



STRATEGIC AND BUSINESS PLAN

MTEF 2010 – 13

EXECUTIVE SUMMARY

1. The Strategic and Business Plan 2010 - 13 (MTEF 2010 – 13) has been tabled in National Assembly by the Minister in the Presidency on the 03rd March 2010.
2. The document reflects the strategic path the Media Development and Diversity Agency (MDDA) is taking for the period starting April 2010 and ending in March 2013, in accordance with Treasury Regulations (as amended), Notice 29644 of 20 February 2007, MTEF Treasury Guidelines June 2007 and Framework for Managing Programme Performance Information May 2007, issued in terms of the Public Finance Management Act, 1999.
3. It outlines the overall strategic approach that the MDDA is proposing for the period 2010-2013, the legislative and environmental context within which the MDDA is placed, the key program focus areas and the organisational and resource implications of the proposed strategic approach.
4. The MDDA (the Agency) is a statutory development agency for promoting and ensuring media development and diversity, set up as a partnership between the South African Government and major print and broadcasting companies to assist in (amongst others) developing community and small commercial media in South Africa. It was established in 2003, in terms of the MDDA Act, No 14 of 2002 and started providing grant funding to projects on the 29th January 2004.

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5. The Agency operates within a broad legislative framework including the MDDA Act itself, the Constitution Act, the Public Finance Management Act, the Electronic Communications Act, the ICASA Act, the Promotion of Administrative Justice Act, the Promotion of Access to Information Act, the Skills Development Act, the Broad-based Black Economic Empowerment Act, the Labour Relations Act, the Basic Conditions of Employment Act, amongst others.
6. The vision of the MDDA is that *“Each and every South African Citizen should have access to a choice of a diverse range of media”*
7. The MDDA *“is a development agency that will assist in building an environment where a diverse, vibrant and creative media flourishes and reflects the needs of all South Africans.”*
8. The MDDA does this by (amongst others);
 - The provision of grants and subsidies to media projects and the promotion of media development and diversity
 - Leveraging resources and support through technical assistance
 - Conducting and funding research
 - Facilitating capacity building
 - Advocating for media diversity.
9. The MDDA works primarily with historically disadvantaged persons and communities; *priority will continue to be to increase our focus on* rural and poor communities as well as historically diminished language and cultural groups and inadequately served communities. Accordingly we will continue to increase work done in provinces outside of Gauteng and the Western Cape.

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10. The Agency will continue to focus on **ensuring that all citizens can access information in a language of their choice and contributing to the transformation of media access, ownership and control patterns in South Africa.**
11. Since its formation, the MDDA has achieved some major milestones including (as at February 2010) the awarding of grants to the amount of R102m to over 278 projects, over 600 people trained, the provision of more than 100 bursaries to different radio and print media and the receipt of unqualified audits since its establishment.
12. The major challenges that are faced by the MDDA include; the limited funding it has against the demands for assistance out there, declining funding for print media, the regulatory framework that governs the MDDA in terms of the regulations requiring Tax certificates and audited financials from groups that are in their formative stages, the generally disempowering environment in print media, the lack of skills amongst the socio-economic groups that are targeted by the MDDA, the limited broadcast frequency spectrum and the limited exposure of the small commercial and community media to advertising revenues and marketing skills.
13. The purpose of the MDDA programs in this period is to **“strengthen the sector though the provision of resources, knowledge and skills in pursuit of promoting media development and diversity”**
14. In this context, the Agency will in the ensuing period, focus its work on:
 - ✚ advocacy for media development and diversity,
 - ✚ Partnerships and stakeholder management,

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- ✚ grants and seed funding support for community and small commercial media,
- ✚ capacity building interventions for beneficiary organisations and communities, including mentorship, monitoring and evaluation. *In this regard focus will be on strengthening and consolidating beneficiary projects towards sustainability,*
- ✚ research and knowledge management,
- ✚ media literacy and culture of reading,
- ✚ communications and public awareness with regard to the sector and the MDDA in general,
- ✚ quality programming and production in community broadcasting, and
- ✚ fundraising and resource mobilisation.

Monitoring and Evaluation will play a key role in structuring future program involvement, design and development. From October 2008, the Agency had a full complement of staff in the Monitoring and Evaluation division, with one member leaving / resigning mid-2009. The team has since made strides in making sure that MDDA funded projects are reporting on deadline and also comply with the specifications according to signed contracts.

15. The rationale for the MDDA strategic focus for the ensuing period is predicated on the fact that historically disadvantaged communities continue to be deprived of access to information that can assist them to participate actively in socio-economic improvement and democratic processes of the country. Current media is still insufficiently diverse with respect to reflection of the concerns of especially the socio-economically marginalised communities. Approximately 80% of the SA population is African, yet a huge number of indigenous language media products are written and produced in English. This is in direct contradiction to the notion of recognising all languages on an equal

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basis as prescribed by the constitution. The Agency has been in partnership with the Department of Provincial and Local Government (DPLG) now called Corporative Governance and Traditional Affairs in an effort to promote multi-lingualism at local government, thus supporting indigenous language media produced by our beneficiaries.

16. Several risks and/or constraints exist that can limit the impact and work of the MDDA in this period. The major and critical strategic and operational risk being the non-allocation of the budget for the Agency for 2012/13 in the Estimates of National Expenditure 2010 budget published by the Minister of Finance.
17. Other risks include the legislative and regulatory framework which may prove to be inflexible. The possibility of the misuse of funds by the beneficiaries, which hopefully has now been minimised since the Agency appointed an Internal Audit and Risk Manager as well as setting up the Monitoring and Evaluation Unit to work closely with funded projects and ensure compliance to the MDDA Act. The MDDA has reviewed a number of legislative, regulatory and policy positions and has planned in the ensuing period to suggest a limited number of changes that may assist in the smooth functioning of the organisation. In the 2008/9 financial year, the board conclusively reviewed and approved the following policies; Delegation of Authority, Supply Chain Management, terms of Reference for the Board Committees, Finance Policy and Human Resources and Procedures Manual. In the 2009/10 financial year, the Agency recruited a Human Resources and Corporate Services Manager to review a number of internal operational and HR policies and procedures as well as maintaining stringent controls at the project management level.

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18. In this context, the Agency has developed a set of interventions to mitigate against these risks. A key strategy to mitigate risk will be the **management and institution of strict controls in the organisation through internal and external audits**. The staff complement has been **increased to the extent reasonably possible within the funding constraints and the regulatory limit of 25% funds spent on administration**. The board will continue with briefings to the minister and the portfolio committee on any problems that may be encountered and how these have been resolved. **Staff development, performance management and a diligent process of project assessment and monitoring** will continue to be a routine of the MDDA.
19. Accordingly, the Agency reviewed its staff compliments from 13 in the financial year 2006/7 to 19 and 21 going forward given the human resources requirements identified to implement the Strategic and Business Plan. Expanding activities will require an expansion of the staff complement, the scale of which will become clearer as there is more clarity in particular regarding the financial impact of the provisions of the ECA Act with respect to the MDDA. The Regulations has been prescribed by ICASA on the contributions of the broadcasting service licensees, 10 October 2008. The Agency has managed to get most broadcast service licensees to sign the new agreement committing to contribute 0.2% of their annual turnover of licensed activities.
20. The financial projections for the Agency are based on a scenario of Broadcasting Service Licensee contributions being 0.2 % of their annual turnover as per the ICASA Regulation on USAF contributions, 10 October

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2008¹. This is also based on the assumption that Broadcasting Service Licensees will contribute to the Agency.

21. The Agency has signed a Memorandum of Understanding with USAASA aimed at providing a framework for working together and sharing information with respect to universal service and access in the broadcasting industry.
22. The budget below shows a decrease in red from 2010 – 2013 compared to the initially allocated budget, but for the purpose of planning, our budget is based on the current income streams, with increased income from Multichoice. Accordingly, projections in this regard are as follows:

| Description | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|--|------------|------------|------------|----------------|
| Total budget from GCIS | 16 709 000 | 18 449 000 | 20 318 000 | |
| Total budget from GCIS (as per deduction, November 2009) | 16 592 000 | 17 265 000 | 19 115 000 | 21 091 000 |
| Total budget from GCIS (as per the Estimate of National Expenditure 2010, February 2010) | | 17 265 000 | 19 115 000 | 0 ² |

¹ A number of Broadcast Service Licensees have not yet signed the Funding Agreement with the Agency. As such projections for 2010/11 going forward will increase once these have been signed.

² This matter is currently under discussion between the Minister in the Presidency, GCIS, MDDA and National Treasury as its implications in respect of assessment of business risk are major and critical. The working budget of the MDDA assumes this matter will be resolved with National Treasury.

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| | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Department of Communications | 0 ³ | 0 | 0 | |
| Broadcasting Service Licensees | 10 471 600 | 11 868 787 | 11 868 787 | 11 868 787 |
| Print Funders | 4 800 000 | 4 800 000 | 4 800 000 | 4 000 000 |
| TOTAL | 31 863 600 | 33 933 787 | 35 783 787 | 36 959 787 |

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MDDA

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³ The DoC only transferred R10m in 2008/9 and therefore owes the Agency R30m for the year 2009/10. It is likely to continue this partnership for community radio programme production with the Agency, this will increase the budget.

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