mdif

**media
development
investment
fund**

Impact
Dashboard
2014

Content

Executive **Summary**

Client Reach

In 2013, **55.2** million people received their news from MDIF clients, **13.6** million through digital media and **41.6** million through traditional media. After five years of working with MDIF, reach increased by a median of **33%** across the portfolio (average of 136%).
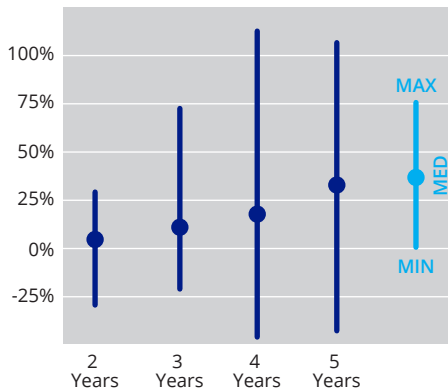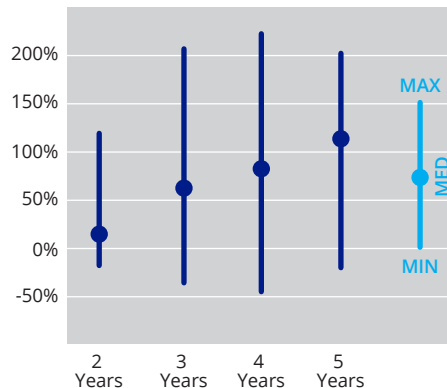
Client Sales

In 2013, MDIF clients generated a total of **$107.4** million in sales. After two years of working with MDIF, sales increased by a median of **21%** and after five years **115%** (average of 41% and 228% respectively). Each dollar invested by MDIF leveraged **$2.77** in client sales.

Client Impact on Society

In 2013, **87%** of clients reported on corruption scandals in their country
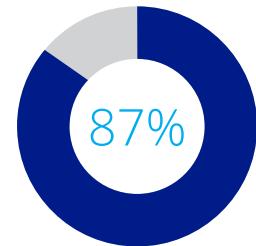
87%

Change in MDIF Client Reach

Change in MDIF Client Sales

In 2013, **89%** of clients held their governments accountable for policy promises

89%

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.**
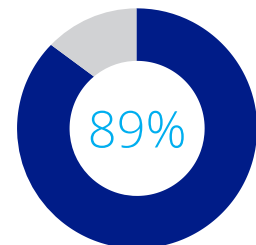
Why We Are Here

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 transitional 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. Digital News Ventures (DNV), a subsidiary of MDIF, invests in experimental digital products and businesses that contribute to the provision of information in the public interest. DNV actively seeks new clients around the world with innovative ideas for expanding the availability of independently produced information.

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 broad areas: first, MDIF's direct impact on clients; and, second, our clients' impacts on their societies.

How we Assess Impact
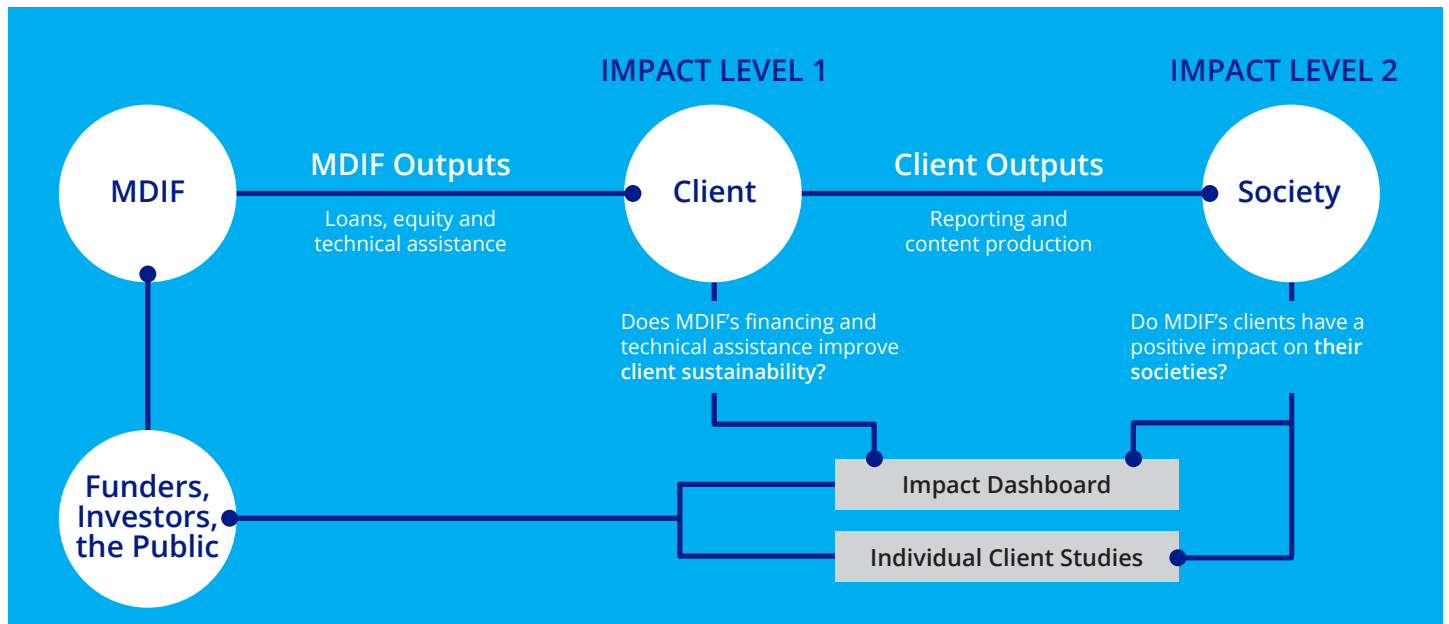
Impact Level 1: Impact on Client Sustainability

MDIF's immediate objective is to support independent media businesses with the financing and technical assistance they need to grow and maintain editorial independence. 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 MDIF invests in are remarkably diverse in terms of journalistic output and revenue strategies, 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 our strategy in response to sweeping changes in the media sector. These efforts aside, there are two important limitations inherent in the Dashboard that readers should bear in mind.

First, the methodology is intended specifically for established media outlets that produce news and information content and are focused on generating revenues to support it. In recent years, MDIF has expanded its portfolio to include a wider range of news-related digital startups through our Digital News Ventures fund. Some of these clients are seed-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 investees 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 remains a significant challenge for many companies in our portfolio. MDIF has worked closely with clients to improve their data collection procedures. These improvements include standardizing the tools clients use to collect online analytics and improving their overall awareness and use of audience research data. While many clients have made vast improvements some issues remain. Notably, because a majority 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, visit our website.

Approach to Outliers

In 2014, we have replaced mean changes with median changes as our principal indicator of growth, as they ignore outliers and we believe present a more accurate picture of 'average' client development. This year we have included both measures to allow comparisons with previous Dashboards. In future editions, however, we intend to use median as the exclusive measure of central tendency.

Impact Area	Key Impact Question	Data Source
Reach	On average, do clients expand their reach while working with MDIF?	3rd party audience measurement and Google Analytics
Sales	On average, do clients increase their sales while working with MDIF?	Company financial statements
Viability	Do clients improve or maintain financial viability while working with MDIF?	Audited MDIF risk ratings

Impact Level 2: Client Impact on Society

MDIF invests 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.[1] Independent media hold the public and private sectors accountable; provide the news and information necessary for political and economic life;[2] and engage citizens in the processes of discussion, debate and advocacy that are at the heart of democratic governance.[3] Consequently, understanding the impact our clients have on their societies is critical to understanding how successful we are in meeting our overall objective.

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. Measuring this impact systematically across our portfolio, however, is challenging because of the diversity of clients and countries and the cost implications of carrying out multiple individual assessments. In place of portfolio-wide assessment, we have therefore conducted deep-dive studies on individual clients to understand the role they play in their societies, for example on clients elPeriodico in Guatemala and Malaysiakini.com in Malaysia.

In 2014, for the first time we are including portfolio-wide societal impact metrics in our Impact Dashboard. This year we focus on our clients' efforts to hold leaders accountable for their actions through reporting on corruption and tracking policy promises. Going forward, we plan to expand our work to assess client impacts on their society. For more, see the Client Impacts on Society section on page 20.

Impact Area	Key Impact Question	Data Source
Corruption	Over the last year, have clients reported corruption scandals in their country?	Client survey and publishing records
Accountability	Over the last year, have clients reported on whether government officials have fulfilled their promises?	Client survey and publishing records

[1] Roy, Sanjukta (2011). "Media Development and Political Stability: An Analysis of Sub-Saharan Africa." Media Map Project, Internews and The World Bank Institute.
[2] 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.
[3] 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 the Resources section of our website.

Current
Portfolio

Clients in MDIF's portfolio span the range of media companies from small regional outlets to large national media companies. Regardless of size, MDIF's clients are leading media outlets in their communities, providing the independent news, information and debate that people need to build free, thriving societies.

In 2013, we approved a total of $5.3 million in loans and equity investments in 16 new projects across 10 countries. This included $1.46 million in Digital News Ventures investments in five digital start-ups. In doing so we invested in six new clients, including our first investment in Paraguay.

Portfolio Summary 2013

	Cumulative	2009	2010	2011	2012	2013 (unaudited)
Portfolio size (with commitments)	n/a	40,480,040	42,802,819	43,341,156	47,060,161	47,934,160
Number of total clients	96	41	48	51	54	59
Number of new clients	n/a	3	4	5	9	6
Number of countries	31	15	19	21	25	25
New investments made	112,470,779	8,745,941	10,012,769	6,486,157	8,845,225	5,328,980
New projects funded	298	22	27	27	25	16
Principal recovered	59,316,835	4,918,388	6,668,999	4,624,470	4,558,066	3,933,308
Interest, dividends & capital gains collected	38,531,649	14,581,325	1,523,179	1,127,059	1,042,177	1,113,386

Portfolio Allocation by Media Type and Region
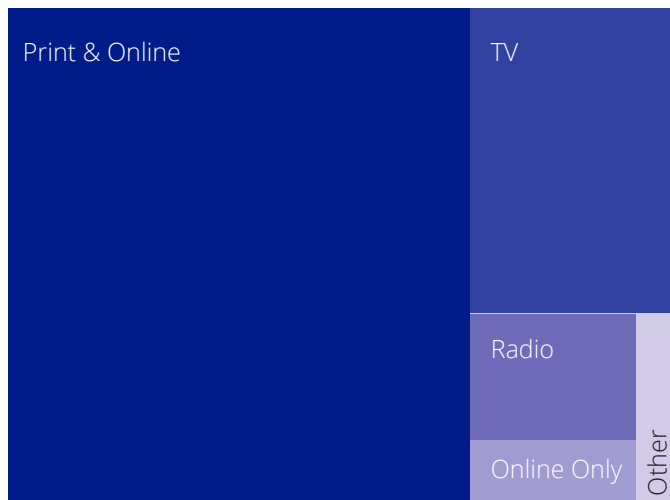

By **Media Type**
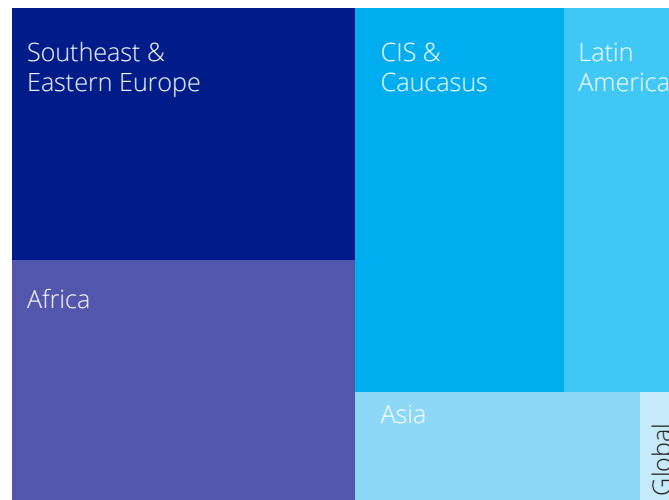
By **Region**

At the end of 2013, MDIF's portfolio including commitments reached $47.9 million. We invest in 25 countries, with the largest share of investments in Southeast and Eastern Europe and Africa, and in a wide range of media outlets, from regional radio stations to digital-first publishers, to large broadcasters. At the end of 2013, 67% of outstanding investments were in outlets that combined print and online publishing, followed by television and radio broadcasters at 18% and 6.6% of the portfolio respectively.

We focus our work on transitional countries where the need for investment in independent media and the opportunities for political development are both significant. At the end of 2013, 73% of MDIF's outstanding investments were in "partly free" countries, as measured by Freedom House's Press Freedom Score. This category includes countries like

Indonesia, South Africa and Peru, where there is both a tremendous need for independent news and information to support democratic development and strong potential for media providers to grow into successful businesses.

When opportunities exist, MDIF also invests in "not free" countries. At the end of 2013, investments in these particularly repressive environments represented 26% of our portfolio. While our clients in these countries face significant economic and political pressure, they also have unparalleled opportunities to impact positively on their societies. In many "not free" countries, our clients represent the primary source for independent news and information; they are a critical counterbalance to government-funded misinformation and politicized reporting by interested parties.

Portfolio Allocation by Amount Invested and Freedom House Press Freedom Score
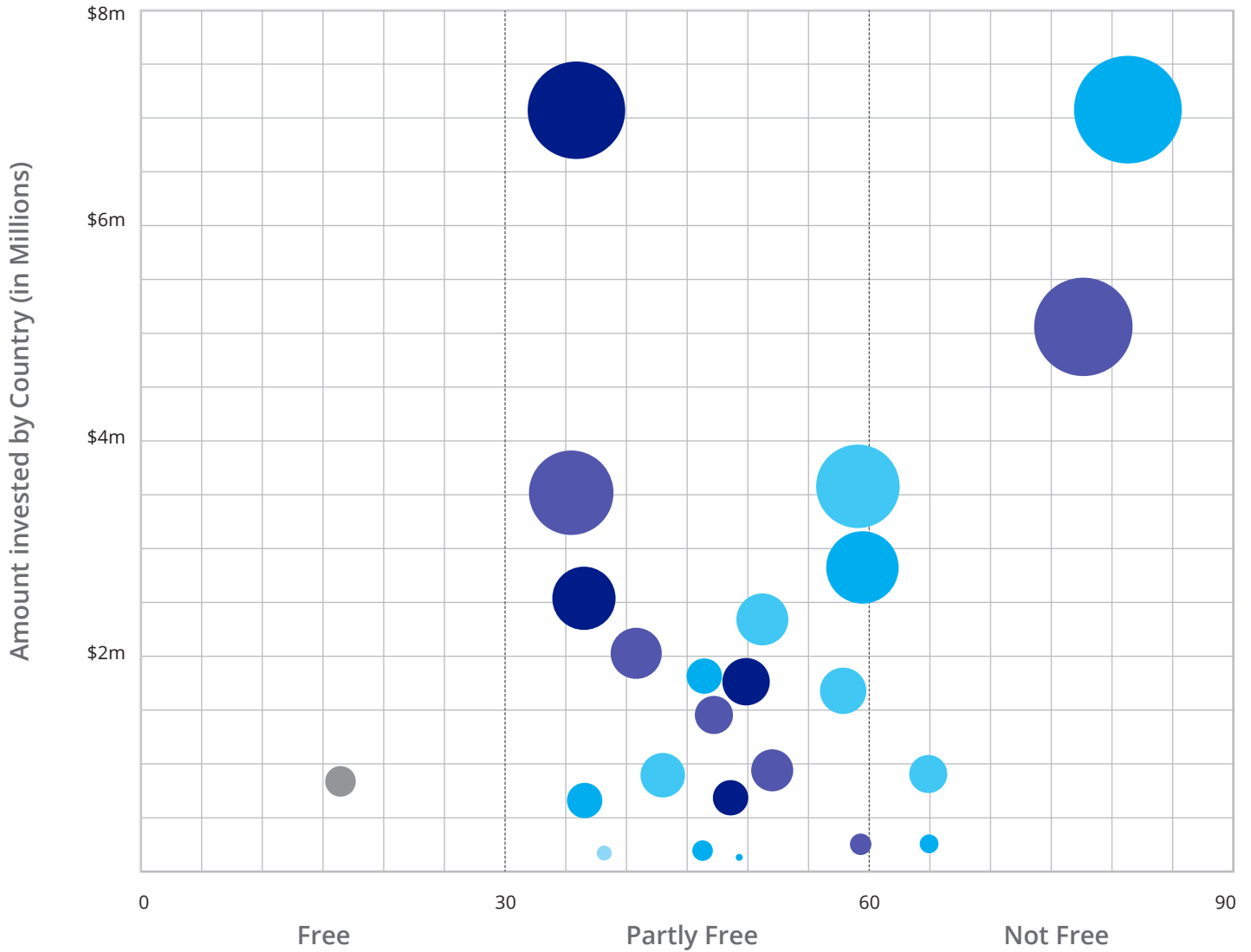

Each bubble represents a single country sized according to MDIF's invested amount. In some countries MDIF only invests in one client. As a result, country names are withheld to honor MDIF's confidentiality commitment to these clients.

Impact on Client
Sustainability

Reach

Expanding client reach is a central objective of MDIF's work. From a mission perspective, our goal is to increase access to the free and independent information citizens need to participate in the economic, political and social life of their countries. For our clients' reporting to have an impact on their societies, it must first be heard, seen or read by citizens. From a financial perspective, the larger a client's audience share, the greater the likelihood that it will become a sustainable, independent business in the long-run. In certain situations, clients may first consolidate publications or implement other cost-cutting measures that decrease audience in the short-term, but in the longer term are likely to refocus on audience growth once costs have been stabilized.

Change in MDIF Client Reach
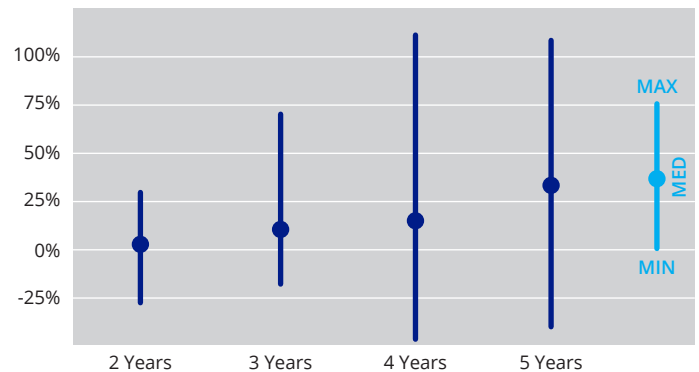
Key Metrics:

- In 2013, **55.2 million** people received their news from MDIF clients, 13.6 million through digital media and 41.6 million through traditional media
- After five years of working with MDIF, client reach increased by a median of **33%** (on average by 136%)
- From 2012 to 2013, clients increased their total reach by a median of **0.33%** (on average by 26%)

To evaluate our impact on client reach, we assess changes in individual client audience growth over time. From 2012 to 2013, the 27 clients that were active in both years increased their reach on average by 26% (median of 0.33%). Improvements in individual client reach were largely the results of expanded digital audiences while traditional audiences - newspaper, television and radio audiences - grew at a slower rate or shrank for many clients. Across the portfolio, 59% of clients improved their digital reach (online audience)[1], while only 38% improved their traditional reach from 2012 to 2013. The traditional clients that improved their reach were largely broadcast clients as the print sector continues to decline around the world. In line with this trend, virtually all of MDIF's new clients in recent years have been digital or broadcast.

The longer clients are involved with MDIF, the greater audience growth they experience. From years one to two,clients see a median increase of only 2% (on average 23%). After three years of working with MDIF, median reach increases by 12% and after five years by 33% (on average 82% and 136% respectively). Historically, 69% of clients see an increase in their reach while working with MDIF, with 38% doubling their audience or better. Across all clients, median reach increases by 22% from the beginning to the end of MDIF's involvement with the company (on average 400%).

MDIF supports client growth through financing and technical assistance. Clients often seek financing in order to purchase equipment that will directly allow them to expand their audience. For broadcasters, this means investments to expand transmission range or improve production quality. Historically for publishers it meant larger capacity and higher quality printing presses or expanding their distribution networks. And for all clients it could be financing to launch new digital products. Across the portfolio, MDIF's Knowledge Bridge program provides training and consultancy to support client development, including tailored advice to legacy media clients seeking to establish or expand their online audience. For more information on our technical assistance for clients, visit our website.

Individual Client Change in Reach, 2012 - 2013

From 2012 to 2013, the 27 clients that were active in both years increased their reach on average by a median of 0.33% (average of 26%).
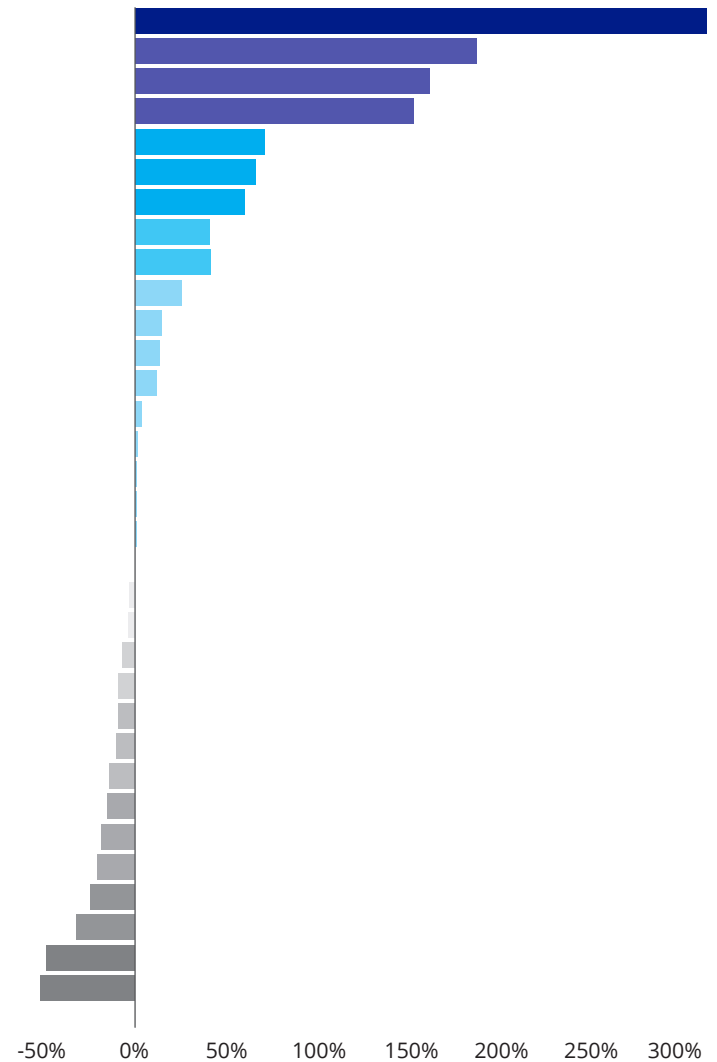
[1] For an additional 11% of clients, digital reach remained virtually unchanged while 30% experienced a decrease. However, the decline in digital reach experienced by most clients was generally small, suggesting routine monthly variance rather than indicating a long-term drop.

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 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.

Total Portfolio Reach 2000 - 2013
In 2011, MDIF formally separated digital and traditional reach calculations. Previously reach figures were combined at the client level.
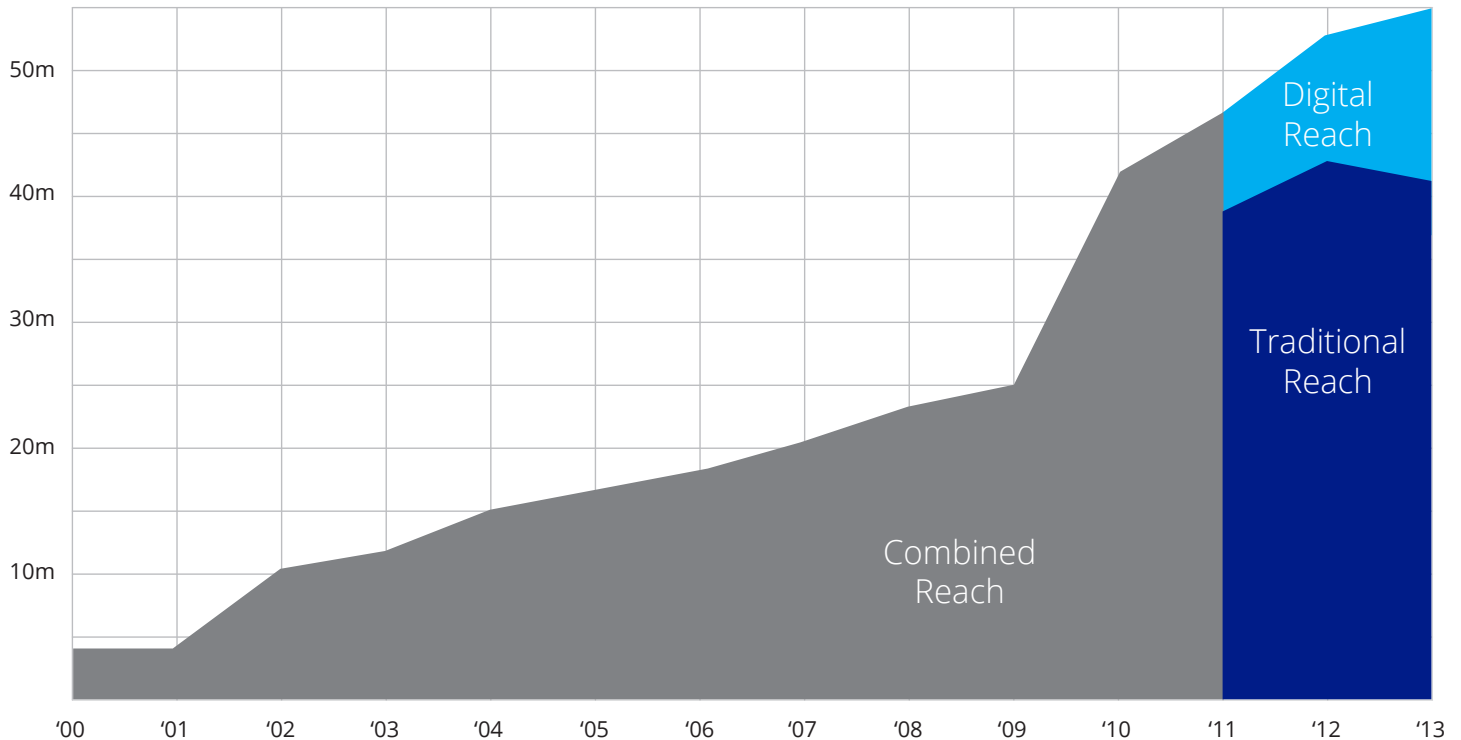
In 2013, over 55.2 million people around the world got their news from an MDIF client, a 4% increase from 2012.[1] This increase in aggregate portfolio reach was largely driven by growth in client digital reach. From 2012 to 2013, total digital reach increased 35% while total traditional reach decreased by 3%.

The audiences our clients reach live in environments where freedom of expression is restricted and public and private sector corruption is de rigueur. Evaluating client reach by Freedom House Press Freedom status, 83% of the total audience lives in "Partly Free" countries (countries with scores between 30 and 60 on Freedom House's index) while the remaining 17% lives in "Not Free" countries (above 60).
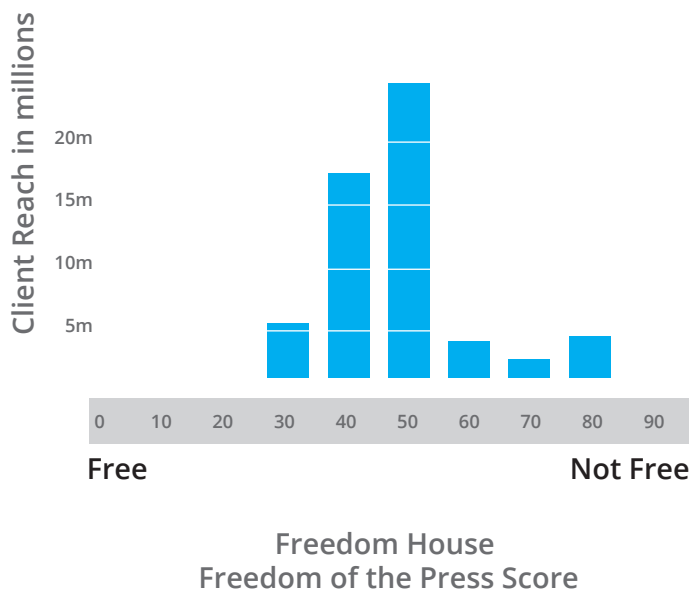
In these restrictive contexts, our clients meet the needs of citizens by providing a unique source of independent news that often runs counter to the line pushed by government and powerful interest groups.

In terms of corruption, our clients exclusively reach audiences living in countries with Corruption Perception Index scores at or below 50, indicating a serious problem with corruption according to Transparency International. In these environments, our clients endure threats and even physical attacks to expose graft and hold governments accountable. For more details on how our clients' work has had verifiable impacts on corruption and accountability see the Client Impacts on Society section on page 20.

Distribution of Client Reach
by Freedom House Press Freedom Score

Free   **Not Free**

Freedom House
Freedom of the Press Score

Distribution of Client Reach
by Corruption Perception Index Score

More Corruption   **Less Corruption**

Transparency International's
Corruption Perception Index

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[1] In 2013, one of our largest clients—a radio news agency—changed the methodology by which it measures the reach of the stations in its network. The previous methodology was replaced by a more accurate full-scale audience survey, which revealed that the 2012 results were greatly overestimated. As a result, we have revised the reach total from 2012 for this client and the portfolio as a whole accordingly.

Sales

MDIF invests in independent media outlets with the goal of improving their long-term financial sustainability so they are able to protect the editorial independence they have so carefully cultivated. When financially sustainable, media companies are better equipped to fend off external pressures on their editorial decisions from politicians, oligarchs and other special interests. Media outlets with weak sales, on the other hand, are susceptible to economic pressure in the form of advertising boycotts, dubious asset seizures and other forms of financial intimidation and interference.

To assess our impact on client sales, we evaluate the change in sales over the duration of their involvement with MDIF. For the 57 clients involved with MDIF for at least two years, sales increased a median of 21% between years one and two. And for the 37 clients involved with MDIF for at least five years, sales increased a median of 115% between years one and five (on average 228%). The average year-over-year growth rate for clients over the first five years of their involvement was 25%. Across the entire portfolio, clients saw an average 10% year-over-year growth in sales from their first year working with MDIF to their last.

In many instances, MDIF's clients seek an investment to improve their core infrastructure, which in turn increases their capacity to generate revenue. For a broadcast outlet this can mean purchasing more powerful transmitters or updating their production capabilities. For online outlets, MDIF's financing often allows clients to develop a new online product or expand with a new content vertical.

While the long-term trends in client sales remain strong, client sales fell slightly from 2012 to 2013. Across the portfolio, sales decreased by a median of 5% for clients that were active in both years (on average sales decreased 1%). Clients in Asia and the CIS and Caucasus experienced declines in

Change in MDIF Client Sales
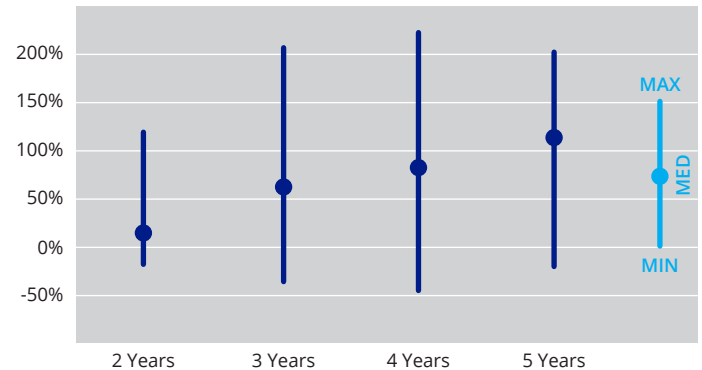
Key Metrics:

- In 2013, MDIF clients generated **$107.4 million** in sales
- After five years of working with MDIF client sales increased by a median of **115%** (on average 228%)
- Clients averaged **25%** year-over-year growth in sales for the first five years of their involvement with MDIF
- In 2013, each dollar invested by MDIF leveraged **$2.77** in client sales

sales—12% and 9% on average respectively—while clients in Latin America and Africa experienced significant growth in sales—44% and 6% on average respectively. In Southeast and Eastern Europe, client sales on average remained virtually unchanged.

MDIF's clients generated a total of $107.4 million in sales in 2013, a 3% decrease from 2012. The slight portfolio-wide decline in sales is largely attributable to lower sales for three of our largest clients in 2013 compared to 2012.

MDIF's sales leverage—the ratio of total client sales to MDIF's total portfolio investment—remains strong. Each dollar invested by MDIF leveraged $2.77 in sales across the portfolio in 2013.

Distribution of Client Sales Compound Annual Growth Rates (CAGR) after Five Years with MDIF

Average **25% CAGR**

-10% 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% >100%

Client Sales CAGR

MDIF Sales Leverage 2013

Each **$100** invested by MDIF leveraged **$277** in clients sales in 2013

MDIF Investment
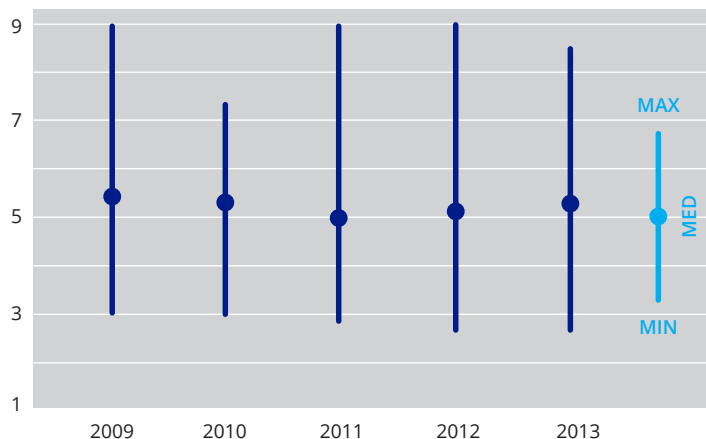
Client Sales Leveraged
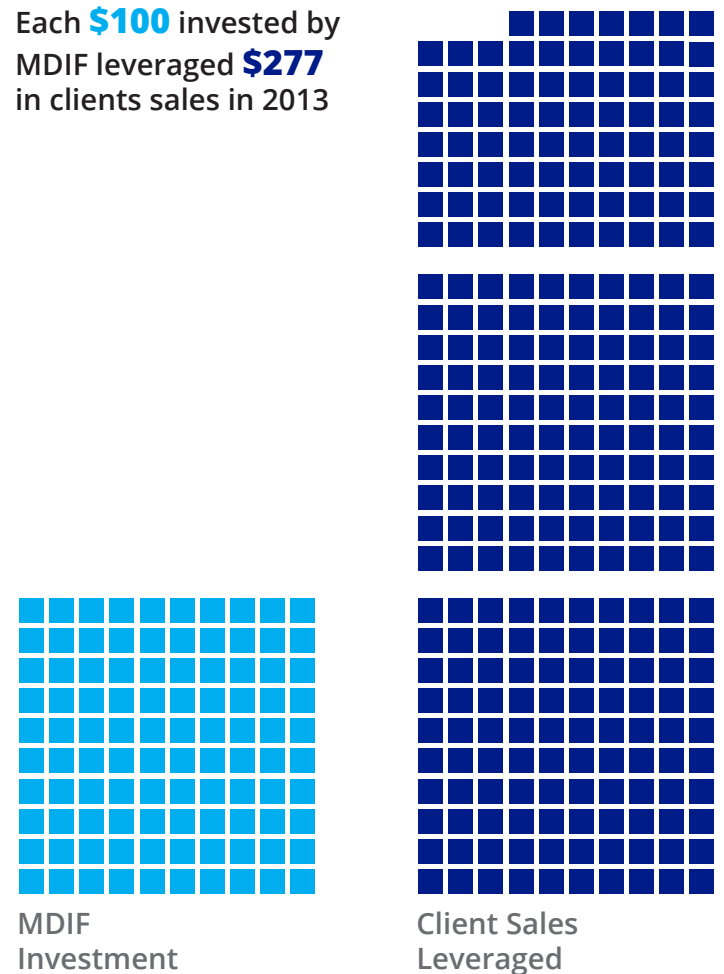
Viability

Central to MDIF's work is the idea that media outlets with quality management, efficient operations and strong financial foundations are able to maintain editorial independence and weather market volatility. To assess our clients' financial viability we maintain an official risk-rating metric validated yearly by independent auditors. For the purposes of our Impact Dashboard, the metric is composed of seven financial and operational indicators built using data from client business records. The indicators are weighted and combined to form a nine-point rating scale with nine equaling the highest possible risk and one the lowest.

Clients with a risk rating of seven or above are considered high risk, those between 6.99 and five are moderate risk, and 4.99 and below are low risk.

In 2013, the median risk rating across our portfolio was 5.22, a slight increase from 2012 when the median risk rating was 5.07, but still within the moderate risk range. Portfolio-wide median risk peaked at 5.46 in 2009 when the global economic downturn combined with the digital disruption of the media sector put a significant strain on our clients. Since 2009, the global economy has slowly recovered and

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, 2009-2013

Key Metrics:

- Median risk rating across the portfolio was **5.22**, indicating a moderate level of risk
- The percentage of low risk clients decreased slightly to **42%** from 44% in 2012
- On the whole, **47%** of clients maintained or improved their financial viability from 2012 to 2013
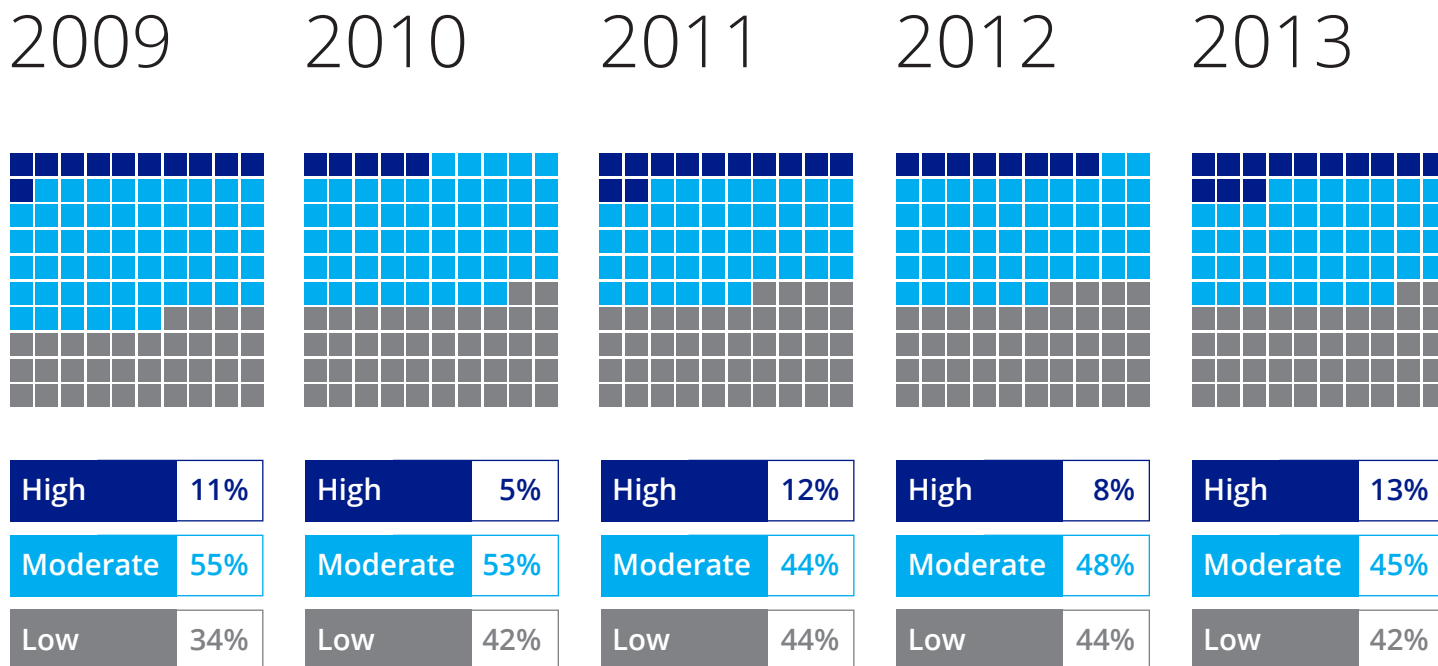
many of our clients have adapted to meet the challenges of digitalization. Through our Knowledge Bridge program we continue to provide our clients with the technical assistance they need to develop digital products, generate revenue online, and make informed decisions about their digital strategy. For more information about Knowledge Bridge visit **www.kbridge.org**.

Compared with previous years, the proportion of low-risk to high- or moderate-risk clients in our portfolio increased slightly. In 2013, 42% of clients were rated low-risk, while 45% and 13% were rated moderate- and high-risk respectively. Overall 47% of clients active in both 2013 and 2012 maintained or decreased their risk rating between the two years. Considering the difficult environments where our clients operate and the increasing financial and

political pressure on independent media around the world, their progress is a testament to their ability to adapt and innovate. In 2013, MDIF wrote off two investments, though the historical default rate for clients remained a remarkably low **4%**.

In line with our mission to support independent media in transitional environments, MDIF focuses investments on countries at significant risk of instability. However, we do so by seeking out strong, well-managed and dynamic media businesses. As depicted in the client risk and World Bank Political Stability chart on the next page, our current portfolio is in line with this thesis. The majority of our investments are in low- and moderate-risk media businesses operating in unstable environments as measured by the World Bank's Political Stability Rating.

Risk Level Distribution by Year

2009

High	11%
Moderate	55%
Low	34%

2010

High	5%
Moderate	53%
Low	42%

2011

High	12%
Moderate	44%
Low	44%

2012

High	8%
Moderate	48%
Low	44%

2013

High	13%
Moderate	45%
Low	42%

MDIF Client Risk by World Bank Political Stability Rating

World Bank Political Stability Rating

MDIF Client Risk

-1
Unstable
0
Stable
+1

1   Low   5   Moderate   7   High   9
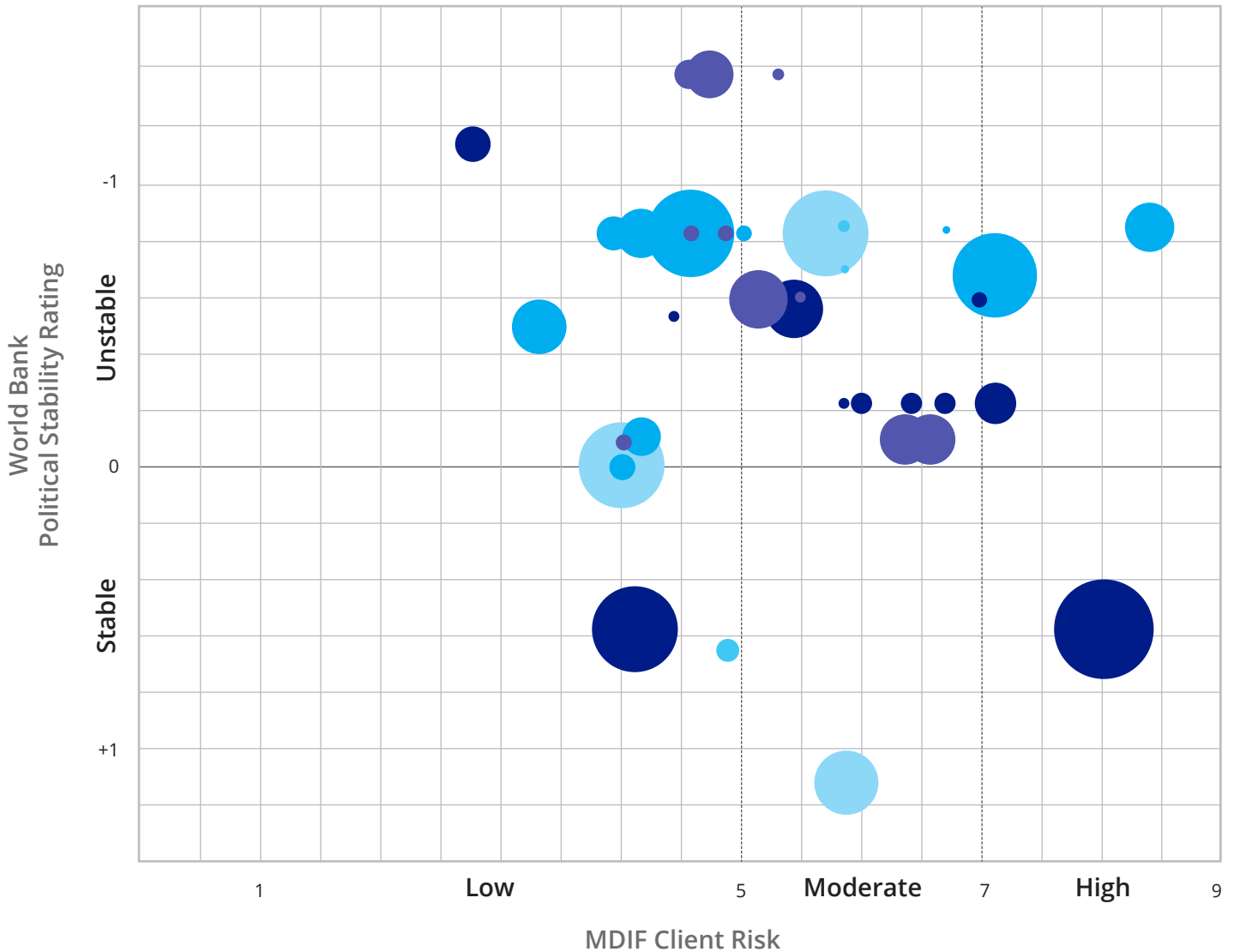
Legend:
SE & E Europe | Africa | CIS & Caucasus | Latin America | Asia

$4 m | $4 m | $2 m | $1 m

The World Bank's Political Stability Rating assess the likehood for political unrest on a scale from -2,5 = highly unstable to +2,5 = highly stable.

Client Impact
on Society

## Exposing Corruption and Holding Governments Accountable

Two of the most critical roles of independent media in society are to shine a light on corruption and to hold governments accountable for abuses of public trust. Empirical research has repeatedly affirmed the long-term value reporting on corruption and government accountability can yield - even in fragile states and transitional democracies, independent media has a robust impact on reducing corruption and encouraging accountability[1] - yet in many environments it can lead to intimidation and even violence against journalists and news outlets.

Historically we have evaluated our clients' impact on corruption and accountability through ad hoc, in-depth case studies and short impact profiles. This year, for the first time, we have added a portfolio-wide element to our annual impact assessment process. To evaluate our clients' impacts in these two areas, we conducted a survey, asking our clients if they had (1) exposed a corruption scandal or (2) reported on whether government officials had followed through on their promises over the preceding year. For those clients that had reported on either corruption or government accountability, we asked them to describe their reporting and its impact.
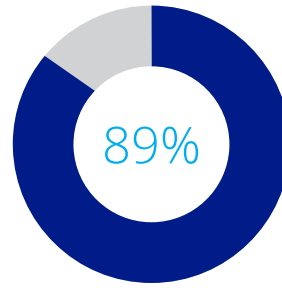
Key Metrics:

- In 2013, **87%** of our clients reported on corruption scandals in their country
- In 2013, **89%** of clients held their governments accountable for their policy promises

[1] For details see Freille, Sebastian, M. Emranul Haque, and Richard Kneller. "A contribution to the empirics of press freedom and corruption." European Journal of Political Economy 23.4 (2007): 838-862; Chowdhury, Shyamal K. Do democracy and press freedom reduce corruption?: evidence from a cross country study. No. 85. ZEF discussion papers on development policy, 2004; or Brunetti, Aymo, and Beatrice Weder. "A free press is bad news for corruption." Journal of Public Economics 87.7 (2003): 1801-1824.
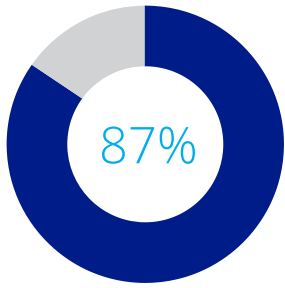
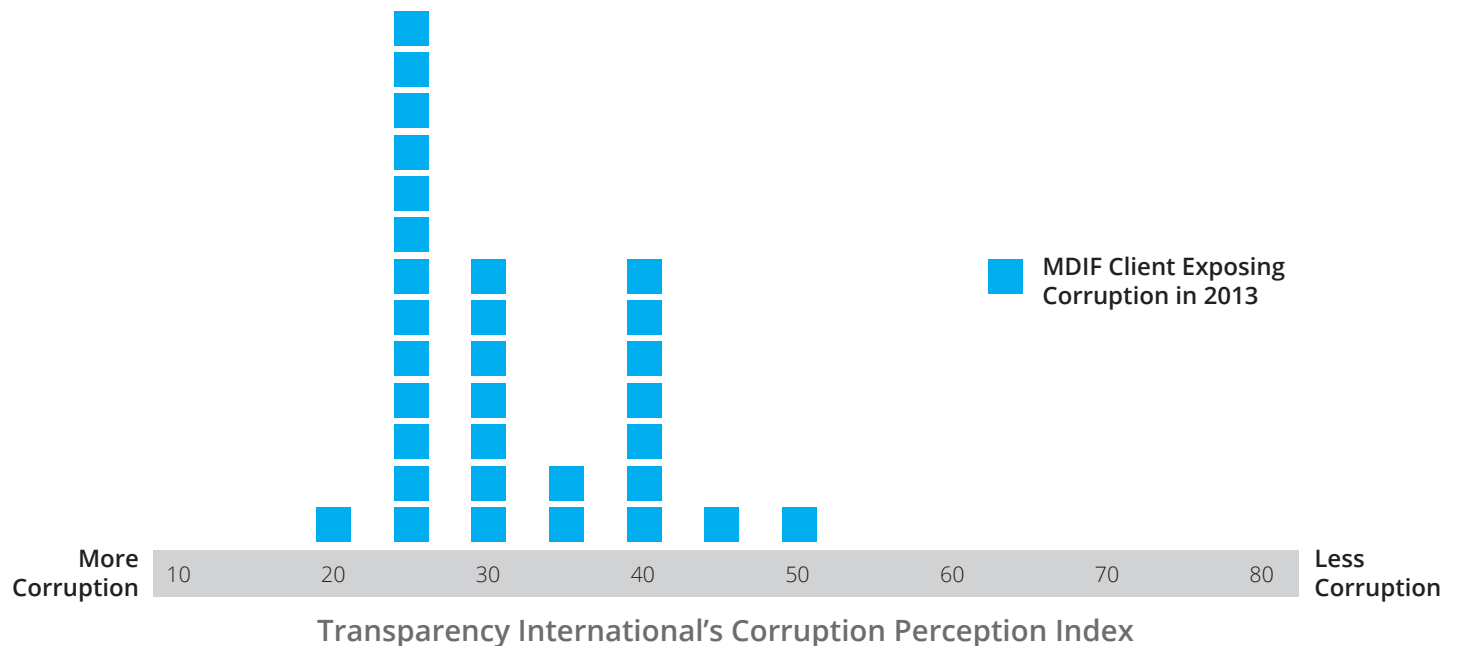**87%** of MDIF clients exposed corruption scandals in their country.

89% of clients held governments accountable for their policy promises.

According to this survey, 87% of our clients exposed corruption scandals in their country. Through trenchant reporting, the media businesses MDIF supports uncovered sweetheart deals given to connected developers, extortion schemes organized by police, rigged food-inspection regimes and many other corrupt practices. Their reporting led to legal action and in many case broader policy changes across government bureaucracies.

The survey also revealed that 89% clients held their governments accountable for policy promises in 2013. Our clients revealed uncompleted infrastructure projects, failures to implement planned reforms and inadequate responses to natural disasters. For specific examples of client impacts, see the map on the next page.

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

■ MDIF Client Exposing Corruption in 2013

More Corruption 10 20 30 40 50 60 70 80 **Less Corruption**

Transparency International's Corruption Perception Index

Mapping Client Impact on Society

This map presents a sample of instances where our clients had clear impacts on their societies over the last year

In Kosovo, RTV 21 organized a series of televised debates with government officials, civil society and budget experts to discuss the government's progress toward implementing its promised economic development plan.

In Russia, Krestyanin, a newspaper and website in Rostov, tracked the Ministry of Agriculture's implementation of new subsidies and farmers' support programs following the country's entry into the World Trade Organization.

In Indonesia, Kendari TV launched a project to track unmet campaign promises made by elected leaders, forcing officials to make the critical improvements to local infrastructure that they had promised to constituents.

In Bolivia, newspaper and website Los Tiempos exposed shady procurement deals by city sanitation officials in Cochabamba. Their reporting led to an audit of all sanitation department purchases and procurement reform.

In Zambia, Radio Breeze aired a series of investigative reports exposing a network of corrupt police taking bribes at traffic checkpoints. The reports led to an investigation and the arrests of multiple police officers.

In Nepal, radio client Ujyaalo 90 uncovered endemic corruption in the local government offices responsible for administering economic development funds, leading to a full investigation and the prosecution of corrupt officials.

The Future of Societal Impact Assessment

Our work helping news outlets to become financially sustainable – by expanding their reach, increasing their sales and maintaining their viability – is based on the assumption that our clients help to create the conditions necessary for social, political and economic development. This assumption is widely supported by development research and our own 19 years of experience. However, measuring this impact systematically across our portfolio is challenging because of the diversity of clients and countries, and the costs of carrying out multiple individual assessments. Yet a more comprehensive understanding of this level of societal impact would be informative for funders and investors, as well as help to guide our future work.

In 2013, we partnered with a team from Columbia University's School of International and Public Affairs (SIPA) to begin the process of expanding our impact assessment approach to explicitly measure the social impact of our clients' media work. The SIPA team developed and piloted an approach to social impact measurement with client elPeriodico newspaper in Guatemala. Based on the success of the SIPA team's work, we are moving forward refining the approach to make it even more closely aligned with our social impact objectives and more scalable across the portfolio.

The new approach we have formulated will allow us to collect data on three critical areas: first, do our clients hold those in power accountable? (Our work in this year's Dashboard is the first step toward answering this question.) Second, do clients provide accurate and relevant information to citizens? And third, do clients motivate democratic participation? While each of our clients is unique in terms of their size, location and approach to reporting, we believe that by and large their work has a positive impact in these three areas.

To collect the necessary data in a reliable and cost-effective manner, we are developing a tiered methodological approach. In countries where research resources are available and affordable, MDIF will leverage relationships with international broadcasters and local research companies to place questions about our clients on audience research surveys. In countries where such resources do not exist or are prohibitively expensive, we will use a more minimal but still representative focus group strategy. And in countries where the political environment prohibits open research, we will conduct key informant interviews with international and local experts. Under each condition, we will still be able to answer the core impact questions.

Preparations for implementing this framework widely are underway and we expect to have data to report in next year's Impact Dashboard. We welcome comments.

Impact Area	Outcomes
1. Clients hold those in power **accountable**	**1.1** Client exposes corruption **1.2** Client holds government to policy commitments
2. Clients provide **accurate and relevant information**	**2.1** Client informs citizens about important events that affect their lives
3. Clients motivate **democratic participation**	**3.1** Client fosters debate and discussion among citizens **3.2** Client motivates citizens to participate in public life

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