

## 10 The MDDA budget

### 10.1 Key funding needs

The community and small commercial media needs assessment deriving from research amounts to R500m over five years. The proposed MDDA budget provides for meeting half these needs, or R256m over five years.

The MDDA's administrative costs are kept low by using various facilities of the Development Bank of SA (DBSA), pending final agreement.

The budget increases annually during the first 5 years, in order to address the immediate backlog, particularly with regard to community radio. However, it is envisaged that expenditure will progressively decline after 5 years, due to a significant decline in the need for support to community radio.

During the first year, emphasis will be placed on setting up office, employing key staff, addressing immediate needs of existing media projects and initiating further research into media needs - particularly in rural and peri-urban areas, and focussing on print media. This will allow for a more accurate assessment of print media needs in the medium- to long-term, as support to radio declines.

### 10.2 Kinds of support

**Application costs** will cover the cost of a mentor who will, as part of an initial capacity building exercise, assist an approved applicant in making a detailed application to the MDDA.

On the strength of the detailed application, existing media projects will undergo an extensive **forensic audit** to determine obstacles to self-sufficiency. Thereafter, existing media projects will typically qualify for capacity building support, and on the basis of a strong motivation, assistance with operational costs.

**Feasibility studies** will be conducted for new projects, to assess the need, nature and level of support.

Forensic audits and feasibility studies will also serve as **capacity building** exercises involving staff and Board members of the media projects, and will culminate in comprehensive Business Plans.

Further support to radio, print and community television (in the form of video access centres) include various forms of training and capacity building, assistance with operational costs and capital costs. While capacity building support will be available to small commercial as well as community media, operational and capital support will be confined to community media projects. In the case of capital support, this will be primarily aimed at new projects.

Projects supported for longer than two years will undergo an extensive evaluation before support is approved for the third year. This will determine whether projects have adhered to the targets set out in their Business Plans.

All support will be structured on a declining basis, in two, four or five year cycles.

It is envisaged that during the first 5 years, the following number of projects will be supported:

#### PRINT MEDIA

- ▶ 28 existing newspapers (typically for two years);
- ▶ 6 existing magazines (typically for two years);
- ▶ 25 new newspapers (typically for five years); and
- ▶ 5 new magazines (typically for five years).

#### COMMUNITY RADIO

- ▶ 57 existing stations (typically for four years);
- ▶ 67 new stations (typically for five years).

#### COMMUNITY TELEVISION (VIDEO ACCESS CENTRES)

- ▶ 12 centres (typically for four years).

In addition, limited funds will be available for exploratory initiatives in new electronic media, although a partnership with the Universal Service Agency is likely to result in an increased investment in multimedia projects over time.

## 10.3 Financing the MDDA

In the absence of donor funding in the short term, government will raise in the region of two-thirds of the funding needs of the MDDA, of around R250 million over five years. It is anticipated that once the MDDA is established on the basis of South African commitments, government and the non-government sector, it will be possible to mobilise donor funding that will reduce the demand on government.

Government's contribution to the MDDA will, therefore, amount to R30m-R35m on average for five years, and thereafter at a substantially diminished level once the bulk of the development backlog has been met. The remainder will be contributed by the industry and, it is anticipated, through funding of multimedia projects by the Universal Service Agency.