mdda

MEDIA DEVELOPMENT & DIVERSITY AGENCY

STRATEGIC PLAN AND BUDGET
MTEF 2011-2014

A briefing to the
Parliamentary Portfolio Committee
on
Communications

15 March 2011

SABC
Vuka Sizwe!

mnet

MultiChoice
ENRICHING LIVES

Media24
keeping you in touch. with words

KAGISO
Media

Capricorn FM
Limpopo's Hottest Frequency

94.97 OFM

ALGOA FM

PRIMEDIA

Caxton
PRINTERS

INDEPENDENT NEWSPAPERS

AVUSA
Media

MEDIA DEVELOPMENT & DIVERSITY AGENCY

Presentation led by:

Ms Phumelele Nzimande (Acting Chairperson)

Introduction - Team members

- Phumelele Nzimande (Acting Chairperson)
- **Apologies from Ms Gugu Msibi (Chairperson), Ms Ingrid Louw, Ms Phelisa Nkomo, Dr. Tanja Bosch and Mr Moyane**
- Lumko Mtimde (CEO)
- Nebo Legoabe (Board member)
- Nadia Bulbulia (Board member)
- Louise Vale (Board member)
- Mshiyeni Gungqisa (CFO)
- Lihle Mndebela (HR & Corporate Affairs Manager)
- Nkopane Maphiri(Programs Director)
- Kgomotso Moeketsi (Manager in the CEO's office)
- Hariet Mhlanga (Executive Secretary)

Presentation to Parliament

Table of contents

– **Phumelele Nzimande (Acting Chairperson)**

1. Introductions
2. Background, context & legislative basis
3. Vision, mission & mandate
4. Objectives of the Act
5. Approach

– **Lumko Mtimde (CEO)**

1. Stakeholder categorisation
2. Milestones
3. Regulations
4. Situational analysis
5. Feedback on Parliament questions
6. Rationale
7. 5 priority Key result Areas
8. Key Result Areas, Strategic objectives and Outputs
9. Assumptions
10. Risks and actions to mitigate risks

– **Mshiyeni Gungqisa (CFO)**

1. Budget summary
2. Budget breakdown

– **Phumelele Nzimande (Acting Chairperson)**

1. Conclusion

Presentation to Parliament

Background, Context and Legislative basis

Section 16 and 32 of the Constitution Act No. 108 of 1996

- provides for the freedom of expression and access to information.

MDDA Act No. 14 of 2002

- establishes a statutory body called the MDDA.

Background, Context and Legislative basis

The MDDA is entrusted with the responsibility of promoting media development and diversity in S.A. by providing financial and other support to community (non-profit) and small commercial media projects.

Background, Context and Legislative basis

The MDDA Act defines media

- as all forms of mass communication, including printed publications, radio, television and new electronic platforms for delivering content.

defines media development

- as the development of the media environment and infrastructure, so that historically disadvantaged communities and persons have access to the media as owners, managers, producers and consumers of media.

OBJECTIVES OF THE AGENCY IN TERMS OF THE ACT

Encourage ownership and control of, and access to, media by HDC as well as by historically diminished indigenous language and cultural groups,

Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst HDGs,

Encourage the channelling of resources to the community media and small commercial media sectors,

Raise public awareness with regard to media development & diversity issues

Support initiatives which promote literacy and a culture of reading,

Encourage research regarding media development & diversity,

Liaise with other statutory bodies, such as ICASA and USAASA

Vision

"Each and every SA citizen should have access to a choice of a diverse range of media"

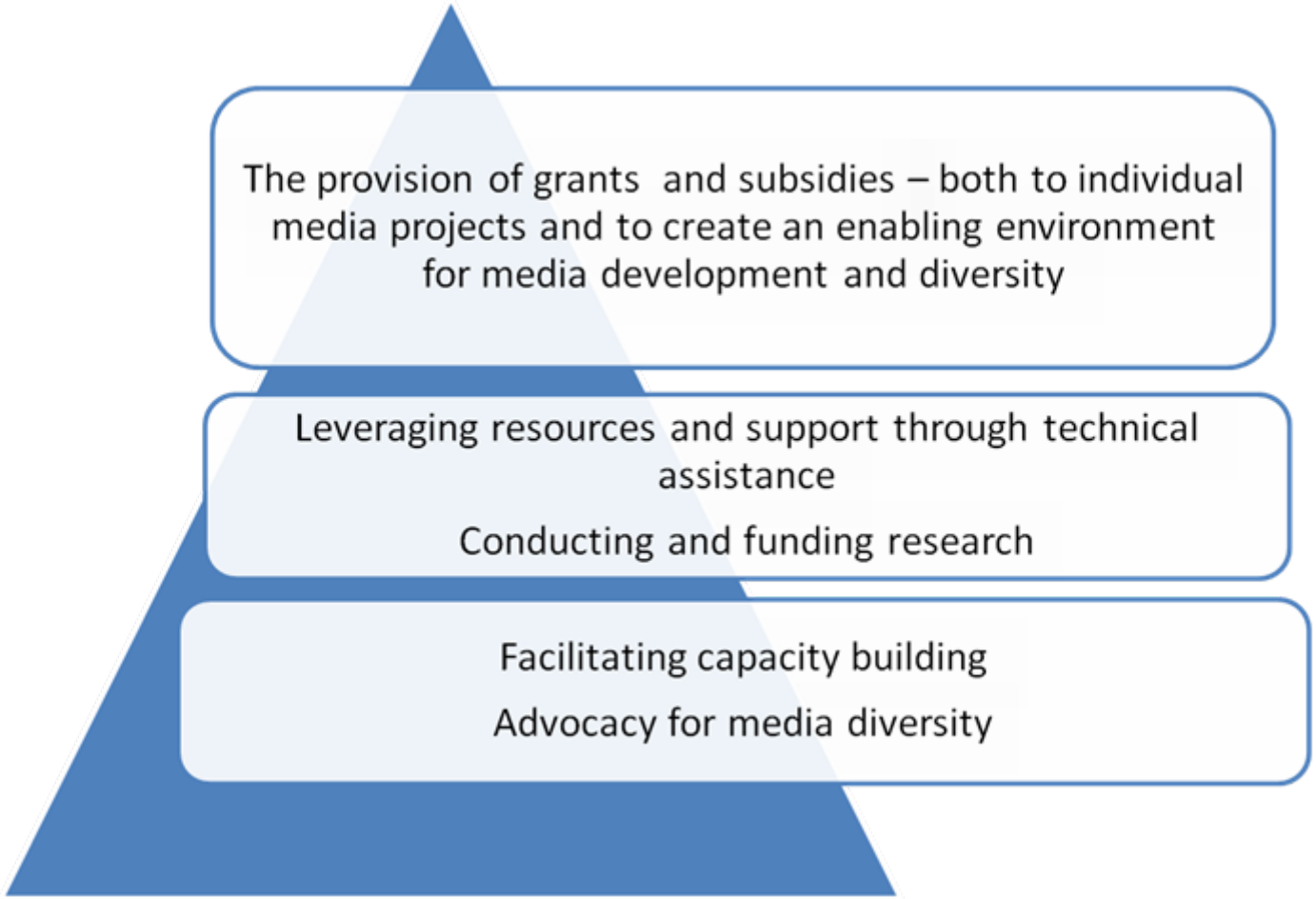
Mission

"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"

Mandate

- **CREATE AN ENABLING ENVIRONMENT FOR MEDIA DEVELOPMENT AND DIVERSITY WHICH REFLECTS THE NEEDS AND ASPIRATIONS OF ALL SOUTH AFRICANS**
- **REDRESS EXCLUSION AND MARGINALISATION OF DISADVANTAGED COMMUNITIES AND PERSONS FROM ACCESS TO THE MEDIA AND THE MEDIA INDUSTRY**
- **PROMOTE MEDIA DEVELOPMENT AND DIVERSITY BY PROVIDING SUPPORT PRIMARILY TO COMMUNITY AND SMALL COMMERCIAL MEDIA PROJECTS**

APPROACH


The provision of grants and subsidies – both to individual media projects and to create an enabling environment for media development and diversity
Leveraging resources and support through technical assistance
Conducting and funding research
Facilitating capacity building
Advocacy for media diversity

MEDIA DEVELOPMENT & DIVERSITY AGENCY

Presentation by:

Mr Lumko Mtimde (CEO)

Highlights of milestones 2010/11

- 7 year partnership agreements reached with Broadcast Media (SABC, Kagiso Broadcasting (Pty) Ltd, MNET Ltd, Primedia Broadcasting (Pty) Ltd, etv (Pty) Ltd, Multichoice Africa, Capricorn FM, AME (Pty) Ltd, YFM (Pty) Ltd) and Print Media (AVUSA (Pty) Ltd, Independent Newspapers (Pty) Ltd, Media 24 Ltd, CTP / Caxton Ltd) continue to exist,
- 2010/11 marked the end of the seventh year
- Six years of clean, unqualified Audited Financial Statements
- 342 different projects supported, with approximately R128m in grants approved for disbursement, since January 2004. In the year (2009/10), 36 projects were supported with just more than R25m in grants approved for disbursement.
- Media projects supported are located in every province in S.A.

Projects Funded by the MDDA

Idikelethu News

Vukani Community Radio

Ishishini Lam'

Motheo FM

Ndzamana Community Newspaper
Themba Mathebula

"We are not ashamed to be associated with a brand
And organisation of MDDA's reputation and caliber.

Delegates at the Learning Forum

Media Literacy Learners
Ngaka Molema District Municipality

Masilonyana news

Tankane Pitso

"Gratitude to MDDA for training workshops that
we managed To attend under your umbrella,
including Highway Africa Conference .....
We wish you all the best in reaching
your goals to assist these projects tirelessly."

Community Media Projects

Site Visit for Contracting Radio NFM – NC (2010)

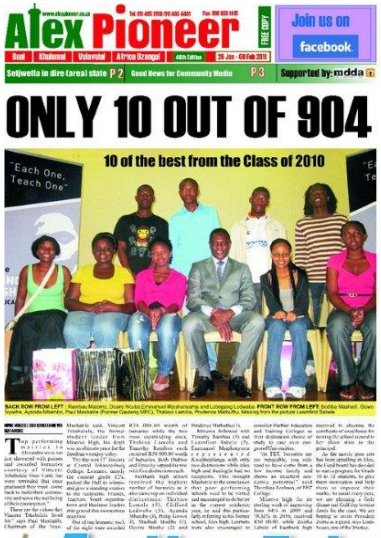
Site Visit for contracting Takalani CM - E.C (2011)

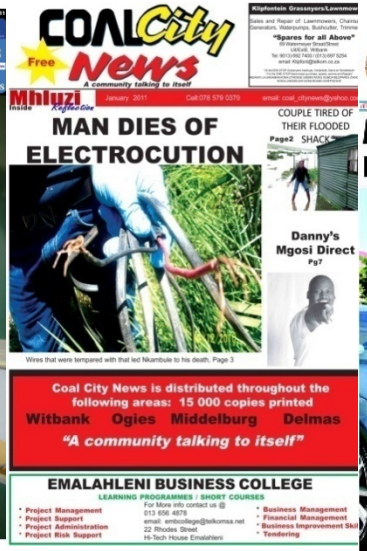
Cape Flats Newspaper - W.C

Site Visit for Assessment of Zisize Community Development - Ingwavuma (2010)

The Award Winning Radio Maputaland CR - 2010

Voice of the Children Newsletter (Produced by Children Resource Centre – W.C)





MDDA FUNDED PUBLICATIONS

Milestones to date 2010/11 – cont.

Of the supported projects in 2009/10, more than 54 are new and did not exist prior to MDDA intervention

Community radio listenership had increased to 22.4%. (RAMS)

Provided 65 different media managers with bursaries as at 31st March 2010. In the year, 2009/10, 213 people trained.

Provided mentoring support to a number of projects

Successfully put on the public debate the issue of transformation of the media – 19 October 2009 jointly with ICASA, SAHRC, CGE and SABC

Budgeting regulations & challenges

MDDA has to meet regulatory and funding agreements requirements

- Regulations divide funds between small commercial, community and research

Funding agreements divide between print and broadcast

Funding is on different cycles

Funding agreements specify no more than 10% to administration and research

Environmental / situational analysis

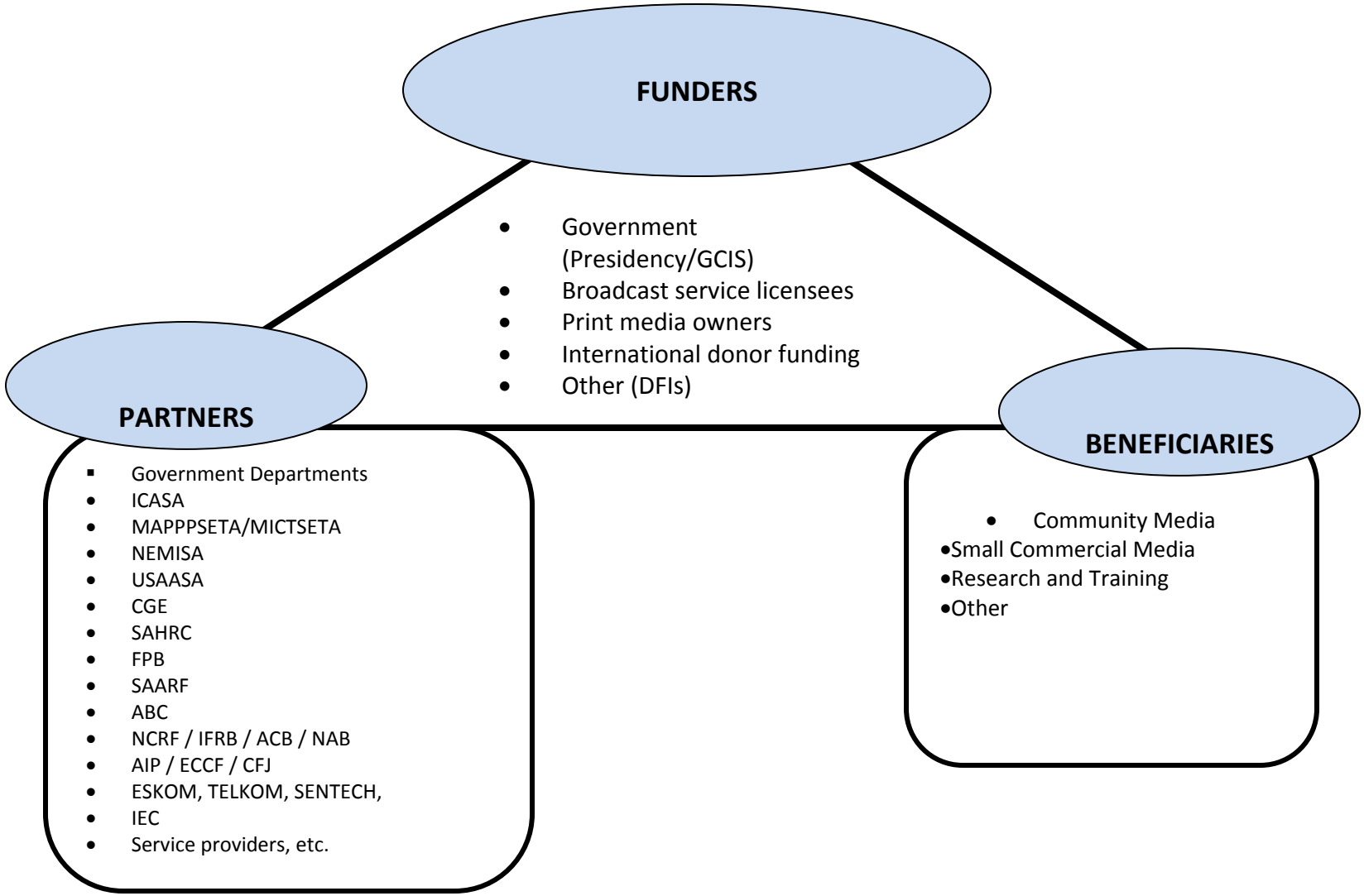
EXTERNAL CHALLENGES

- Limited funding, especially in the area of print media, where funders have signed the same R1.2m support for the first three years and R1m for the last two years, this as a result of the financial challenges the print media industry is facing at present;
- The market environment for print media development is not enabling, having regard to the value chain (printing and distribution), costs of running the business and funding support;
- Loss of skills from small commercial and community media to the more lucrative commercial/private media and public broadcasting sector;
- Limited exposure of small commercial and community media to marketing and advertising revenues;
- Sustainability challenges.

INTERNAL CHALLENGES

- The level of organisational skills and capacity both in terms of numbers, knowledge and skills given the broad spectrum of projects across the country;
- The more the beneficiary numbers increase, the less is the capacity of MDDA to manage, monitor and evaluate, and report adequately;
- The inadequacy of the MDDA financial resources which limit the Agency's ability to recruit and retain appropriate and the best staff the market can offer;
- General dissatisfaction by staff regarding salaries and benefits offered by the organisation.

Stakeholders Identification and Classification Chart



Feedback on Parliamentary questions

On the broader media transformation question

- The plan talks to the mandate in terms of the MDDA Act in respect of enhancing media diversity, capacity building, creating an enabling environment, research on topical transformational issues and providing support to community media and small commercial media.

On government advertising revenue for community media

- The Agency engaged with GCIS and agreed on prioritising this question so that community and small commercial media benefits from Gvt advertising.
- The approach include clearly working with community media and small commercial media as defined in the MDDA Act

Feedback on Parliamentary questions

On increasing MDDA funding and strengthening the Agency

- The Agency has approached the GCIS and National Treasury in this regard, whilst unsuccessful in this financial year, hopes that the Presidency will assist in the planning going forward.

On sustainability

- The plan continues to have interventions including mentoring & coaching, training, skills development, partnerships and general advocacy for an enabling environment for media diversity and in particular support for sustainable community media.

MEDIA DEVELOPMENT & DIVERSITY AGENCY

STRATEGIC FOCUS FOR 2011-2014

RATIONALE

- Historically disadvantaged communities are deprived of access to information that can assist them to participate actively in the democratic processes of our country.
- Current media (in particular print and TV) lacks diversity and recognition of indigenous languages and culture,
- Approximately 80% of the SA population is African, yet the number of indigenous language media products are counted and instead most media is produced in English,
- Advertising tends to be biased toward media houses with adequate financial resources,
- Broadcast frequency spectrum is a limited public resource, digital broadcasting may assist regarding availability of more frequencies and creating opportunities for community television.
- Small commercial media projects have limited access to printing given lack of resources (costs and facilities),
- Access to advertising for small commercial media remains a stumbling block to their growth and viability. Similarly their inability to acquire the audit bureau of circulation (ABC) certificate disadvantages them in the market place,
- The sector lacks appropriate and relevant skills in respect of marketing; management, financial management and production management.
- The sector lacks the development of strategies for sustainability of their projects.

Overall Objective

- To ensure that all citizens can access information in a language of their choice and to transform media access, ownership and control patterns in South Africa

Purpose

- To strengthen the sector through provision and leveraging of resources, knowledge and skills in pursuit of promoting media development and diversity

KEY RESULT AREAS IN RELATION TO THE PURPOSE STATEMENT

1. Grant funding
   - Capacity building interventions for beneficiary organisations and communities including mentorship and monitoring and evaluation
     - *Strengthening and consolidating beneficiary projects towards sustainability*

2. Fundraising and resource mobilisation.
   - Partnerships and Stakeholder management,
   - Communication & public awareness with regard to the sector and the MDDA in general

3. Research, knowledge management, monitoring and evaluation

4. Advocacy for media development and diversity,
   - Communication & public awareness with regard to the sector and the MDDA in general
   - Media literacy and the promotion of the culture of reading.

5. Diverse and quality content
   - Quality programming and production

MEDIA DEVELOPMENT & DIVERSITY AGENCY

Presentation by:

Mr Nkopane Maphiri (Programs Director)

MEDIA DEVELOPMENT & DIVERSITY AGENCY

KEY RESULT AREAS STRATEGIC OBJECTIVES AND OUTPUTS

KRA 1: Grant and seed funding	***Strategic Objective:*** *To promote and strengthen the small commercial print and community media* *To enhance the sustainability of the community and small commercial media* *To strengthen and consolidate beneficiary projects*

- At least 1 community radio per district municipality funded
- At least 1 community newspaper per district municipality funded.
- Number and spread of small commercial newspapers, magazines funded.
- At least 1 community television per province funded.
- At least 1 hub per province (print & radio) funded and supported.
- Number and range of new media funded.
- MDDA,NEMISA,MAPPPSETA partnership on sustainable skills development for 825 beneficiaries, 70 beneficiaries trained on identified skills gap

KRA 1: Grant and seed funding	***Strategic Objective:*** *To promote and strengthen the small commercial print and community media* *To enhance the sustainability of the community and small commercial media* *To strengthen and consolidate beneficiary projects*

- Provide support to strengthen and consolidate existing projects.
- Develop a proposal for a community radio management software tool.
- Develop scholarships for Sports Journalism training
- Develop a cohesive training strategy and plan
- Maintain and grow the mentor and training database.
- Conduct training workshops for beneficiaries on identified capacity issues and needs.
- Facilitate accreditation for MDDA trainers.

KRA 2: Fundraising and resource mobilisation	***Strategic Objective:*** *To strengthen, grow and protect the MDDA capital base, accordingly increase the funding and resource base of the MDDA and its beneficiaries*

- A number of partnerships and signed MOU's achieved ;
- Promotion and recognition of excellence in the community media sector though the Community Media Awards ;
- Increase funding revenue streams for MDDA;
- Grow the capital base of the Agency;
- Access more funding from SETA for training providers;
- Implement the Fund Development Strategy and plan
  - Increase international fundraising initiatives.

Presentation to Parliament

KRA 3: Research, knowledge management, monitoring and evaluation	***Strategic Objective:*** *To enhance learning and innovation in the sector* *To strengthen relations with MDDA contractual and non-contractual stakeholders*

- 70 beneficiary projects monitored (30 desk top monitoring & 40 site visits)
- Commission and manage 3 research grants into Transformation, Ownership & Control of the Media and Research on protecting and strengthening the Public Service Broadcasting
- Publish an annual journal and monograph series of the state of media development and diversity
- Sign MoU with MICTSETA, IEC, DoJ, etc.
- Partnership with Highway Africa 2011.
- Partner with various skills development stakeholders to maximise the benefit of SCM and CM interventions

KRA 4:
Advocacy for media development and diversity

Strategic Objective:

To contribute towards improving the operating environment of the community and small commercial media sectors

To enhance and position MDDA as a leader in the media development and diversity sector

To promote media literacy and culture of reading

- Conduct seminars in different provinces and other similar initiatives aimed at engaging the public regarding the state of media development and diversity in South Africa
- Maximize awareness of the MDDA brand, thereby profiling the Agency and increase public awareness.
- Strengthen MDDA presence at provincial levels.
- Develop public sector strategy.
- Fundraising for a Communications Manager
- Convene assemblies/summits in District Municipalities targeting learners on the role of media, media literacy and promotion of the culture of reading.

Presentation to Parliament

KRA 5: Diverse and quality content	***Strategic Objective:*** *To enhance and improve programming, production and build capacity in community broadcasting sector*

- Community radio programme production funding
- Community radio programme production monitoring
- Research, training and capacity building
- Promotion, marketing and sector mobilization
- Project evaluation, impact measurement
- 4 community radio stations funded (Doc project budget 2008/09

Presentation to Parliament

Budget Summary against the Key Result Areas (5 priority areas)

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
1. Grant funding	• Fund 5 small commercial newspapers 1 Magazine and 4 newspapers supported for sustainability	• 6,658,216.00	**24,982,863.00**
	• 8 community radio projects funded in 8 district municipalities, 1 CTV funded, 3 community print projects funded in 2 district municipalities, 4 atypical media projects funded and 4 community media projects supported for sustainability	• 15,979,718.00	
	• Commission and manage 3 research grants into Transformation, Ownership & Control of the Media and Research on protecting and strengthening the Public Service Broadcasting	• 1,800,000.00	
	• MDDA,NEMISA,MAPPPSETA partnership on sustainable skills development for 825 beneficiaries, 70 beneficiaries trained on identified skills gap	• 544,929.00	
2. Fundraising and resource mobilisation	• A number of partnerships and signed MOU's achieved	• Opex	**600,000.00**
	• Promotion and recognition of excellence in the community media sector though the Community Media Awards	• 600,000.00	

Budget Summary against the Key Result Areas (5 priority areas)

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
3. Research, knowledge management, monitoring and evaluation	• 70 beneficiary projects monitored (30 desk top monitoring & 40 site visits)	• 372,818.00	**572,818.00**
	• Publish an annual journal and monograph series of the state of media development and diversity	• 200,000.00	
4. Advocacy for media development and diversity	• Conduct seminars in different provinces and other similar initiatives aimed at engaging the public regarding the state of media development and diversity in South Africa		**350,000.00**
	• Convene Media assemblies/summits on the role of media	• 350,000.00	
5. Diverse and quality content	• 4 community radio stations funded (Doc project budget 2008/09	• 2,000,000.00	**2,000,000.00** (2008/09)
TOTAL			**R 28,505,681.00**

CRITICAL ASSUMPTIONS

❖ Sufficient legislative, regulatory and govt policy positions exist to support efforts of the sector.

❖ The MDDA Act provides for the development and support of the sector and there is an approved budget for project implementation.

❖ The funding increases beyond current funding.

(*NOTE - The MDDA receives requests worth in excess of R150m.)*

❖ The MDDA regulations prescribe categories to be funded by the MDDA.

❖ Beneficiary organisations are willing and able to participate in MDDA sponsored interventions.

❖ There is sufficient base of trainers and mentors in the sector.

❖ The budget as approved by the Board is appropriated by Parliament.

RISKS AND ACTIONS TO MITIGATE RISKS

- **Two main risks were rated high:**

1. Sustainability of funded projects
2. Lack of adequate funds for print media mandate

- **Actions to mitigate risks:**

1. Integrated development approach leading to improved socio-economic conditions of the targeted communities.
2. Continuous engagement with the print media sector and increased government funding.

MEDIA DEVELOPMENT & DIVERSITY AGENCY

Presentation by:

Mr Mshiyeni Gungqisa (CFO)

MDDA BUDGET SUMMARY

	2011/12 Budget (R)	2012/13 Budget (R)	2013/14 Budget (R)
INCOME	43,924,291	44,681,059	46,301,680
TOTAL EXPENDITURE	43,924,291	44,681,059	46,301,680
Programme Costs	30,632,268	30,576,018	31,330,519
Operational Expenses	13,179,023	14,012,441	14,885,661
Capital Expenditure – Capex	113,000	92,600	85,500
DEFICIT/SURPLUS	0	0	0

PROGRAMME COST - BUDGET

	2011/12 Budget (R)	2012/13 Budget (R)	2013/14 Budget (R)
SMALL COMMERCIAL (25%)	6,658,216	6,582,903	6 ,718,009
COMMUNITY MEDIA (60%)	15,979,718	15,798,968	16,123,222
RESEARCH (5%)	1,331,643	1,316,581	1,343,602
OTHER (10%)	1,443,286	1,183,161	1,187,204
COMMUNITY MEDIA AWARDS	720,000	800,000	800, 000
MONITORING AND EVALUATION	372,818	570, 000	610, 000
PROJECT TRACKING SYSTEM	75,000	80,000	90,000
TOTAL COSTS	**26,580,681**	**26,331,613**	**26, 872,037**

MDDA BUDGET

	2011/12 Budget (R)	2012/13 Budget (R)	2013/14 Budget (R)
MDDA Board			
TOTAL COSTS	**456,544**	**485,979**	**528,284**
OFFICE OF THE CEO			
PERSONNEL COSTS (5 staff members)	3,128,581	3,266,717	3,422,468
ADMINISTRATION COSTS	2,099,340	2,322,608	2,438,738
TOTAL COSTS	**5,227,921**	**5,589, 325**	**5,861,386**
FINANCE DEPARTMENT			
PERSONNEL COSTS ((3 staff members)	1,701,260	1,770,913	1,808,003
ADMINISTRATION COSTS	3,774,343	3,669,368	3,868,158
TOTAL COSTS	**5,475,603**	**5,440,281**	**5,676,161**
HUMAN RESOURCES DEPARTMENT			
PERSONNEL COSTS (3 staff members)	969,979	1,352,102	1,433,205
ADMINISTRATION COSTS	740,394	800,366	1,025,198
TOTAL COSTS	**1, 710,373**	**2,152,468**	**2,458,403**
PROJECTS DEPARTMENT			
PERSONNEL COSTS (11 staff members)	4,051,587	4,244,405	4, 458,482
ADMINISTRATION COSTS	300, 713	434, 971	361,606
TOTAL COSTS	**4,352,300**	**4,679,376**	**4,820,088**

MEDIA DEVELOPMENT & DIVERSITY AGENCY

Presentation led by:

Ms Phumelele Nzimande (Acting Chairperson)

Conclusion

- The plan is guided by the MDDA Act and incorporates input from Parliament, projects (through reports submitted), research recommendations, etc.
- The Agency owes its existence through support from its stakeholders, thank the Government (whose valuable support for the Agency through GCIS and the Presidency has made its work manageable), the funding partners, projects, beneficiaries, other partners (MAPPPSETA, NEMISA, etc.) and Parliament.

THANK YOU