage democratic participation, we conduct individual client case studies and present the results on our website.

Impact Area	Key Impact Question	Data Source	Reporting
<b>Conducts corruption and accountability reporting</b>	1. Over the last year, have clients reported corruption scandals in their country? 2. Over the last year, have clients reported on whether government officials have fulfilled their promises?	Client survey and publishing records	Annual reporting on all portfolio companies in the Impact Dashboard
<b>Source of reliable information</b>	Does the client inform citizens about important events that affect their lives?	Client surveys, interviews and social media data	Individual client case studies as resources permit
<b>Encourages democratic participation</b>	1. Does client foster debate and discussion among citizens? 2. Does the client motivate citizens to participate in public life?	Client surveys, interviews and social media data	Individual client case studies as elections occur

<sup>1</sup> Roy, Sanjukta (2011). "Media Development and Political Stability: An Analysis of Sub-Saharan Africa." Media Map Project, Internews and The World Bank Institute.  
<sup>2</sup> Stiglitz Joseph (2002), "Transparency in Government," in R. Islam ed. The Right to Tell: The Role of Mass Media in Economic Development. Washington D.C.: The World Bank: 27 - 44.  
<sup>3</sup> Norris, Pippa and Dieter Zinnbauer (2002), "Giving Voice to the Voiceless - Good Governance, Human Development and Mass Communications," Background Paper for Human Development Report 2002, UNDP.

**For additional academic research on the role of media in society, visit our website to see MDIF's full literature review.**

# Current Portfolio

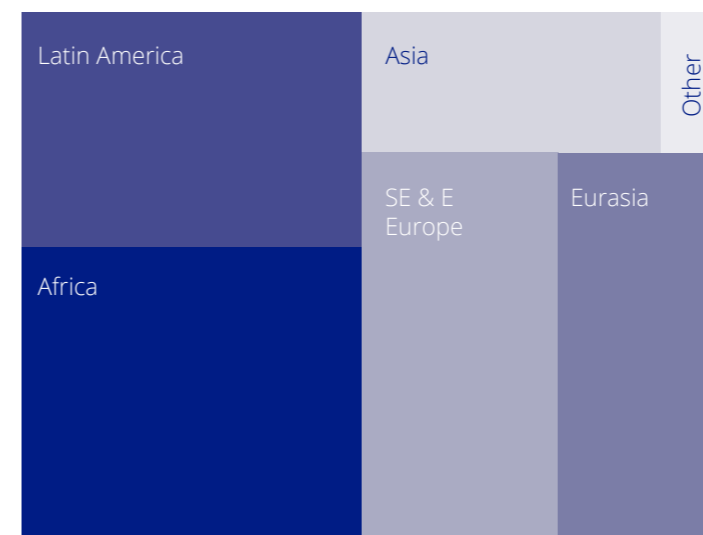
Our clients range from digital startups to national broadcasters. Regardless of their size or approach, our clients share a common interest in providing the independent news, information, and debate that citizens need to build free, thriving societies.

In 2015, we approved a total of \$1.5 million in debt and equity investments in 12 existing clients in 10 countries. This year's investment total was nearly 50% below last year's because of a self-imposed moratorium on new clients as we prepared for the launch of two major new funds in 2016.

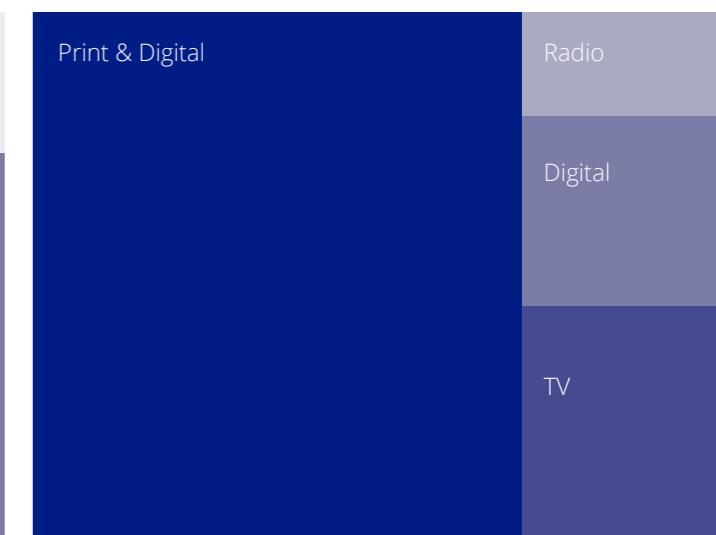
## Portfolio Summary 2015

Metric	Cumulative	2011	2012	2013	2014	2015 (unaudited)
Portfolio size (with commitments)	n/a	43,341,156	47,060,161	47,934,160	42,248,995	38,501,102
Number of total clients	108	51	54	59	66	53
Number of new clients	n/a	5	9	6	11	-
Number of countries	38	21	25	25	32	28
New investments made	117,113,134	6,486,157	8,845,225	5,328,980	3,250,447	1,500,454
New projects funded	362	27	25	16	19	13
Principal recovered	65,415,939	4,624,470	4,558,066	3,933,308	2,900,796	3,220,310
Interest, dividends & capital gains collected	39,998,431	1,127,059	1,042,177	1,113,386	856,193	588,149

### Outstanding PRIs by Region



### Outstanding PRIs by Media Type



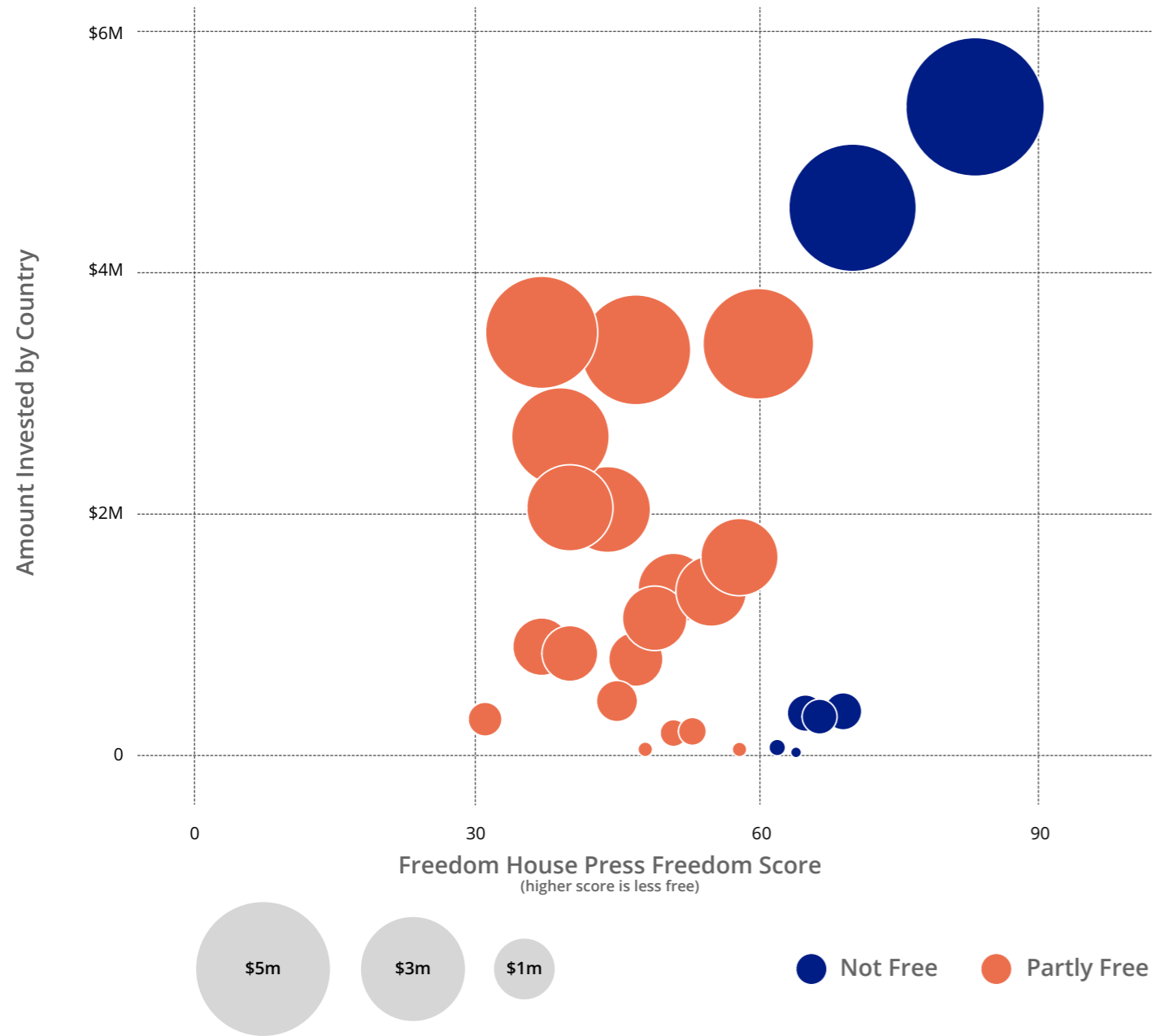
At the end of 2015, our portfolio including commitments totaled \$38.5 million across 28 countries. The largest share of our investments—27%—were in Africa followed by Latin America at 22%, and South East and Eastern Europe at 18%. Evaluating our portfolio by media type, 68% of our investments were in digital and print publishers followed by 14% television broadcasters, 12% in digital outlets, and 6% in radio broadcasters.

By design we invest in countries with a clear need for independent media. Such countries present both the greatest challenges and greatest opportunities for news companies committed having a positive impact on their societies. In 2015, 69% of our investments were in “partly free” countries as measured by Freedom House’s Press Freedom Index. This category includes major emerging markets such as India, Nigeria and Indonesia where there is both a dearth of independent news and real potential for media companies to become successful businesses.

We also invest in “not free” countries when the investment opportunities are available and circumstance allow. In 2015, 28% of our portfolio was invested in these repressive environments. While clients in these countries face greater risks than companies in “partly free” or “free” countries, they are also able to have unparalleled positive effects on their societies. In many situations, our clients are the only outlets willing to expose corruption and hold officials accountable in “not free” countries.

From 2014 to 2015, the amount invested in “partly free” countries increased 6 percentage points while investments in “not free” countries decreased 5 percentage points as the environment for independent media in many countries made additional investment activity impossible. We remain committed to making investments in counties with significant need and are continually evaluating the new opportunities in both “partly” and “not free” countries.

Portfolio Allocation by Amount Invested and Freedom House Press Freedom Score

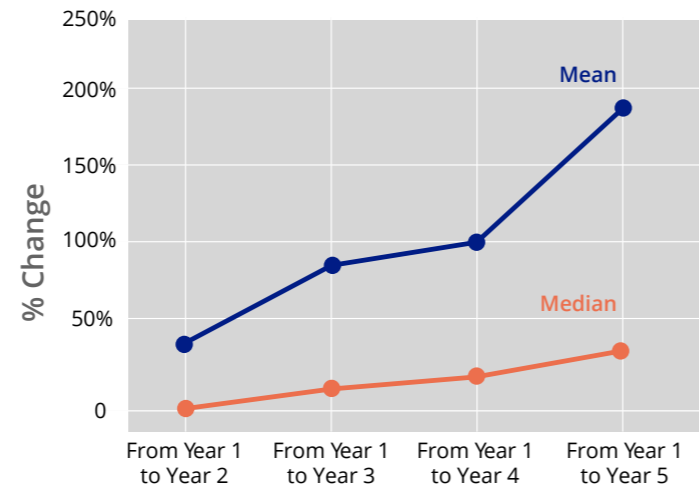


# Dashboard Reach

Expanding our clients' reach is central to both our financial and mission objectives. In mission terms, increased reach means that more individuals have access to the quality, independent news they need to participate in the economic, political and social life in their countries. In financial terms, audience growth is critical to the long-term sustainability of the media companies we support. Larger audiences translate directly into higher advertising revenue and greater sales opportunities.

Those opposing free expression also understand the importance of reach and use a range of strategies to shrink the audiences of independent media outlets. Our clients have had their equipment seized, websites shuttered, and editorial integrity slandered by hostile governments. For more information on the challenges our clients face and our work to help them survive, see the Viability section of the Dashboard.

**Change in Client Reach from First Year with MDIF**



## Key Metrics:

- In 2015, **60.9 million** people received their news from an MDIF client, **23.1 million** online and **37.8 million** through traditional media
- After five years of working with MDIF, client reach increased by a median of **33%** (on average by 183%)
- From 2014 to 2015, clients increased their total reach by a median of **2.5%** (on average by 15%)
- Clients see a median of **7%** year-over-year growth in reach for the first five years of their involvement with MDIF (on average by 19%)

## How We Calculate Reach

To calculate reach, MDIF collects online and offline audience data from each of our clients on an annual basis. **Traditional reach** includes newspaper, television and radio audiences. For newspaper reach, we use the average edition circulation for each publication, including multipliers when applicable; these data are sourced from our clients' operational records. For television and radio, we use the client's average audience share as a proportion of the total population; these data are collected from local audience research firms when available and client estimates when third party data is not available.

**Digital reach** includes all client-operated websites producing news and information content. Digital reach is calculated using the average monthly unique visitor metrics from Google Analytics.

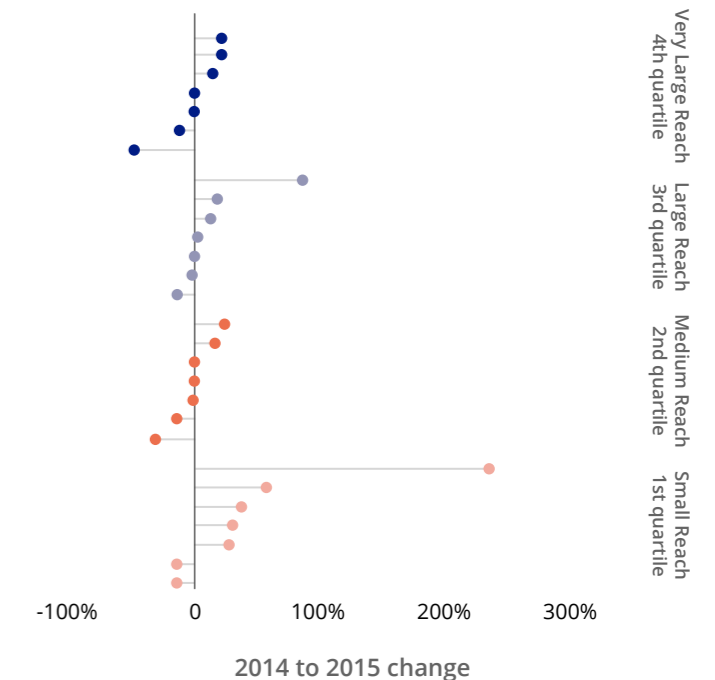
For more on the methodology we use to collect and analyze our impact data, see the **Impact Dashboard Methodology** section on our website.

We assess our impact on client reach by looking at changes in their audience size from year to year. Clients active in both 2014 and 2015 increased their reach 15% on average (median of 2.5%) between the two years. The gains were largely driven by increased reach online, where 64% of clients saw growth from 2014 to 2015. Traditional reach (via television, radio or print) lagged behind with only 18% of clients increasing their reach offline over the same period. These trends are not surprising given the accelerating shift toward online and mobile media consumption in emerging markets.

Since our founding in 1995, clients that have worked with us for least two years have seen a median growth in reach of 3% (30% on average) between their first and second years. Over their first five years, these companies have seen median reach growth of 33% (183% on average) with a median year-over-year growth rate of 7% (CAGR) over the same period.

Over our investment history, 69% of clients increased their reach from the beginning to the end of their relationship with MDIF and 38% doubled their audience or better. Median growth from a client's first year of involvement to their last is 28%, with a median year-over-year growth rate of 7% (CAGR) for the full investment term.

**Individual Client Change in Reach, 2014 - 2015 Grouped by Client Reach Size in 2014**





As the mechanisms for distributing news evolve, funding audience expansion projects will continue to be at the center of what we do. This means funding for new approaches such as app-based news providers or streaming satellite internet, regional expansion efforts for companies with a proven business model, as well as traditional distribution mechanisms in markets where they are still relevant.

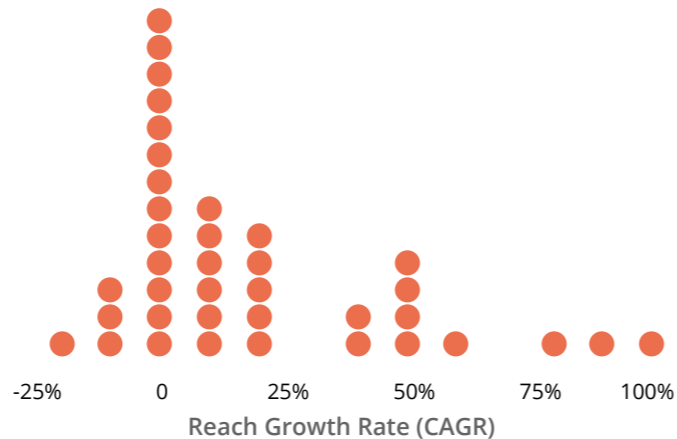
In 2015, more than 60.9 million people around the world got their news from an MDIF client, 23.1 million through digital media and 37.8 million through traditional media.

Total reach was down 10% from 2014. This decline is largely attributable to a pause in our investment cycle. In 2015, we focused our efforts on raising two new funds and did not make significant new investments. At the same time, clients continued to exit the portfolio at a normal rate, resulting in a lower total number of clients at the end of 2015 than in previous years. With the new funds due to launch in 2016, we expect total reach to grow significantly in coming years.

Despite this strategic pause, we still saw strong growth in our portfolio's total digital reach—up 11% from 2014 to 2015—as clients continued to make gains online.

In 2015, 74% of the individuals our clients reached lived in Partly Free countries and 21% lived in Not Free countries, as defined by Freedom House's Freedom of the Press report 2016. Without our clients, audiences in these environments have limited access to quality news and vital issues would

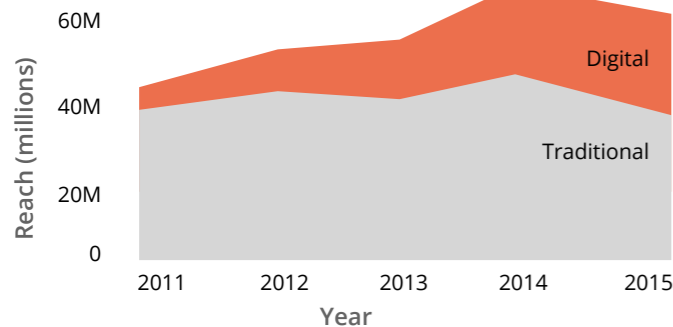
### Distribution of Client Reach Growth Rates (CAGR) over First Five Years with MDIF



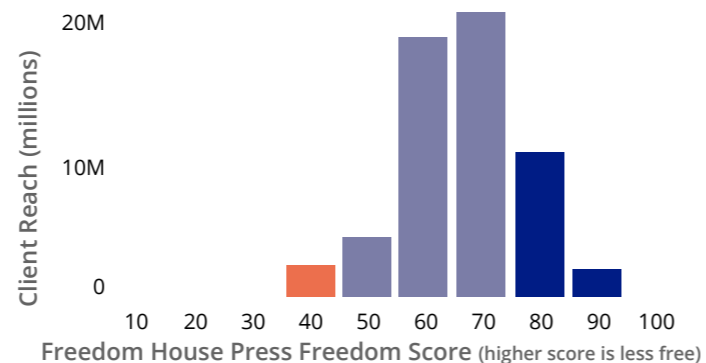
go unreported. As a result, citizens would not have the information they need to optimally run a business or participate in the political life of their country.

Additionally, 76% of our clients' audience lives in countries with a Corruption Perception Index Score at or below 50, indicating that corruption is widespread based on Transparency International's research. In these environments, our clients help citizens hold politicians and business leaders to account. For examples of client corruption and accountability reporting from 2015, see the Client Impacts on Society section of the Dashboard.

### Total Annual Client Reach by Type 2011 - 2015



### Distribution of Clients Reach by Freedom House Press Freedom Score

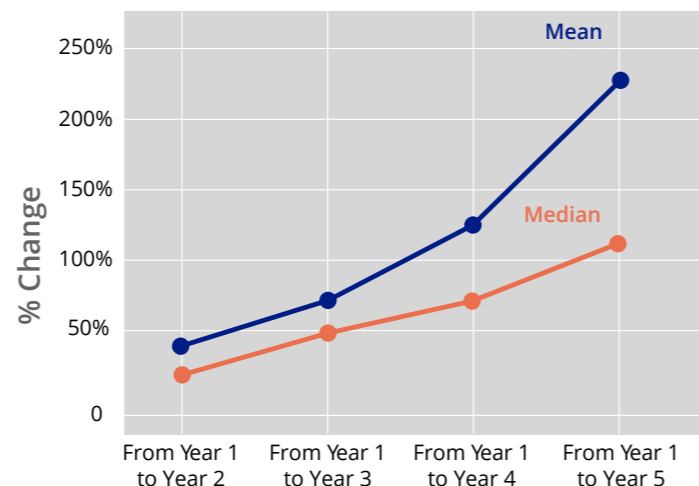


# Dashboard Sales

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, we have found that financial stability enables high-impact journalism. Stable media companies are able to resist economic pressure in the form of advertising boycotts or lawsuits and are better positioned to maintain the necessary separation between the news gathering and business sides of the organization. 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 effective watchdogs.

To assess the impact of our work on client financial performance, we track how their sales change over the term of our investment. For the purpose of the Impact Dashboard, sales refers to the company's combined income from circulation, advertising, printing services and other media-

Change in Client Sales from First Year with MDIF



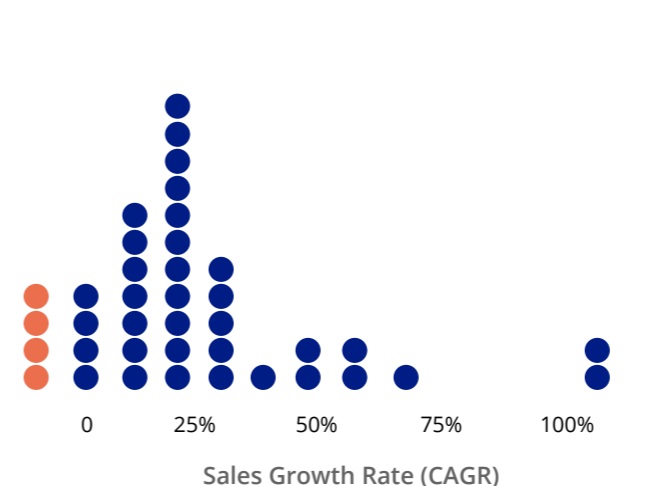
## Key Metrics:

- In 2015, MDIF clients generated **\$56.3 million** in sales
- After five years of working with MDIF, clients increased their sales by a median of **113%** (mean of 227%)
- Clients saw a median annual growth rate of 21% (CAGR) during their first five years working with MDIF
- At the end of 2015, each dollar invested by MDIF leveraged **\$1.46** in client sales

related activities. For more information on our approach to calculating sales, see the Impact Dashboard Methodology section on our website.

Over our investment history, clients involved with MDIF for at least two years see their sales increase by a median of 20% (mean of 40%) between their first and second years. For clients that work with MDIF for at least five years, sales increase by a median of 113% (mean of 227%) from years

Distribution of Client Reach Growth Rates (CAGR) over First Five Years with MDIF

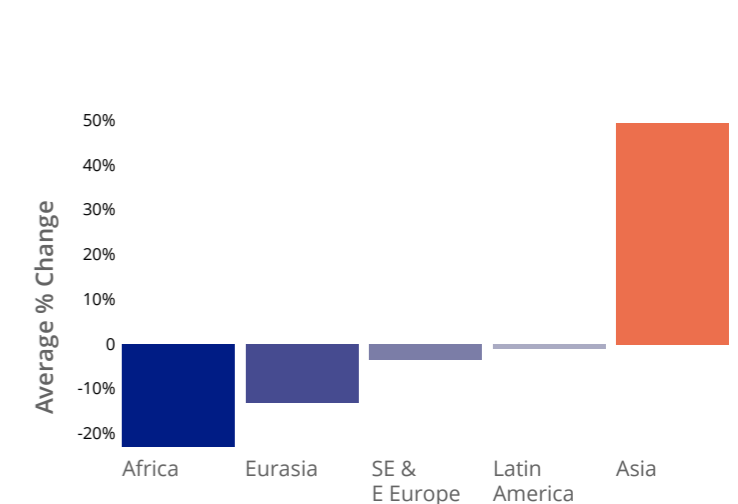


one to year five. Evaluating growth rate over the first five years of investment, clients increase their sales by a median of 21% year-over-year (CAGR).

We view our investment as a contributor to, not the sole cause of, our clients' strong performance over the years. Our affordable financing helps talented managers and editors to move their companies forward by purchasing new equipment or hiring staff to launch new products. Without this financing, clients would have to rely on local banks and investors, which are often unknowledgeable of the media industry, hostile to their mission, or unwilling to take on politically sensitive investments.

While longitudinal performance remains strong, many of our investees have seen declines in sales because of challenges to their advertising models, flagging growth in many emerging markets, and a stronger US dollar, which has hurt companies with sales denominated in their local currency. For clients active in both 2014 to 2015, sales decreased by a median of 11% between the two years.

Average Change in Client Sales by Region 2014 - 2015



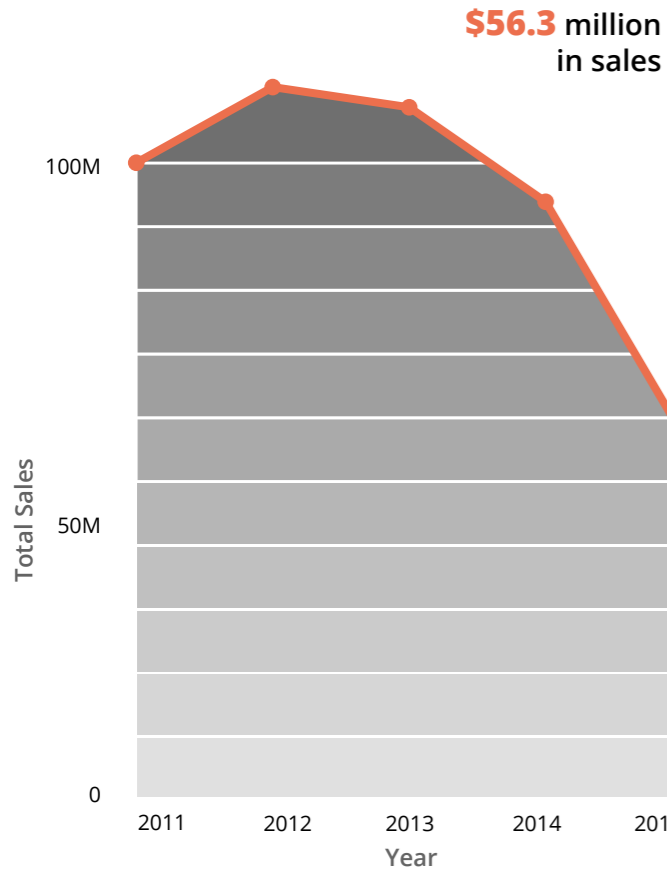
There are clear regional trends in sales performance. Clients in Africa saw the largest declines in sales from 2014 to 2015--on average 23%--followed by Eurasia with a 13% decrease. On the positive side, clients in Asia saw 48% growth in sales on average as many of our clients experienced success online or with non-traditional revenue streams such as paid research. For more information on the challenges our clients faced in 2015, see the Viability section of the Dashboard.

Total client sales dipped sharply from \$92.4 million in 2014 to \$56.3 million in 2015. This sharp decline was the result of two factors unique to 2015: first, we put new investment on hold for much of the year as we focused on raising two new funds, so several clients left the portfolio and were not replaced; and second, a number of high sales clients repaid their loans early in the year and as a result are not included in the Dashboard calculation. We expect the new funds to

launch in 2016 and believe that total sales will rebound in coming years at pace with new investing.

Sales leverage--the ratio of total client sales to the amount we have invested--also declined from 1:2.80 in 2014 to 1:1.46 in 2015. We also expect leverage to recover to historical levels as we make new investments in the coming years.

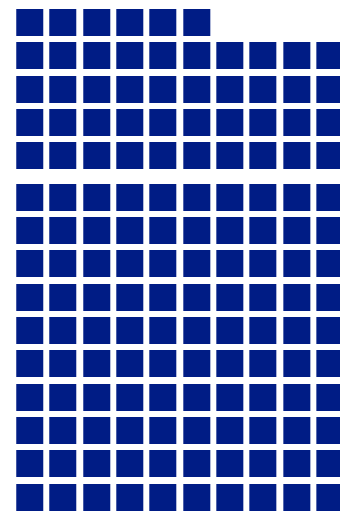
**Total Annual Client Sales 2011 - 2015**



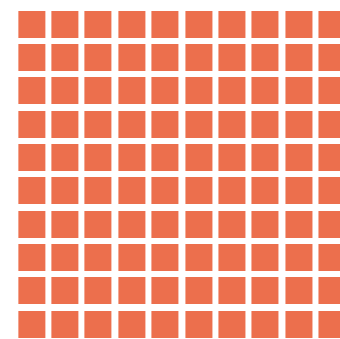
**MDIF Sales Leverage 2015**

Each **\$100** invested by MDIF leveraged **\$146** in clients sales in 2015

**Client Sales Leveraged**



**MDIF Investment**



# Dashboard Viability

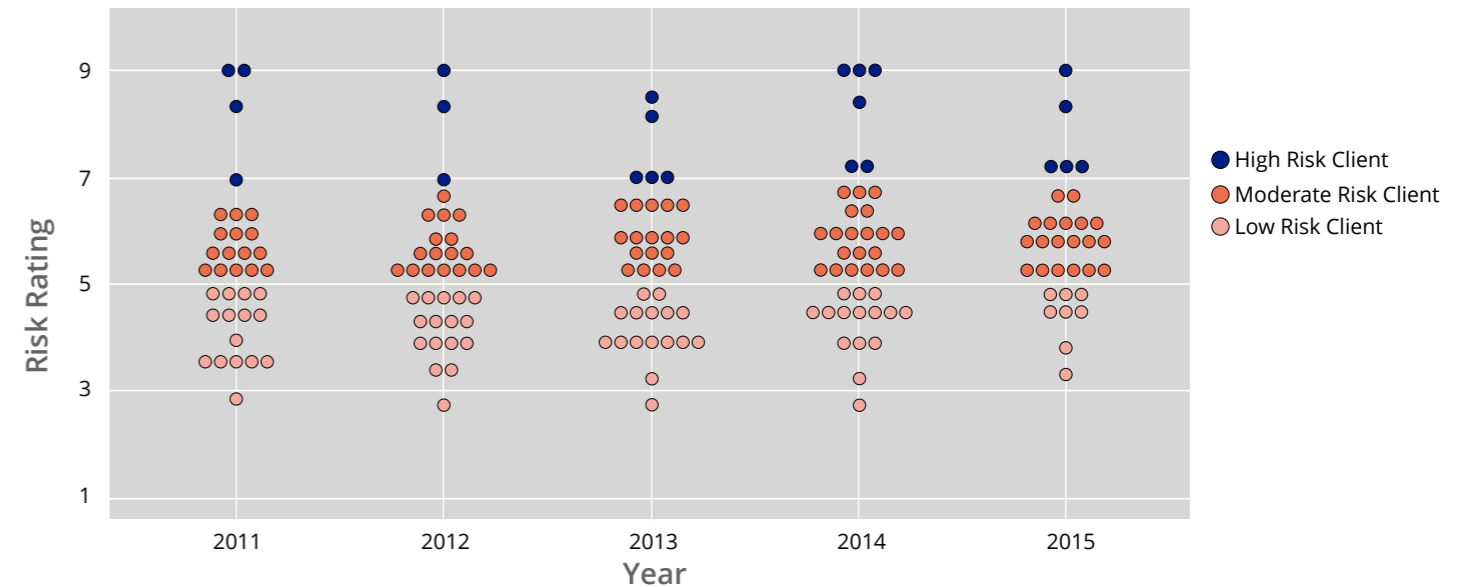
Over our investment history, we have seen that there is a strong relationship between editorial independence and financial viability. Companies that are well managed and profitable give journalists the space they need to report in the public interest. To assess viability, we closely monitor clients using an in-house risk rating tool designed to assess the strength and weakness of a given investment. This tool helps our management to assess risk across the portfolio and our analysts provide consulting tailored to each client's specific needs.

Risk ratings are updated regularly and the entire process is reviewed annually by an independent auditor to ensure the validity of the scores. For the purposes of the Impact Dashboard, we focus on seven indicators that are combined

## Components of MDIF Risk Metric:

1. Earnings/operating cash flow trends
2. Asset/liability value
3. Financial flexibility/debt capacity
4. Industry segment health
5. Position within industry
6. Management and controls
7. Financial Reporting

Distribution of MDIF Risk Rating Scores, 2011 - 2015



and weighted to form a scale from one (the lowest risk) to nine (the highest risk). On this scale, investments are assigned to one of 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 more details on the composition of the risk rating score, see the **Impact Dashboard Methodology** on our website.

In 2015, the median risk rating for our combined portfolio increased to 5.71 from 5.29 last year. While this increase does indicate added pressure on the companies in our portfolio, the result still falls firmly within the moderate risk range. The increase was largely the result of rising economic and political pressure on clients that were near the upper limit of the low risk category in 2014. In 2015, many of these companies saw their risk level rise and they crossed over into the moderate risk category.

The companies we invest in work in environments that pose numerous challenges for independent media businesses. From macroeconomic crises, to political pressure, to the

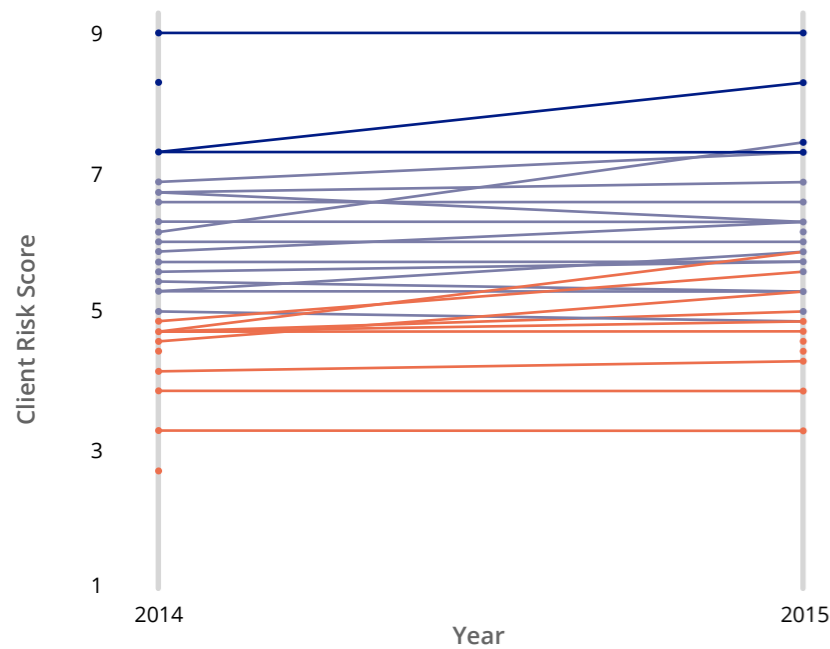
disruptions of longstanding business models, our clients need to be creative and resilient to survive. As an impact investor, we provide clients with the flexible support they need to overcome these challenges. In addition to our investments, which are made under generous terms, we provide legal advice and consulting on management, strategy and technical issues. Using our assistance, clients are able to continue providing timely, accurate and relevant information to citizens despite pressure.

Over the last five years, the proportion of high risk companies in our portfolio has edged up. Despite this shift, 83% of clients remained low or moderate risk at the end of 2015.

In early 2016, our board approved the write-offs of five investments totaling \$1.19 million; these investments are not included in the current risk calculations. Our historical default rate remained steady at a remarkably low 8%, though this is likely to tick up in the future given the increasing economic and political pressure on independent media in many emerging markets around the world.

## Key Metrics:

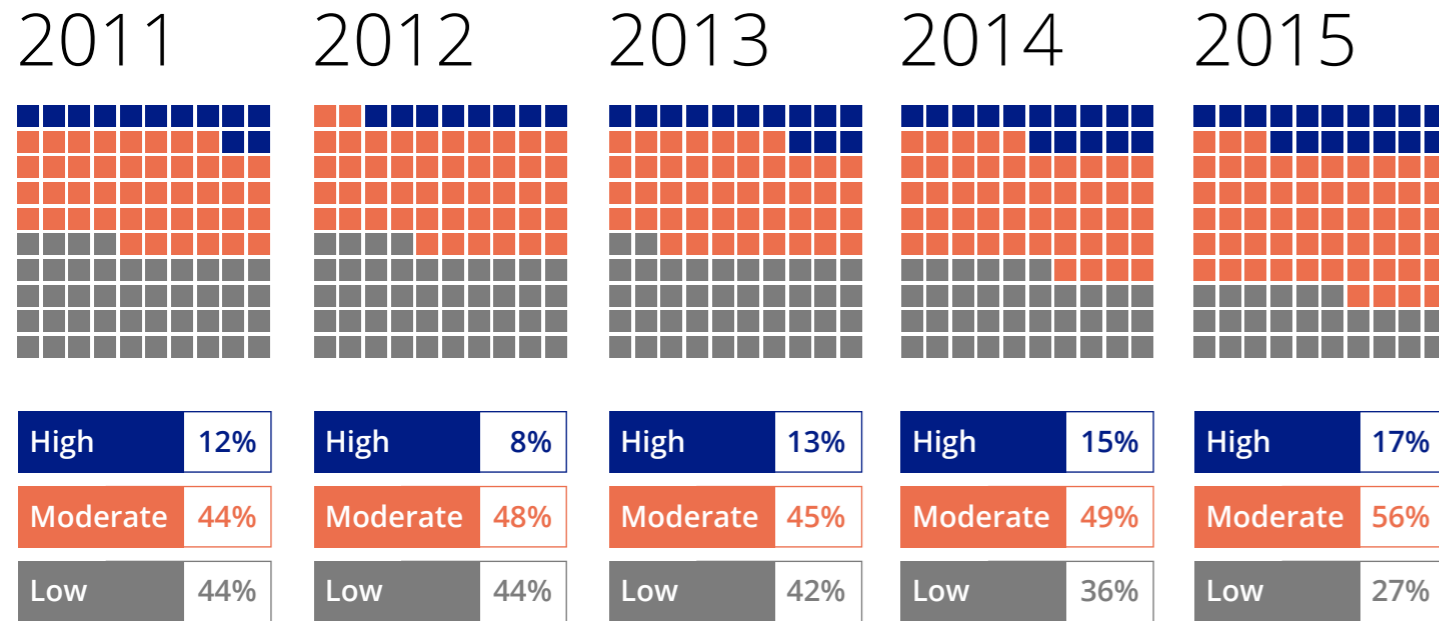
- Median risk rating across the portfolio was **5.71** in 2015, an **8%** increase from 2014. Despite the increase, the median is still firmly in the moderate risk range.
- Low risk clients made up **27%** of our portfolio in 2015, down from 37% in 2014.
- Across the portfolio, half of clients maintained or lowered their risk rating from 2014 to 2015.



Change in Risk Score by Client 2014 - 2015

Risk Level, 2014  
Low  
Moderate  
High

Risk Distribution by Year



# Clients' Viability in Context

To fulfill our mission of supporting independent media in countries with the greatest need, we often operate in markets that other investors would avoid. To work in these environments sustainably, we identify and invest in well-managed and innovative media businesses and help to provide them with the skills to maintain viability in the face of difficulty.

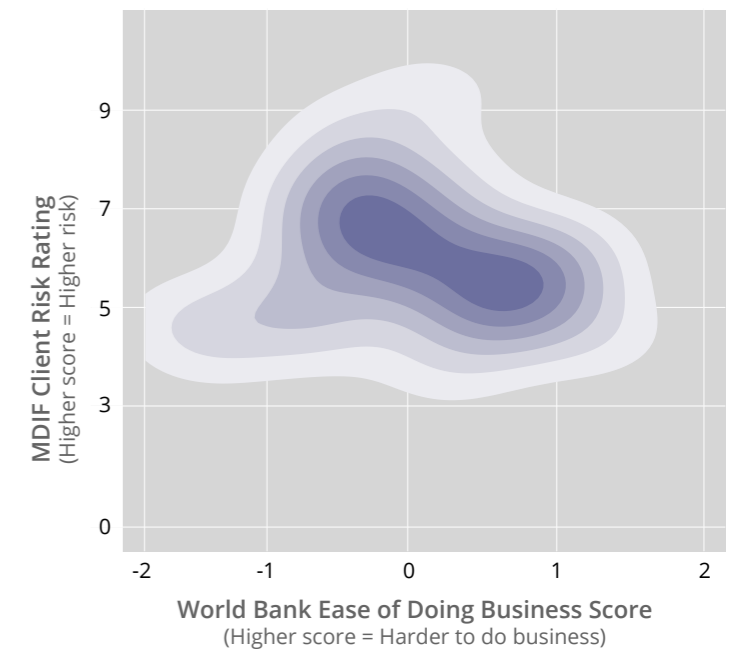
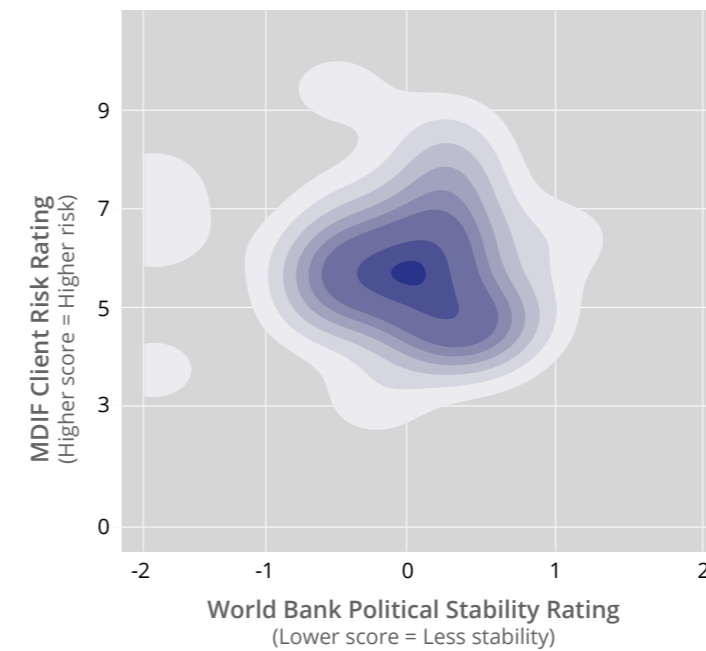
To quantify operational difficulty, we use the WDI ease of doing business index, which evaluates countries based on how business-friendly they are, with lower scores indicating a better environment for business operation. In 2015, the mean ease of doing business score for our portfolio was 83, indicating that the countries we invest in are challenging places for businesses to operate.

To evaluate stability and operational difficulty in the countries where we invest, we use data from the World Bank's World Development Indicators (WDI) database. For stability, we use the WDI political stability rating, which is a -2 to +2 scale with higher scores indicating greater political stability. In 2015, the mean political stability rating for our investment portfolio was -0.38, indicating that on average our clients operate in countries with moderate political instability.

Mapping client risk ratings against the WDI metrics in the density charts below provides a clear depiction of our thesis in action: we invest in low and moderate risk companies operating in countries that are often unstable and unfriendly to independent businesses.

Density of MDIF Client by Risk Rating and Political Stability

■ High density of clients  
■ Low density of clients

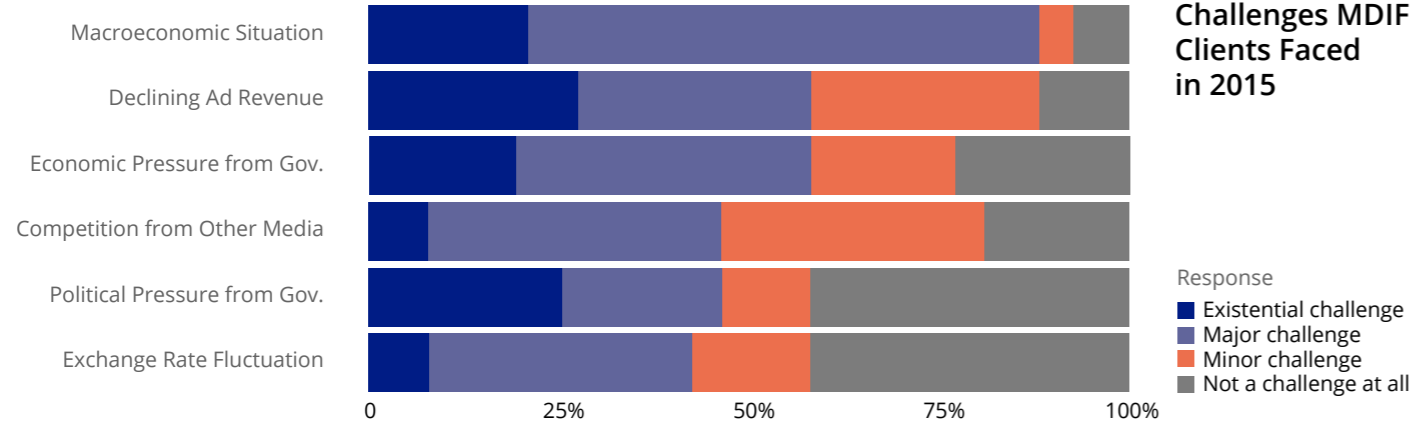


# Results of Client Survey on Challenges to Viability

In 2015, we surveyed our clients to get their perspective on political and economic threats to their viability. In total, nearly 70% of our clients chose to participate.

Clients reported that economic issues posed the greatest threats to their viability in 2015, consistent with last year's results. Topping the list of concerns was the macroeconomic

situation in the client's country, which 88% of clients reported was "a major challenge" or "a challenge that threatened the existence of [their] company". Next was declines in advertising revenue, which 58% cited as a major or existential threat, followed by economic pressure from government, also at 58%. For more details, see the chart below.



## Client Challenges in Their Own Words

*"Because of our reporting, militias threatened major local businesses that advertise with us. Many give in to the pressure and stopped placing ads with us."*

- Client in Africa

*"The strength of the dollar against our local currency has been an economic issue for us. We owe debt in dollars, but our revenue is in our local currency. This imbalance is a huge burden for our company."*

- Client in Southeastern Europe

*"Because of a trade dispute with a neighboring country, our country faced serious fuel shortages in 2015. As a result, the entire economy suffered and companies cut their advertising budgets."*

- Client in Asia

*"Last year, the government threatened to enact a new communications law that would put draconian restrictions on what we can published online and via social media. Because we're an online-only publication, this law is a threat to our existence and made it hard for us to raise additional funding."*

- Client in Africa



# Client Impact on Society

## Corruption and Accountability

We invest in independent media businesses because of their positive impact on society. The most direct path to impact for many journalists is through exposing corruption and holding the powerful accountable for policy promises. Over our two decades worth of experience, we have seen countless instances where journalists have changed the course of their country's history by uncovering a scandal or pushing politicians to live up to their responsibilities. To report these stories, the media outlets we support have endured violence, prosecution, and relentless economic pressure simply for reporting in the public interest.

Beyond our first-hand experience, empirical research has widely affirmed the value of corruption and accountability reporting for developing democracies around the world. Summarizing the research, 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." For more research on independent media's impact on development, see the literature review on our website, which we update as new studies are published.

To better understand the impact of our clients corruption and accountability reporting, we conduct an annual survey asking clients two questions:

1. In 2015, did your organization expose a corruption scandal in your country?
2. In 2015, did your organization report on whether promises made by government officials were kept?

### Key Metrics:

- In 2015, **78%** of our clients reported on corruption scandals in their country
- In 2015, **89%** of our clients held their governments accountable for policy promises

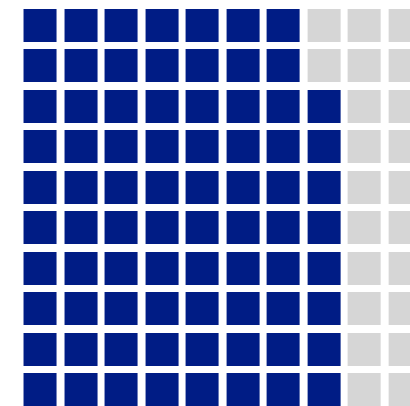
<sup>4</sup> Stiglitz Joseph (2002), "Transparency in Government," in R. Islam ed. The Right to Tell: The Role of Mass Media in Economic Development. Washington D.C.: The World Bank: 27 - 44.

For clients that reported on corruption or government accountability over the course of the year, we ask them to describe their reporting and its impact in detail so that we can review their response. For clients that are unable to complete the survey, we evaluate a sample of their content from the previous year to identifying instances of corruption and accountability reporting.

Based on these results, **78%** of the media companies we support exposed corruption scandals in 2015. Despite worsening conditions for independent media around the world, our clients exposed corruption at the highest levels of government, revealed unchecked environmental degradation, and uncovered corrupt relationships between pharmaceutical companies and pharmacies that threatened the lives of patients. As depicted below, the vast majority of this work takes place in countries where corruption poses a threat to governance according to Transparency International. In many cases, our clients' efforts to hold the power to account serve as a final bulwark against impunity.

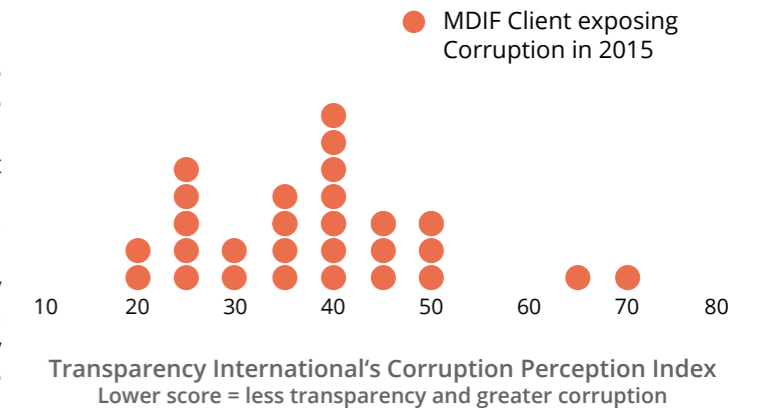
The results also revealed that **89%** of clients held their governments accountable for policy promises in 2015. Our clients' work put pressure on politicians and bureaucrats to account for broken public healthcare systems, fulfill electoral promises, and complete delayed infrastructure projects.

### Percentage of Clients Exposing Corruption in 2015

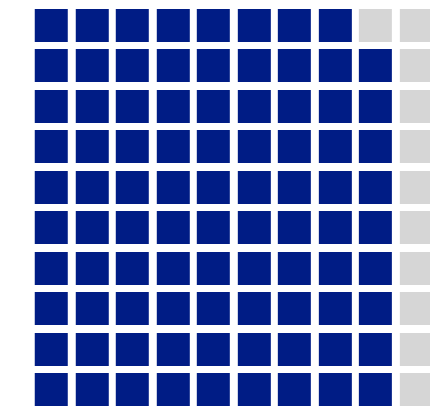


**78%** of MDIF clients exposed corruption scandals in their country in 2015

### Distribution of Clients Exposing Corruption Scandals by Corruption Perception Index Score



### Percentage of Clients Holding Leaders Accountable in 2015



**89%** of MDIF clients held governments accountable for their policy promises in 2015

# Sample of Client Corruption Reporting



## GUATEMALA

28 | Transparency International  
Corruption Perception Index

### PARTLY FREE

Freedom House Press Freedom Rating

In **Guatemala**, el Periodico exposed suspicious luxury purchases by the country's president and vice president leading investigators to uncover a multitude of corrupt business deals. The leaders were ultimately prosecuted and convicted, ending a uniquely venal chapter in the country's history.



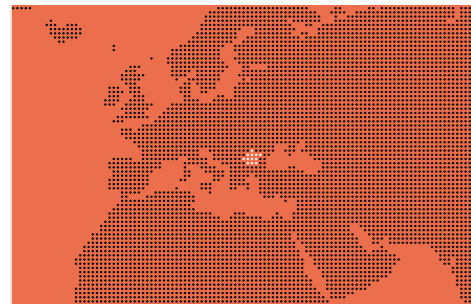
## MALAYSIA

50 | Transparency International  
Corruption Perception Index

### NOT FREE

Freedom House Press Freedom Rating

In **Malaysia**, Malaysiakini exposed a litany of social and environmental problems caused by the rapid expansion of bauxite mining in the town of Kuantan. The outlet's reporting forced the government to declare a moratorium on bauxite mining and crack down on organized crime groups that had taken control of the sector.



## MACEDONIA

42 | Transparency International  
Corruption Perception Index

### NOT FREE

Freedom House Press Freedom Rating

In **Macedonia**, Kanal 77 revealed that a hydroelectric company that had received a special dispensation to build in an environmentally sensitive area was founded by a close associate of the country's ruling party.



## CHILE

70 | Transparency International  
Corruption Perception Index

### FREE

Freedom House Press Freedom Rating

In **Chile**, El Mostrador revealed close ties between political leaders and a major mining company. Politicians across the political spectrum were invited to bill the company for work they did not do and many received fraudulent payments. Ultimately dozens of politicians were prosecuted and many others were forced to resign following El Mostrador's reporting.

# Sample of Client Accountability Reporting



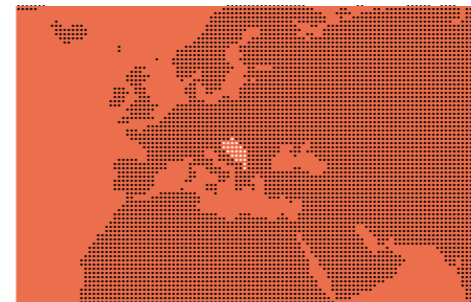
## INDIA

38 | Transparency International  
Corruption Perception Index

### PARTLY FREE

Freedom House Press Freedom Rating

In **India**, a Scroll.in reporter went undercover to investigate underfunded public hospitals where patients were verbally and physically abused by staff, pregnant women were forced to share beds, and the medical equipment was totally unsuitable. The report provided clear evidence that citizens were not receiving anywhere close to the level of care touted by government officials and that reform efforts had fallen far short of stated goals.



## SERBIA

40 | Transparency International  
Corruption Perception Index

### PARTLY FREE

Freedom House Press Freedom Rating

In **Serbia**, Radio 21 held local government officials to account for major delays in an important bridge construction project. Despite clear need and repeated promises by politicians, materials for the bridge sat unused. Radio 21's reporting spurred action, pushing officials to restart work on the project, which will be completed in 2016.



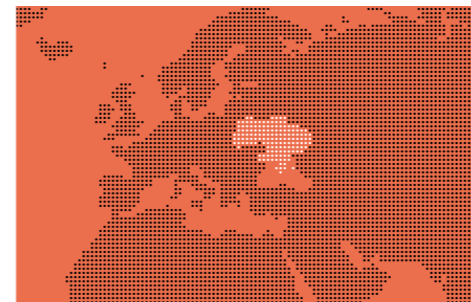
## SOMALIA

08 | Transparency International  
Corruption Perception Index

### NOT FREE

Freedom House Press Freedom Rating

In **Somalia**, Radio Daljir held the newly elected president of Puntland State to account for his campaign promises to reduce corruption, improve security, and pay the salaries of government employees on time. In response, local security forces arrested two of the station's journalists and government offices pulled advertising from the station. Despite the pressure, Radio Daljir continued to report on the president's unmet promises.



## UKRAINE

27 | Transparency International  
Corruption Perception Index

### PARTLY FREE

Freedom House Press Freedom Rating

In **Ukraine**, Molodoy Bukovinets brought attention to deplorable conditions in the state-run pediatric psychiatry system. Children suffering from mental illness were forced to live in squalid conditions and sleep on bare metal beds. Molodoy Bukovinets's reporting forced government officials to confront this issue and make a serious investment in improving conditions for institutionalized children.





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