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Feasibility Study for Media Fund in Serbia

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August 2014

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**Abbreviations**

BIRODI Bureau for social research

CfA Call for Applications

CEE Central East Europe

CSO Civil society organization

DFID UK Department for International Development

EC European Commission

ED Executive Director

EU European Union

MDLF Media Development Loan Fund

MDIF Media Development Investment Fund

NUNS Independent Journalist Association of Serbia

OSCE Organization for Securities and Cooperation in Europe

OSI Open Society Institute

RBA Republic Broadcasting Agency

RTS Radio Television Serbia

SAMDEF Southern Africa Media Development Fund

SCF Slavko Curuvija Foundation

SDC Swiss Agency for Development and Cooperation

SEE South East Europe

SIDA Swedish International Development Agency

TMF Tanzania Media Fund

UNS Journalist Association of Serbia

USAIDUnited States Agency for International Development

# Summary

Feasibility Study for Media Fund in Serbia explores in-depth the possibilities of setting up a locally owned media fund and presents potential steps that could be taken towards creating a sustainable media fund operation in Serbia. This study follows the “Feasibility Study on the Establishment of a Multi-Donor Media Fund in Serbia” produced in December 2012 by IREX in cooperation with IPSOS Strategic Marketing (in charge of data collection and processing), and under guidance of USAID.

Feasibility Study emerged from variety of research activities: desk research, interviews with key media stakeholders (editors, journalists, owners, journalist association representatives, donors, government…), consultation through panel discussion, questionnaire analyses (local and regional media, citizens attitudes).

Guiding concept of the Study was to further elaborate on possible Fund activities, funding sources, profile, optimal management arrangement, decision-making process, potential partnerships, and sustainability plans.

*The key output* of the study is this report which:

* Provides an analysis on potentials for development of sustainable organizational structure of the Media Fund in Serbia, focused on provision of financial support and/or technical assistance to media initiatives;
* Provides an analyses on fundraising potentials and long-term financial sustainability of multi-donor Media Fund in Serbia;
* Provides recommendations and conclusions on feasibility of creation and sustainability of the Media Fund in Serbia in relations to Serbian media needs and status;
* Explores potential interest or a stakeholder groups which could serve as the core founders of, or driving forces behind a possible Fund.

*Key conclusions* of the Study are:

* Needs of the media are great but the there is no consensus if and how the Fund could respond to those needs.
* Potential purpose of the Fund fall in one of the following three groups:
  + to contribute to **creation and implementation of the legal framework for the work of media** with the purpose of **addressing the systemic and the long-term issues** plaguing the media scene in Serbia
  + support to **"independent" media** with purpose of ensuring sustainability of independent media outlets and thus freedom of information
  + support for enabling citizens to have **access to and quality of information** - while this area is connected to first two, here the focus would be on citizens as main and final beneficiaries
* Types of operation of Media fund could include (a) institutional support to media, (b) open calls and grant based support and (c) operational and grantmaking activities. While Media Fund could use different approaches to its operations, **open grantmaking seems the most cost-efficient option** if the fund is to focus on citizens as main beneficiaries, and their right/possibilities to access to quality information/content.Further, this option is most viable in the start-up phase of the Fund work.
* **Media Fund would need to find its’ niche**, topic or area that is either not yet supported, or an area where there is additional assistance needed. **Direct institutional support might be potentially considered only for very small scale operations like news portals/online media** that have wide outreach but whose operational costs are not very high. **Technical assistance to media could be cost-effective and useful to media under certain conditions**: well-selected topics for potential trainings & education and setting mechanisms in place that would ensure implementation of gained knowledge/skills/attitudes within selected media outlets. **Project-based funding seems to be the most cost effective option.** It would enable flexibility for Media Fund in terms of targeting, different topics/objectives, as well as grant amounts.
* **There was little enthusiasm for an idea of creating donor's consortium**, or a joint fund where donors would use resources that they already are directing to media; similarly, there was no expressed interest of allocating new resources for such purpose.
* **Given current economic situation, it is not likely that companies would support new Media Fund**, at least in the beginning. If it would be supported, the amounts to be expected are not high. **State would not support the Media Fund financially. Individual citizens’ giving is not a viable source of funding in the start up phase of the funds work.** This area may develop later on. **Local foundations are open for cooperation and joint programs, but could not offer financial support.**
* Based on available data and analysis in the longer-term **USD 300,000 – 400,000 might be available annually**; achieving this level of annual support will take several years while the Fund builds credibility and reputation.
* Exploring options for organizational structure of Media Fund led to conclusions that v**isible and transparent Board is seen as the key element of structure.** Large operation with a full start up budget and full staffing was not a feasible option. Independence and reputation of the people involved are the key to success of the Fund.
* An **establishment of private foundation** supporting the media seems like a prospect far from near future in Serbia*.*

Based on the findings and the conclusions of the Study, the following *recommendations* are being made:

* **Despite the differing views a possibility of establishment of Media Fund should not be discarded.**
* Should a decision to establish the Fund be made, it should not aim to change ‘everything’ and/or set very high expectations. Instead of the aiming to change the overall situation in media, **the Fund should be directed to bring about positive change in certain aspects of the work of media with very clear focus and priorities and clear idea how the impact of its work will be measured.**
* **The purpose of the Fund should be improving access to and quality of information/content for the public on the topics of public interest by improving the access to and quality of information/content produced.** This of course, is a very wide area and it can include wide range of sub-priorities and ways of support.
* **The Fund should operate as grantmaking entity if the Fund is to focus on citizens as main beneficiaries, and their right/possibilities to access and quality information/content**. In its later stages of development it can expand to become combined operational/grantmaking fund.
* In terms of types of support and their cost-effectiveness, **project based funding for media, journalists, as well as other stakeholders (CSOs, media and journalists associations) in combination with focused technical assistance are a recommended option.** Options for types of support should be further refined and potentially narrowed once priorities of the Fund are selected.
* During the first phase it would be necessary to **ensure one to two donors that would support the organization on an on-going basis, both operational as well as programmatic costs**. Besides institutional support,2 -3 additional donors should be approached for specific programs.
* In the next phase, **new donors should be introduced to work on increase of the annual budget with focus on diversification of sources.**
* Given the options for Fund's priorities as well as limited possibilities for funding and financial sustainability, general recommendation is that **the Fund should consider a ”light organizational structure”.**
* **Very active, involved, visible and transparent Board with expertise, reputation and independent from influences is seen as the key element of structure.**
* **A non-decision making Advisory Board with media expertise and role to advise the Board and/or staff on media-connected issues is highly recommended.**
* **Staffing of the Fund should be “light”, to include the Executive Director and potentially two to three other staff members.** Additional human resources should and could be either hired on temporary, contractual basis for specific tasks and/or recruited as interns.
* Based on reviewing other models in Serbia and abroad, **the most viable option is something that is Serbia’s own homegrown foundation with a clear focus; local ownership and light touch operation.**

# Introduction

## Background

This study was conducted as a follow up to the “Feasibility Study on the Establishment of a Multi-Donor Media Fund in Serbia” (IREX Study in the text below) produced in December 2012 by IREX in cooperation with IPSOS Strategic Marketing and under guidance of United States Agency for International Development (USAID). That Study assessed the feasibility and opportunities for supporting further media development in Serbia through the creation of a local, independent, permanent multi-donor fund (the Fund in the text below), which would channel resources to independent media in the face of scaled-back donor funding. IREX Study looked at relevant initiatives in Serbia; relevant models for such a fund in South East Europe (SEE)/Central East Europe (CEE); what was the donors’ interest for the establishment of a multi-donor fund; what were applicable best practices and possible foundations for potential future efforts. IREX Study also recommended course of action in terms of the Fund’s scope and management arrangements, as well as possible challenges/issues that could impede full operational success of the Fund. That study provided recommendations regarding the Fund structure, possible activities, management arrangements, start-up scenario, its feasibility and risks, and summary of survey findings/key recommendations, including examples of best practices.

IREX Study served as basic analytical foundation to this study through which a significant additional consultative, analytical, research, and outreach effort was invested in exploration and development of the Fund concept. The Study asked the same questions and further explored possibilities for establishment of the Fund. It attempted to provide more definite answers as to what would be the next steps towards creating a sustainable mechanism in Serbia.

The Study was conducted as a combination of a research study and consultations that elaborated on the key recommendations by exploring and developing relevant new or existing concepts or approaches. Select key stakeholders were consulted to develop a detailed outline of a viable Media Fund detailing possible Fund activities, funding sources, profile, optimal management arrangement and decision-making process, potential partnerships, and sustainability plans.

The Study was conducted between December and June 2014 and this is the report of the study. The report is comprised of the main body of the report and six Annexes.

**Goals and Expected Results**

The goal of the study was to contribute to creation of sustainable mechanism for support to media in Serbia based upon values of independent journalism that fosters democratic processes in Serbia. This was to be achieved by exploring possibilities for establishment of a multi-donor Media Fund and providing answers to what should be the next steps towards creating such a sustainable mechanism in Serbia.

The key output of the study is this report which:

* Provides an analysis on potentials for development of sustainable organizational structure of the Media Fund in Serbia, focused on provision of financial support and/or technical assistance to media initiatives;
* Provides an analyses on fundraising potentials and long-term financial sustainability of multi-donor Media Fund in Serbia;
* Provides recommendations and conclusions on feasibility of creation and sustainability of the Media Fund in Serbia in relations to Serbian media needs and status;
* The study also explored potential interest or a stakeholder groups which could serve as the core founders of, or driving forces behind a possible Fund.

## Approach and Methodology

The Study encompassed desk research, interviews with relevant parties and questionnaire analysis, round table with key media stakeholders in Belgrade, as well as two surveys (conducted by BIRODI) for local and regional media and citizens.

Given the complexity of the media scene, the Study was designed to provide answers on key questions identified:

* What is the current status of media, their needs, and context in which they work? What are the previous experiences with media funding and what lessons are learned?
* Is there a need for Media Fund to exist in Serbia and why/why not?
* What would be the purpose and priorities of such Fund? What is the possible change/impact that it can have? Who are the recipients and beneficiaries of such Fund?
* What types of support could Fund provide? What is the assessed cost-effectiveness for those types of support?
* What are potential funding sources for Media Fund?
* What are the chances for future financial sustainability?
* What would be operational structure of the Fund?
* What are the lessons from experiences from other countries?
* What would be challenges and risks for establishing the Fund?

In order to answer those, a number of different methods were used to inform the analysis within this Study. The Study included desk research, in-depth interviews with relevant parties, a questionnaire analysis as well as surveys for local and regional media and citizens (conducted by BIRODI) and a round table with representatives of the media and.

*Desk research* aimed to explore the current situation in the media scene as well as the context, particularly policy and legal framework. It provided information on similar existing models in the region and globally.

*In-depth interviews* with representatives of relevant stakeholders (national media, media organizations, civil sector and potential donors) aimed at exploring their views and opinion on the key questions in regards to potential establishing and functioning of Media Fund. Interviewees were asked to comment on the context in which media work, problems/needs of the media, whether Media Fund is needed and why, priority issues for such Fund, it's beneficiaries, challenges and risks, potentials for funding and sustainability. In addition, potential donors were asked to provide their previous experience with funding media (if any) as well as their readiness to support the Fund. Information gathered through interviews was analyzed to provide views of groups within those interviewed (donors, media, companies, etc.) List of interviewees is attached in Annex 1.

*Two surveys* conducted by BIRODI were designed to provide background on media and citizens opinions. Media survey included questions on ownership structure, employee structure, program content, outreach and financing. Citizens were asked to provide their view on media role and needs, perception on program content, opinion on establishing Media Fund and readiness to support such Fund. Both surveys are attached as Annexes 2 and 3.

*Round table* with key media stakeholders took place after both surveys and interviews were conducted. The goal was to present and discuss initial findings from surveys and interviews. It gathered additional media stakeholders; primarily those not included in interviewees lists. This provided additional perspective on topics and issues regarding media needs, where there was no consensus on key elements of potential development of Media Fund in Serbia, or where findings were inconclusive. List of participants is in Annex 4.

The target groups encompassed within the Study included media (national, local, regional, both electronic and printed), media organizations, international donors, corporations, local foundations, state representatives and citizens.

The following *sample* was used:

* **Media.** Media were assessed both through survey as well as through in-depth interviews. Survey encompassed 44 local and regional media[[1]](#footnote-1) out of which 16 were radio stations, 11 Internet portals, 9 TV stations and 8 printed media outlets. In-depth interviews were conducted with three representatives of national media. Round table gathered representatives of three additional national and one regional media and one independent production.
* **Media and journalist organizations/associations.** In depth interviews were done with representatives of two journalists associations, one media association and Republic of Serbia Press Council. Round table gathered representatives of two additional journalist associations, one representative of association that was already interviewed, as well as three biggest national news agencies.
* **Donors.** In total 18 international donors[[2]](#footnote-2) were interviewed, including bilateral donors and/or embassies, private foundations and multilateral bodies. Round table participants included 6 representatives of international donors.
* **Companies.** In total, five companies were interviewed, representing different industries, including banking, communications, tobacco, gas and oil and retail industry.
* **Local foundations.** Representatives of five local private grantmaking foundations working on national level were interviewed. One representative of a local foundation participated in the round table as well.
* **State.** Representatives of Ministry of Culture and Information, Office for Cooperation with Civil Society were interviewed.
* **Citizens.** Citizens were included through survey with the sample of 1,000 people through web portal [www.tvojstav.com](http://www.tvojstav.com) in March 2014.

**Key Limitations of Methodology Used**

Access to and availability of key information on media in Serbia is limited; primarily information such as detailed ownership structure of media as well as detailed information on sources of media revenues. Numerous researches on media have been implemented in last 10 years, often providing conflicting information. Authors of the Study were trying to mitigate this limitation by using and quoting several sources throughout this Study.

Desk research and interviews were complemented with round table and two surveys, in order to overcome the limitations of each individual research methodology.

Key limitation of survey on local and regional media needs was lack of interest, even resistance of local media representatives to participate in the research, which resulted in a relatively small sample.

**Structure of the Report**

The report comprises three main sections:

* Context, which provides insight into current situation of the market, factors that influence work of media and their needs, as well as previous donor's involvement in media funding and lessons learned
* Results, which provides overview of the data analysis and answers to key questions
* Conclusions and recommendations section provides overview of the findings and recommendations

Each of the main sections consists of number of subsections; each subsection provides analysis of data collected as well as conclusion in regards to specific question/issue that was analyzed. Overview of all conclusions is provided in the last section of the report.

# Context

## Current Situation in the Market

Currently in Serbia, there are 1099 active media outlets.[[3]](#footnote-3) Out of this number, 58.9% are print media (20 dailies), 20.75% radio-stations, 8.28% television stations, 12.1% Internet News Portals.[[4]](#footnote-4)

Top three newspapers’ circulations belong to private newspaper Blic (circulation 105,185, private), Alo (circulation 106,500, also private) and state-owned Novosti (circulation 97,400) (Source: ABC midyear 2013). When TV stations are in question, highest broadcast ratings belong to Pink (21.5% share); RTS1 (20.0%) and Prva (16.1%) (Source: Nielsen AM, January 12, 2013). Three news agencies dominate the market, with private agencies Fonet and Beta and the state owned Tanjug.

Besides state owned national TV station (Radio Television Serbia (RTS) owns two national frequency channels), four more private TV stations have national frequency license, while 28 regional and as many as 80 local TV stations have the license for regional and local coverage[[5]](#footnote-5). Interviewees unanimously agreed that state has allocated too many frequencies for relatively small country such as Serbia. Cable networks are already present in more than 60% of Serbian households[[6]](#footnote-6). In mid 2013 slightly more than 2.4 million citizens in Serbia used Internet daily or almost every day[[7]](#footnote-7). This was an increase of 300.000 citizens compared to 2012[[8]](#footnote-8). Such a rise in Internet usage needs to be taken in account when media development/support in Serbia is considered.

Supply on media market in Serbia is significant. With 1099 media outlets, Serbia is far ahead in number of media than any other country in the region; it actually has almost as many media outlets as 4 other countries combined (Croatia, Bosnia and Herzegovina, Macedonia and Montenegro).[[9]](#footnote-9)

Annual advertising revenue in entire media sector is €150–€160 million[[10]](#footnote-10), including all types of media. However, according to AGB Nielsen research, annual advertising revenue of media in Serbia is decreasing in recent years.

Compared with former Yugoslav countries (excluding Slovenia), Serbia is the second largest market in 2013 when available annual advertising revenue is in question[[11]](#footnote-11).

## Other Factors that Influence Media

1. **Policy and Legal Environment**

At this point, media legislative environment in Serbia was defined by a set of laws and acts[[12]](#footnote-12) that include:

* [The Public Information Law](http://www.paragraf.rs/propisi/zakon_o_javnom_informisanju.html)(Official Gazette of the Republic of Serbia (RS), Nos. 43/03, 61/05 and 71/09);
* [The Broadcasting Law](http://www.paragraf.rs/propisi/zakon_o_radiodifuziji.html)(Official Gazette of RS, nos. 42/2002, 97/2004, 76/2005, 79/2005 – other law, 62/2006, 85/2006 and 41/2009);
* [Electronic Communications Law](http://www.paragraf.rs/propisi/zakon_o_elektronskim_komunikacijama.html)(Official Gazette of RS, nos. 44/2010);
* [Advertising Law](http://www.paragraf.rs/propisi/zakon_o_oglasavanju.html) (Official Gazette of RS, nos. 79/05);
* Strategy for Development of Public Information System in Republic of Serbia by 2016 (Official Gazette of RS, 75/12)
* Strategy for Advancing from Analog to Digital Broadcasting of Radio and TV Program in Serbia (Official Gazette of RS 52/09 and 18/12 and Decision on Changes of Strategy (Official Gazette of RS 18/12)

At the same time, some local TV stations, owned by the local self-government, are strongly opposing the implementation of the Media Strategy which directly decreases their access to public funding. They also believe that they will be sold to individuals connected to local “informal economy” and political elite during privatization, making the Strategy ineffective in increasing media freedoms and independence.

In August 2014 Parliament of Serbia adopted 3 new key media laws: Law on Public Media Services, Law on Electronic Media and Law on Public Information and Media.

1. **Regulatory Bodies**

The body in charge of regulation of electronic media is Republic Broadcasting Agency (RBA). Council for Print Media is the regulatory body for print media; though it is self-regulatory body and its development was supported by donors. Interviewees were almost unanimous in the assessment that regulatory bodies do not fulfill their role. This especially concerns RBA work for which a number of main issues were mentioned: lack of control of the content, lack of control of complying with advertising standards, continuous tolerating of non-transparent ownership, etc. For example, while media have an obligation to have a percentage of public interest programs, they either do not comply with this obligation and/or label variety of programs as programs of public interest when in fact they are not. Further, there were a number of cases in which RBA did not react appropriately and/or timely on media violating the general codex, e.g. non-discrimination or obligation of broadcasting at least 50% of the program produced on Serbian language (cable), etc. Finally, even when RBA brings decisions, government is not always implementing those decisions.

1. **Financing**

Media financing comes from several sources: state funding, which consists of subsidies, project-based funding and state advertising; private advertising and donors funding. Some media have additional income generating activities, like events organizing.

*State funding.* State funding to media is substantial and lacks transparency. Media Strategy from 2011 provided data that overall state support to media in 2011 was about 25 million EUR, with 5 million EUR coming from national budget, 3.5 million EUR from provincial Vojvodina budget and 16.5 million EUR from local self-government budgets. State funding primarily comes in the form of direct subsidies provided to public media enterprises and institutions. State funding provided to media projects is minimal compared to direct subsidies, i.e. in 2012 approximately 660,000 EUR was granted to media projects from national budget to all media in Serbia, while 3.2 million EUR was given as subsidies to only 4 state media companies alone. State advertising is much larger source of income for media: it is estimated to be between 23 and 40 percent of the real value of Serbia’s overall advertising market[[13]](#footnote-13). There is a clear lack of transparency in state investment in advertising market.

*Advertising from private companies.* Private advertising on national level is handled mostly through several major marketing agencies. There are opinions that, because of the difficult economic situation of media, marketing agencies are in position to buy advertising space negotiating damping prices in exchange for early payments. Most of the private companies advertising is dedicated to national media. Out of 160 million EUR of annual advertising revenue for media in Serbia, approximately 95-120 million comes from private enterprises, mostly strong multinational companies. At the same time, it is estimated that advertising income from private sector on local level was maximum 30% before 2012, which fell to 25% in 2012 and then further below 20% in 2013[[14]](#footnote-14).

*Donors support.* In terms of available donors’ funds, based on the data from interviewees, it can be estimated that donors invest between 3 - 3.5 USD million per year in the media or media-related projects, both on national as well as regional and local level.[[15]](#footnote-15)

Law on Public Information and Media adopted in 2014 envisages that state budget, as well as local and provincial budget, will have to finance media only through open calls and on project basis. Individual projects financed from public budget cannot exceed 5% of total budget plan for public informing.

1. **Freedom of Information**

At the time when interviews were conducted, there were different opinions on how strong censorship in Serbia is. Most of the interviewees agreed that - at that point - the pressure and/or censorship was not direct but that there were a number of ways in which indirect pressure on media was being applied. A number of the interviewees mentioned that there was growing trend of self-censorship[[16]](#footnote-16).

There are three main reasons for such situation - both on censorships as well as self-censorship: financing, ownership and commercialization. Firstly, situation in financing of media leaves significant space for manipulation. The mechanisms of state media funding in Serbia are used as indirect, and usually not easily visible, “soft censorship”. Soft censorship is used to promote positive coverage of - and to punish media outlets that criticize - officials or their actions.[[17]](#footnote-17)

Interviewees mostly confirmed this conclusion, claiming that while state funding of media through advertising is significant source of income, decisions on who gets state advertising are not transparent and are for the most part arbitrary. This is particularly important for national media, where most of the state advertising is placed. For local media, income from subsidies leaves significant space for state influence, which local governments often use to their advantage. Some of the interviewees expressed opinion that private advertising is also used in similar way, since marketing agencies that control large share of the advertising market are controlled by various political players.

Secondly, the existing media legislation lacks key articles on transparency, origin and ownership of the capital of media owners. While both Broadcasting Law and the Law on Public Information have provisions on obligatory data provision on media ownership, this obligation is restricted to several basic data already known to public, e.g. name of the director or chief editor, company that owns the media and similar. This, according to all interviewed, is not sufficient to determine the real ownership. Recent NUNS research[[18]](#footnote-18) clearly shows existence of hidden owners within many media, primarily through off-shore companies. All this makes it hard to determine is media ownership concentration taking place in Serbia and to what extent it influences the media editorial policies, programs and censorship or self-censorship.

It should be noted that all interviews were conducted before May 2014 flooding. During and after the flooding, serious questions were raised in regards to the governmental censorship of the media. Questions came from the media and from the civil society, independent regulatory bodies and even international institutions. The questions, at least at the time of writing this report, remained unanswered. Consequently, it should be taken into account that freedom of information and censorship will continue to be issues of concern in Serbia.

1. **Privatization**

Analysis of the context and factors that influence work of the media demonstrates difficult situation and numerous issues on media scene. Very telling was lack of optimism that solutions can be found. When asked about the situation in the media, interviewees used words and sentences such as: *catastrophic, disastrous, extremely bad, worse than ever, worse than in the nineties, situation was not much worse throughout the history of media in Serbia, so many problems that it is difficult to list them all, dark period for the profession,* and finally *'good things happen in media only as accidents'.*

Even though Media Strategy envisaged two-year deadline for privatization of media that process is going very slowly and the state still owns 79 media outlets that should be privatized. According to Privatization Agency, in 2013 there were 36 completed privatization processes out of 109 local media outlets. Local self-governments adopted acts that stopped the process of privatization of 37 media outlets, while 36 are waiting for privatization tenders to be published. There is a fear among media stakeholders that privatization of local media will be misused – both in the sense that their assets will be used for purposes which are not media related and in the sense of putting media in hands of individual members of the political/economic elite. That would compromise both access to information and free speech in local media in Serbia. Law on Public Information and Media adopted in mid 2014 envisages deadline of July 1 2015 as the new deadline for privatization on media.

1. **Public Broadcasting Service**

Most of the interviewees agreed that Serbia does not have true public service broadcasting. Radio Television Serbia, although trying to play this role on national level, is not able to achieve that yet, mostly because of the unregulated financing.

Both public broadcasting entities (RTS and Radio Television Vojvodina (RTV)) are heavily dependent on state subsidies. They are in significant debt and their only independent source of income - subscription - is used by the government in political maneuvers. Therefore, while RTS and RTV are trying to maintain the objectivity, it is quite evident that more air-time is given to ruling parties. Moreover, both RTS and RTV are forced to compete with commercial stations, thus limiting their time and resources for producing content that is in public interest. Law on Public Media Services from 2014 envisages cancellation of subscription and financing from public budgets until 2016.

1. **Media Content**

Media Strategy of the Republic of Serbia, adopted for the period up to 2016, envisages that media development should be guided by public interest. Strategy also outlines which specific media content contributes to public interest.[[19]](#footnote-19)

Interviews with key media stakeholders showed that, apart from the news content (although that was also mostly regarded as being of poor quality), most of the other content of public interest is barely existent or non-existent at all. Public interest content is replaced with poor quality tabloid-like content. Process of “tabloidization” of media in Serbia is perceived by most interviewees as an increasingly present trend in Serbia, without much hope that it will change. BIRODI survey illustrates that citizens miss content such as education and arts and culture. Citizens do see the difference between programs quality on local and national media.

10% of the population does not feel that local media lack any kind of content, which is considerably higher than for the national media (2%). However, national media are more influential and have significantly higher ratings than local. Total of 43% of citizens recognize that education, science, technology, arts and culture are the missing content in national media.

## Previous Donors Experience and Lessons Learned

Donors’ support to media in Serbia begun in 1990s and continued to this day. Large number of media, national, regional and local, both printed and electronic, received some kind of support, either directly (as applicants) or indirectly (as partners of international or domestic organizations). Support was financial, technical, in equipment, but also in training and professional exchange. It targeted media as organizations, production as well as individual journalists.

Information gathered from donors indicates that support was extensive in reach and volume and, as mentioned, that it covered various aspects of media work. Total and exact numbers showing volume of support is not possible to calculate, but it is indicative that just two of the largest donors (USAID and EU), invested multi million annual support to media in last 24 years.

Based on the strategies, investment and impact, donor's support to media can generally be divided in two main periods - during and after nineties.

Throughout nineties, support to media was focused on what may be called "emergency assistance". This kind of support was directed to supporting both program and operational costs of independent[[20]](#footnote-20) media (production costs, but also salaries, rent, equipment, etc.). In general, everything that was needed to enable increased outreach and information beyond the tightly controlled media of the time was supported. The support was rapid and flexible with no expectations in terms of impact on media themselves. Rather, media were a tool or a channel used to promote democratization.

*“The most important aspect of donors support for my media in 90s was not about the money or survival. Donors brought us value oriented perspective that we still cherish and are trying to integrate in our work" -* media representative

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Both donors and media agree that support through the nineties was essential for media and extremely helpful both in establishing first independent media outlets in Serbia as well as maintaining much needed minimum level of free flow of information.

At the beginning of 2000s, donors shifted their focus to mostly content and programmatic support and to developing framework for the work of media. This so called “issue based funding” meant that media were funded not for their role in information sharing and dissemination or to maintain their role in democratization of the society, but for the specific content donors were interested in. Donors supported topics such as rule of law, EU integration process, anticorruption, antidiscrimination, human rights (marginalized groups and ethnic minorities), reconciliation, regional cooperation, civic activism and participation etc. In terms of media development and developing framework for media work, donors supported creation of media strategy, legal framework for the work of media, monitoring of media freedom, self-regulation, developing and monitoring of ethical code for journalists, etc.

It can be claimed with certainty that a number of issues - such as human rights, antidiscrimination, rule of law, anticorruption and some very good investigative stories would never have been produced without donors' support. In general, producing good content is seen as major benefit from donor's support. In what measure this influenced/changed public opinions and attitudes is more difficult question to answer.

Some of the media organizations and donors feel that capacity building also had some positive effect also agreeing that one-off trainings for journalist produce little, if any, result. Funding of journalist in partnership with media to produce investigative stories - although relatively recent practice - is also seen as positive and cost-effective practice. The long-term effects of this practice are yet to be seen, but it was stressed by number of interviewees that partnership with media to ensure broadcasting/printing is the key to ensuring impact of these projects.

Context analysis clearly demonstrates that the framework is far from developed or regulated. Donors generally find that their support to legal framework, media strategy and self-regulation, while continuous, produced little results. The main reason is that - for this area of support to produce results – political will, cooperativeness and responsiveness from the state is essential and that was not always present.

The “big shift” in funding modalities/priorities brought a number of challenges for both sides. In the view of media representatives, previously used to quick and efficient funding approval procedures, these one-off projects that required long approval times and elaborate procedures had a negative effect on their work. Changes created difficulties in covering operational costs, demanded increased dedication of already limited media capacities and their own funds (cost-share). Support, especially for specific media outlets, diminished in the amounts too. Media see many donors' programs lacking clear focus and connections to real needs of media. Smaller amounts and project based funding left media vulnerable in the open market, having to fight for their share of media space with other, more commercial media, and often paying the price for that with their editorial policies and quality of the content and production.

The shift in the funding from flexible, institutional and large support to independent media outlets to so called "issue-based", smaller project funding left media very vulnerable in the open market, having to fight for their share of media space with other, more commercial media, and often paying the price for that with their editorial policies and quality of the content and production.

While majority of donors feel that institutional support had to stop at some point, it seems that - apart from the efforts of couple of donors - overall, there was missing link between two periods of funding: support to media outlets which would help them to strategically address their sustainability on the long-term and keep their role in providing objective information in public interest.

While this gap has now became obvious, not only in Serbia but across Eastern Europe, there is a lack of interest and/or resources for amending the situation.

Donors consider that institutional support had to stop at some point and that media had to become sustainable on their own. Donors also felt that media often asked for project support in order to cover operational costs as well as that it was extremely difficult to measure results of support they provided to media. In fact, lack of measurable impact and low level of change in media practices are seen as key issues with their support to media.

Some of the donors claimed that the main challenge was absence of donors' support for thinking strategically and planning for the long-term. Instead they funded content and relied on the market and commercialization to ensure media sustainability. While in Serbia there were attempts of some of the donors to address that gap (e.g. USAID/IREX support in the recent years) there was lack of coordinated donors’ action in this area. Therefore, despite the global media crisis and, since 2008, global economic crisis, media were expected to survive in the market, which in Serbia, was still developing and was (and still is) overcrowded and poorly regulated. This led to over commercialization and reduced role of media in objective informing of the public and sharing content of public interest. This donor strategy was, according to one of the donors, *"been applied across Eastern Europe and is now challenged everywhere."*

# Results (Findings and Analysis)

## Does Serbia Need a Media Fund?

Responses to this question from interviewees were quite mixed: approximately one third (33%) of the interviewees were decidedly for establishing the fund; nearly 22% were decidedly against it, while about 40% were in favor but conditionally, giving an answer "yes, if..." and/or "yes, but...". A small percentage was undecided (just over 5%).

Those who were in favor of establishing the Fund felt that in this context, media could only benefit from existence of the Fund that would be solely directed to their support.

The interviewees whose answer was 'yes, if' gave various conditions: clear and well selected priorities; focus on the impact; secured funding; bringing added value to already existing support, etc. Number of the interviewees from this group also focused on what kind of change/support media Fund would provide. Some thought that it should be established only if the scope of work included monitoring public policies and legal framework; media literacy; freedom of information, etc.

Those who were against establishing such Fund raised number of issues. Starting with that it was unsuccessfully tried before; lack of possibility that such fund will have an impact; costs that would be too high if anything significant was to be achieved; and potential distortion of the market. Difficulties with independence and credibility of such Fund as well as difficulty with transparency and management were mentioned. Some suggested that simple donors’ coordination would bring about better results, without the unnecessary costs.

While citizens were not directly asked if there is a need for the Fund to exist, approximately 55%[[21]](#footnote-21) stated that they would be ready to support such Fund under various conditions, mostly connected with possibilities to influence distribution of its funds.

While interviewed representatives of media and media associations were for the establishment of the Fund, media and media/journalists organizations that participated in the round table organized within this Study, in majority were against establishing the Fund, seeing it as unnecessary ”intermediary” between them and the donors that are already providing support to the media, or even as a possible ”competition” for funds which are already scarce. At the same time, 44 media that were included in the survey overwhelmingly were in favor of the Fund (95.2%).[[22]](#footnote-22)

While it is difficult to offer definitive yes or no on the question should the Media Fund exist - at least based on the interviews - it seems that general agreement is that the Media Fund, if established, should not aim to change “everything” or set very high expectations. Instead of aiming to change the overall situation in the media, it should be directed at bringing about positive change in certain aspects of the work of the media, with very clear focus and priorities and a clear idea how the impact of its work will be measured.

Interestingly, those who were in favor of creation of the Fund and those who were against used the same argumentation: grim situation in media. For those who supported establishment of the Fund, current situation was a reason enough to try to bring about at least some positive change. For those who were against, the Media Fund - whatever its priorities, scope, or focus - could not possibly hope to bring about long-term and significant change. As one of the donors put it: *"this is not repair job, but rather reinventing the media".*

Finally, it should be noted that whatever answers were offered, there was little enthusiasm for an idea of creating donors’ consortium, or a joint fund where donors would use the resources that they already are directing to media. Similarly, there was no expressed interest of allocating new resources for such purpose.

## Potential Purpose and Priorities of the Fund

Answering the question on potential purpose and priorities of the Media Fund, interviewees gave variety of answers that fall in one of the following three groups.

Firstly, there is an obvious need to regulate the framework for the work of the media. This includes both policy level and legal framework. In the current situation it would be beneficial to support monitoring implementation of the laws as well as the work of regulatory bodies while at the same time advocating for constant improvement of policies and legal framework for the work of the media. The issues to be supported within this area include: creation and monitoring implementation of current and future media strategies, improving and monitoring legal framework, monitoring and improving work of regulatory and self-regulatory bodies, monitoring of media freedom etc. The concerns are that this process, while necessary, is a long-terms investment and demands significant resources that would be directed to various actors as recipients of the support: media, media organizations, civil society organizations, as well as the government. It also requires political will and high level of cooperativeness of the government and the EC already allocates significant funding to this area.

Secondly, number of interviewees had answers that can be grouped as support to "independent" media in Serbia. That is supporting the freedom of media by supporting specific media outlets that are seen or recognized as independent. As mentioned, censorship and self-censorship were frequently mentioned as something that impedes the work of media. This issue became maybe even more important after series of events that took place during the spring 2014 floods: claims of Internet censorship, unresponsiveness of the government when difficult questions were raised, public discussion between OSCE representative and the Prime Minister on freedom of media in Serbia, etc.

While the situation at this point is more urgent in terms of supporting freedom of media, at the time when interviews were implemented, interviewees raised two main concerns in regards to this area of work. Firstly, who and how decides on which media are "independent" and secondly, how operational support to specific media outlets would influence and distort the market, giving those media unfair advantage. Some interviewees also raised concern that such support to specific media outlets if not strategically aimed at sustainability would eventually negatively influence their ability to become sustainable on their own, as was the case with some of the media supported through nineties.

Which media should be the recipients in this case was more difficult to answer: some interviewees felt that support should be directed to those media that have the best outreach - TV stations with national coverage although this demands significant resources. Some felt that it is better to support local media (this includes citizens as well)[[23]](#footnote-23) that would deal with local issues. Local media can be supported with smaller resources and the stories could be ”picked up” by national media. The recipients should be, all agreed, the “new media” - Internet portals and on-line media in general. They were assessed as the least problematic option as usually do not require large resources for operations and content production, while their outreach is becoming wider by the day. Apart from operational and content production support, media/journalists could also be supported by technical assistance in the area of business planning and management and exploring options for sustainability. In terms of content production, apart from covering human rights, rule of law and general issues important for democratization, quality productions in the area of education, culture and investigative journalism were seen as key areas, both by interviewees and citizens.

The third area of work encompasses variety of answers that fall into category of support for enabling citizens to have access to full and quality information. While this area is naturally connected to first two areas of work, it is important to note that, in interviewees' responses focus was on citizens as main and final beneficiaries while media are seen as a tools in the process and sometimes not even the tools (as in cases where media literacy of the citizens was stressed as the most important). In a way, this touches upon the need identified by interviewees: for media to fulfill their role of informing the public and thus becoming important pillar of democratic society.

The recipients in this case would be media outlets for specific issues/stories; civil society organizations for promoting important issues through media as well as for increasing media literacy; journalists - in partnership with media - for pursuing investigative journalism, etc. The issues to be supported, in the opinion of interviewees, remain very similar to issues that were supported in the last decade: anticorruption, human rights, marginalized groups, rule of law, judiciary, freedom of media. Media literacy is seen as increasingly important. Additionally, ideas like ”school” for journalists (as opposed to one-off trainings) and support to journalism as a profession were mentioned.

An interesting opinion was also expressed by small number of the interviewees - that Media Fund should support not media, but independent production of investigative and educational programs. This idea came from the notion that independent production companies can produce high quality programs and offer those programs to media. The concern is the large amount of resources needed to support high costs of quality production for which then there is no guarantee of it being broadcast/used.

The answers on what should be the purpose of the Fund fall into one of the three categories: regulating the policy and legal framework for work of the media; flexible, institutional support to independent media outlets; enabling citizens to have access to full and quality information.

Based on the responses, if the decision on founding Media Fund is brought, it seems that overwhelming opinion is that its priority should be supporting citizen's right to access wide range and more quality information. This of course, is a very wide area and it can include wide range of sub-priorities and ways of support. However, it is important to note that in this case *citizens are the main beneficiaries*; while media outlets could be the recipients of the support in order to achieve the main priority, the focus is shifted from media as beneficiaries to their role, which is informing public.

When analyzing type of response and background of interviewees, it becomes clear that majority of interviewees from media and just a couple of other stakeholders stressed the need for support to so called independent media, in terms of enabling them to survive in the market as well as helping them to become more sustainable. Media representatives justified this opinion by emphasizing the difficult situation of media outlets - too many media on the market, difficult position for those who work in news and programs that are not highly commercial, technical developments that are very needed but expensive, difficult position of journalism as a profession, education for journalists and education for management on how to become more sustainable on the market, etc.

Majority of interviewees that are not from media, felt that the most important would be to enable access to full and quality information/content to citizens and than to support the improvement and monitoring of policy and legal framework, all in the public interest.

## Potential Types of Operation of the Media Fund

Based on previous experience with funding of media and ways in which foundations/donors operate there are three possible approaches to type of operations that Media Fund could take:

1. **Institutional support to media partners**. Limited grantmaking type of operation within which Media Fund would select and support certain media outlets as partners providing longer-term, flexible and comprehensive institutional support;
2. **Open call, grant based support.** Exclusively grantmaking type of operation by supporting media outlets and other stakeholders through regular open calls and grant-based support and
3. **Operational and grant making activities.** Combination of operational and grantmaking activities, within which Media Fund would have its own programs/projects but also would also provide grant-support to media and/or other stakeholders.

An example of the first approach would be the approach IREX used in their Serbia through Serbia Media Assistance Program, funded by USAID. Their approach was to select number of media outlets as their partners and to provide those partners with different, flexible support throughout the year. This approach ensured that support is provided in rapid and flexible manner based on needs of individual media outlet. Media that participated in this program as partners unanimously stated that this is one of the most beneficial ways of support that donor community can provide. However, some of the interviewees expressed concerns about the overall focus and effectiveness of the program. Different types of support provided to different media outlets made it very difficult to measure the overall program impact both on the level of particular media partners, as well as influence on the media scene in general. Furthermore, long-term impact and societal benefit of such support has been questioned by number of donors as well as media that were not included in the program. Still, many media recognized high value of IREX support, with some of them claiming to have become more competitive on the market and thus more sustainable than before such support.

The second approach was chosen by majority of donors. Basically, this approach implies that donor has defined several areas of work within media scene, specific goals for each of the areas as well as desired impact of the support. Based on the areas, goals and impact, donor publishes open Calls for Applications (CfA), defining overall and specific objectives of the call, eligible recipients and specific criteria for each particular Call. The number of such CfAs per year as well as minimum and maximum amounts available per application depended on the desired impact as well as donor's resources. Positive side of this approach is that it allows for wider range of recipients/beneficiaries to be targeted (in comparison with the first approach). Further, it allows donor to target specific issue, thus increasing the possibility to achieve desired impact in that area. Challenges with this approach are that it rarely enables rapid and flexible support that is sometimes needed if circumstances in the environment change suddenly. Also, the support is “scattered’ on number of recipients, rarely allowing continuous strengthening of potential partners/applicants. Finally, for this approach to achieve desired impact it is crucial to have well defined CfAs (overall and specific objectives and criteria) as well as clear selection process; this mostly because achieving desired impact depends on how well recipients are selected (as donors have less control of what is achieved than with selected well-known group of partners).

*“Media Fund will be a learning experience for anyone who enters this venture. As any learning experiences, there will be mistakes. So, it's better to start small and learn on mistakes while you are still small. Big funds, huge programs, too early, also mean huge mistakes”* – from interview with one donor representative.

Finally, the third approach, a combination of operational and grantmaking fund is applied in the work of majority of local foundations in Serbia (e.g. Trag foundation, Divac foundation, Reconstruction Women's Fund). This approach means that the Fund would have its own projects/programs to implement (e.g. monitoring of the work of regulatory bodies) and publish open CfAs for other areas of work (e.g. media literacy, investigative journalism). This approach would enable the Fund to apply different approaches to different areas that it wants to tackle. For certain areas it may be assessed that better results would be achieved with direct and focused implementation of the project by the Fund. While for other areas, better results would be achieved if the available resources are divided among number of recipients. It needs to be noted that implementing own programs demands higher investments in terms of time and human resources, and therefore might not be the best option for the start-up phase of the Media Fund work.

While Media Fund could use different approaches to its operations (working with partners, grantmaking, or combination of operational and grantmaking work), grantmaking seems the best option if the Fund is to focus on citizens as main beneficiaries, and their right/possibilities to access to quality information. Further this option is most viable in the start-up phase of the Fund work.

## Cost Effectiveness[[24]](#footnote-24) of Potential Types of Support

If the potential Media Fund chooses to operate as a grantmaking entity, there are different options to be considered in terms of types of support that it can provide through open grantmaking:

* Direct institutional support
* Project-based financing
* Technical assistance

Media Fund could, potentially provide one, two and/or all three types of support to media. In choosing the type of support cost-effectiveness should be important criteria.

*“For Media Fund, type of support it provides is not the key to success. Success stories are found when the right type of support is provided at the right place and at the right time”* – from interview with one donor representative.

Cost-effective Media Fund means focusing on making as large as possible impact on media and society with least amounts of funds spent. To paraphrase the famous sentence, the best Fund is not the one that has the most, but the one that needs the least to make a tangible change.[[25]](#footnote-25) In that respect, institutional support, or direct support for operational costs, is not the most feasible option for several reasons.

One of the main reasons is that operational costs of media (especially larger, national electronic media that have the best outreach) are very high. Costs of technical equipment and maintenance, need to have larger number of employees of different professions (journalists, video editors, production directors, designers, administration, etc.) and other regular costs make this business financially demanding. Institutional support to media would therefore demand multi-million euro budget of the potential Fund, if the funding is to make any real impact on the work of the particular media outlet. Further, with this type of support it is very difficult - almost impossible - to measure impact that Fund would have. Having in mind that media have multiple sources of income, it would be extremely difficult to define indicators that would demonstrate results and impact of funds provided by the Media Fund. For those reasons, institutional support might be potentially considered for very small-scale operations like news portals/online media that have wide outreach and whose operational costs are not very high.

Project-based funding seems to be a more realistic option. In that regards, there are three types of projects to be considered: support to media projects, support to journalists’ projects and support to other stakeholders (Civil Society Organizations (CSO) as well as journalists and media associations). All options of project-based support would enable certain level of flexibility for the Media Fund in terms of different topics/objectives, as well as grant amounts. This type of support would also be less financially and administratively demanding. Finally, while not easy, it would be more feasible to measure results and impact of projects funded.

All three options also have downsides to be considered. For media projects, having in mind "always actual" nature of the media, and given that the Fund would have to respect certain procedures, there is a risk of funding outdated projects and stories. Further, it is noted from the past donor’s experiences that - since journalists are not writing proposals themselves - final product is not always what is promised and expected. Finally, also from previous donors’ experience it is noted that media often use this type of funding to cover their operational costs (such as salaries).

For journalist projects, while they usually are investigative projects and therefore less urgent, demanding more time for research, a risk to be kept in mind is that broadcasting/publishing is not guaranteed. It is noted that while there are good investigative journalists out there, media often don't publish/broadcast their stories. Therefore, this type of project-based support would demand partnership of journalist with media which could guarantee publishing/broadcasting and satisfactory outreach.

For CSO projects, when funding projects connected with issues they are working on (e.g. human rights, discrimination, etc.) risks are similar. If they do not partner with media in advance, the chances of their story being published are smaller. They could be funded for monitoring/improving framework for media work, as well as for various initiatives in regards to increasing media literacy.

In terms of types of support, project based funding for media, journalists, as well as other stakeholders in combination with CfAs addressing focused technical assistance are more cost-effective options.

However, these options should be further re-considered and potentially narrowed down if and when priorities of the Fund are selected.

The third option, technical assistance[[26]](#footnote-26) to media is also viable. While both media and other stakeholders consider one-off trainings for media/journalists[[27]](#footnote-27) as ineffective there are other types of support that media could use, especially in the current market such as business and production consultations.

This type of support could be cost-effective and useful to media under certain conditions: well-selected topics for potential trainings and education and setting mechanisms in place that would ensure implementation of gained knowledge/skills/attitudes within selected media outlets. In that case, it would be also possible to measure results and impact of such support. This type of support could also be provided through separate open CfAs.

Regardless of type of support that is chosen, there are two key issues to be considered. Firstly, given that there are still number of donors which support media in various areas, this Media Fund would need to find its’ niche, something that is either not yet supported (which would be difficult), or, more likely the area where there is additional assistance needed. Only when the focus of the fund is chosen/determined, an appropriate and the most effective type of support should be chosen.

## Potential Fundraising Sources

Within this study, multiple sources of support were considered: international private donors as well as international development agencies and organizations (in further text international donors), local non-profit foundations, corporate giving, individual giving and state support. As for international donors, the graph demonstrates potential level of support.

According to interviews, 7 out of 17 donors interviewed would not consider supporting Media Fund. Four other donors think that it is not likely, unless something changes within their own programs, or most often their own financial situation. One donor representative interviewed was partially interested (answer "maybe" in the graph); while three said that they would support it if Media fund would support areas that they are interested in. Finally, two donors gave firm yes, without conditions although of course, within their financial abilities.

Number of donors seem not to be particularly interested in to support Media Fund. Some international donors that don’t have any permanent physical presence in Serbia (office and/or registration) have shown somewhat larger interest in considering support to Media Fund. They would need to be assured that governance and organizational structure of the Media Fund is sound, credible and independent, as well as that the Fund programs are in line with their own objectives.

*“Why would we invest our funds through another Foundation, when we already have credible media partners that we ourselves selected and supported for years? Media Fund would need to provide extraordinary added value to what we already do in order for us to consider such an investment! “* –from an interview with donor representative.

Those who left open the possibility of support would support mostly program costs including re-granting. Smaller number was open for possibility of supporting operational costs or potential institutional support.

Given that those who were open for potential support are mostly those that already support media, it is obvious that Media Fund, if it is to attract funding, would need to offer tangible added value in order to attract funds. Such added value obviously must be either introducing innovative successful practice or finding a gap in the existing programs available for media.

As for companies, the situation is more complex. Out of five large companies (all different industries: banking, communications, tobacco, gas and oil and retailer), two would not be interested to support Media Fund at all, one also not unless they would find the way to avoid perception of any unethical influence on media programming. Only two companies showed some interest in supporting Media Fund, but only if the fund would support specific issues that they cared about.

Given current economic situation, and the fact that corporate support is reduced in the last couple of years as well as that they are narrowing down their fields of interest, and finally, proverbial caution of companies when it comes to funding, it doesn't seem likely that new Media Fund would be supported by companies in the beginning of its work. If it would be supported, the amounts to be expected are not high.

State representatives would not support the Media Fund financially, given that the state has its own systems for supporting media. State is also facing budget crisis which contributes to reluctance of state representatives and extreme selectiveness in making decisions on additional budget allocations.

In regards to citizens, BIRODI survey (Annex 3) shows stunning 54,4% that would consider support to media fund albeit under certain conditions (ownership, content, possibility to decide which media are supported, etc.); with high numbers as potential amount of funding.

The high potential for mass individual giving has been demonstrated in Serbia in the last couple of years. However, current experience in mass individual funding also demonstrates that citizens are still reluctant to support intermediary organizations on a large scale, that the level of mistrust is still high and that they are mostly giving to emergency and/or humanitarian causes. For example, in 2013, the main purpose to which mass individual donations were directed was for medical treatments of individuals (51%), which was followed by support for marginalized groups (22%) and support for poverty relief (19%), again mostly directed to individuals and/or families (app. 56% of donations), while only 17% of donations were directed to CSOs and/or foundations. Moreover, the conditions under which they would be interested to give are extremely incoherent and hard to satisfy at the same time. In that respect, citizens (mass individual giving) are not viable source of funding in the early phase of the Fund’s work.

In terms of support of well-off individuals with larger donations, while that possibility exists, the risk of influencing independence and decision-making of the Fund in that case, and therefore losing credibility and reputation, is very high and difficult to mitigate.

Local foundations were open for cooperation and joint programs, but could not offer financial support. They are all willing to provide consultations, training and technical assistance to founding members of the Media Fund in the process of its establishment.

Apart from potential sources, it is important to consider level of potential financial support available. Given the size of the grants of the current donors who expressed potential interest in funding, maximum amount available at this point could be estimated at USD 300,000 to USD 400,000 per year[[28]](#footnote-28). It should be noted that this amount would not be readily available immediately. More likely it would take 2-3 years of work, building reputation, credibility and relevant programs before achieving this annual budget.

In terms of successful fundraising, number of potential donors stressed already mentioned importance of credibility of governance and organizational structure of the Media Fund as well as clear link between competencies existing within the Media Fund with specific goals of the Fund.

Based on available data and analysis, it seems that options for fundraising, certainly in the beginning of the Funds work are limited, both in terms of variety (just donors, and maybe rare companies) and number of sources.

While in the longer-term USD 300,000 – 400,000 might be available, achieving this level of annual support will take several years while the Fund builds credibility and reputation.

Given that interviews were conducted before the latest developments which raised serious concerns in regards to censorship in Serbia, it can be said with certainty that general donor's interest in freedom of media and free speech has increased. However, the increased interest does not mean increasing of available funding. Given that majority of donors have already set long-term strategic plans for their work in Serbia, which are followed by long-term financial plans, it is not likely that available funding would increase significantly. Additionally, most donors who had the possibility of changing their funding plans have already done that in response to the floods as an emergency situation.

## Financial Sustainability of Media Fund

While potential sustainability of the Media Fund was much mentioned in the individual interviews phase of the Study, it was mostly to question and/or express concerns and reservations that the Fund could achieve it. It was especially emphasized by number of interviewees that potential Media Fund would be start-up organization and *"late in joining the game";* that is that it would be starting its operations when donors are withdrawing and have already developed their exit strategies.

If there is joint donors venture/consortium that is ready to either allocate resources and support new organization in the long-term, or using it as intermediary for coordinated distribution of resources, financial sustainability can be strategically addressed in parallel with the development of organization's programs. However, as mentioned above, there was little interest of interviewed donors for this option.

Therefore the second option is to look at the potential Media Fund as any other start-up organization, for which it is not realistic to expect to be financially sustainable, but which needs to develop having sustainability strategically addressed from the very beginning of its work.

When discussing financial sustainability, four elements are usually taken into account: having stable revenue to support organizations' operations on an ongoing basis; access to flexible revenues to address priorities; having diversified revenues, both in terms of income and sources; possibility to build reserves that can be used for emergencies, to cover deficits, and to invest in longer-term assets.

For the first phase of the organizational development it would be necessary to ensure revenue that would support organization on on-going basis, both operational as well as programmatic costs. That revenue could be covered from one or two donors, but should be flexible and stable (ensured in advance). While it does not need to cover complete annual budget of the Fund, it has to be large enough to enable minimum of functioning while the organization fundraises for the remaining part of the budget. In the life of the organization, this phase is used to establish the organization, promote its work, prove its effectiveness and gain credibility and reputation. If successful, it usually takes three years to do that.

In the next phase, it is possible to consider potential of introducing new or more sophisticated version of existing programs, and to work on increase of the annual budget with focus on diversification of sources. In the final phase, organization looks at building reserves and potential independent sources of income that would enable minimum of funding covered independently from donors.

While the financial sustainability for non-profit organizations is generally difficult to achieve, situation is even more complex for potential Media Fund; although not unachievable. The complicating factors that need to be taken into account are:

* Media Fund would be an intermediary organization; for this type of organizations start-up is more difficult;
* Question of independence from various types of donors has significantly more weight with Media Fund than with other type of organizations;
* Intermediary organization that deals with media would therefore have significant difficulties in accessing local sources (state, companies, citizens).

As the Fund would be a start-up organization, precondition for its development would be to ensure at least two institutional donors, that is, donors that would provide institutional support for the period of at least three years. While this institutional support doesn't have to be large, it has to be stable and flexible. This type of commitment from couple of donors would enable Media Fund to further fundraise for its programs, while building internal organizational capacity, communicating its results and gaining reputation. After the first period, it would be possible to look at other aspects of financial sustainability, such as further diversification of sources of revenue and building reserves.

However, while the "regular" non-profit organizations could take this road, organization that funds media faces different situation. Table on the next page reflects various aspects in terms of sustainability that new Media fund needs to take into account.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Phase of Development** | **Type of Income Needed** | **Potential Sources** | **Risks& Challenges** | **Potential Mitigation Measures** |
| Phase one: establishing the Fund | Up to 2 institutional donors | International donors | - Difficulty in ensuring institutional support at the beginning of the work | - Negotiation in advance of establishing the Fund  - Credible people are present in Board(s) and Fund management |
| 1 - 3 other donors | International donors | - Difficulty in building credibility with donors community at the establishment phase  - Losing the focus of the Fund’s mission and vision while “chasing” different donors criteria | - Good strategic plan developed based on media/journalists/citizens true needs and availability of funds |
| Phase two: development and growth | At least 1 institutional donor | International donors | - Difficulty in ensuring institutional support  - Dependency on institutional donor from previous phase makes Media Fund less sustainable | - Nurturing relations with institutional donors from previous phase and identifying new institutional donors during the previous phase |
| 3-10 other donors | International donors | - Frequent changes of topics of the Fund’s interest depending on Media Fund donors' interests  - Lack of potential to react rapidly if needed by media due to long administrative procedures | - Proposals of Media fund should always be developed to enforce Media Fund mission and vision  - Fundraising for “reserve fund” that should be available within Media Fund |
| Companies | - Fund seen as influenced by corporate sector  - Reluctance of companies to finance intermediary organization and specifically media | - Mechanisms for decision making are accountable and transparent  - Developing longer-term relations with companies |
| Citizens | - Low level of trust  - Seen as influenced by well-off individuals | - Constant communication with citizens on the Fund’s activities and transparent reporting  - Code of ethics developed and respected within the Fund;  - Complete transparence in terms of funding; taking care about percentage of support coming from well-off individuals in comparison with other funding |
| State | - Seen as dependent on state  - State reluctance to involve intermediary in the funding of media | Accountable and transparent decision making procedures that ensure neutrality of the Fund  Working with state and other donors to develop model of the Fund as intermediary organization |
| Phase three:  building independent sources of income | 3-10 donors | As above | As above | As above |
| Reserve fund | International donors | - Lack of willingness to invest for such purpose | - Negotiation, proven track record |
| Own business/social enterprise | International donors | - Lack of willingness to invest for such purpose  - Economic crisis and difficult market for start-up businesses influencing potential profit | - Provide adequate visibility to donor  - Developed business plan and involved outside experts |
| Investments | Own reserve funds and donors | - Economic crises and uncertainty/fluctuations on national market | - Developed good investment model with experienced experts |

## Human Resources and Organizational Structure of Media Fund

Various aspects of the research within the study demonstrated that human resources and organizational structure would be particularly important elements for the potential Media Fund. Both of these elements are also two key elements for internal organizational strengths of potential Media Fund, and therefore for its overall sustainability. In that respect, it is not surprising that interviewees stressed importance of governance. Visible and transparent Board is seen as the key element of the structure.

According to interviewees, Board roles should certainly include responsibility for making strategic decisions, monitoring and advising on programmatic work, evaluating the work of the Fund, fundraising and sustainability. Aside from that, the Board role is also to give credibility to the Fund's work. Optimal Board is seen as very active and very involved in the work of the Fund with ability to act and respond fast and working very closely with the Executive Director.

Given the above, composition of the Board should be such as to include members with various areas of expertise, stellar reputation and credibility in their own field and in public and readiness/ability to commit enough time and energy to guide the organization. Their expertise would need to be wide ranged to encompass both understanding and in-depth knowledge of the specifics of work of intermediary organizations and expertise in the media scene. One of the interviewees also stressed that both domestic and foreign experts should be involved in the Board work.

The opinions were divided in terms of what kind and whether media experts should be directly involved in the work of the Board. Answers differed depending on whether interviewees were from media or other stakeholders. Media representatives have negative experience with some donors on this matter. Several interviewees said that several donors key decision makers were “disconnected from media reality” insisting on topics and work which is not relevant for media outlets. Therefore, their attitude is that the board members should have relevant media experience. Still, this doesn’t necessarily mean that a media representative(s) should be included in the Board. This is seen both by media and other media stakeholders as a liability factor for Media Fund due to potential negative influence on impartiality of decision making processes.

Potential solution to this issue would be to have an Advisory Board with media expertise, whose role would be to advise the Board and/or staff on media-connected issues. In this case a different body – a Managing Board could take over the role to guide the development of the Fund as an organization. Managing Board could include different type of expertise such as organizational development and fundraising.

As for the staff, given the current funding situation, it was unanimous opinion that staff should be “light”. It should include the Executive Director (ED) and potentially two to three other staff members. Role of the ED would be to work closely with the Board/s on the strategy development, participate and oversee its implementation, promote and fundraise for the Fund. Therefore, the ED, in addition to having some expertise and/or experience in working with the media (or in the media) should have experience in organizational development, financial management and fundraising. His/her reputation would also be very important since this person would become the face of the Media Fund.

Given the options for Fund's priorities as well as limited possibilities for funding and financial sustainability, general recommendation is that Fund should consider a “light structure”.

Even more importantly, given the current situation in the media scene, (diminished reputation of media and degraded integrity of the profession) the *who* and *in what way* is involved could very well be the ”make-or-break” point of the Media Fund.

Two to three (at the most) members of staff should cover programs, fundraising, communications and finances/administration. Additional human resources should and could be either hired on temporary, contractual basis for specific tasks and/or recruited as interns.

Proposed structure of the Media Fund:

**Staff member**

Program implementation

**Staff member**

Fundraising and communications

**Managing Board**

expertise in intermediary organizations,

various org. development and media

domestic, excellent reputation, with time to invest

**Executive Director**

Management, promotion & Fundraising

Interns and temporary contracted staff

**Advisory Board**

media expertise

foreign and domestic members

**Staff member**

Administration and finance

There are two things that should be noted and considered: firstly, light structure is suggested considering current potentials for fundraising. This structure, while feasible in regards to available funding, is not adequate if Media Fund would have ambitious goals, wide programmatic coverage, both grantmaking and operational role and/or larger funding available.

Secondly, finding people with this type of qualifications and reputation - both for two Boards as well as for the Executive Director and staff, who would be ready to invest their time on a voluntary basis (Board) or work for salary not commensurate with their experience (the ED and the staff) might prove challenging.

## Experiences from Similar Ventures

Looking into existing media funds in Europe and in the region, not much in the way of independent funding bodies that could be used as models was found. Albeit a scarce horizon, this section of the report scans it building on the IREX report from 2012 in an attempt to survey the scene for new developments and assess appropriateness of examples of good practice for Serbia at this time.

It is important to note that in the region of South-eastern Europe, throughout the last 20 years and now there were examples of institutional donors allocating/programming their funding through specific re-granting third party mechanisms (e.g. National Endowment for Democracy). These were, however, more of disbursement mechanisms for those donors than their attempts to establish a permanent or at least a long-term media fund. They are mostly one-off, project funding from donor to an organization that has the capacity to do re-granting to media (of which there are several in Serbia alone). Once the project is over, the fund is closed and the story ends there. These kinds of funds are not considered here as they were never meant to lead to establishment of a long-term independent fund or to become sustainable.

Globally, there were a number of attempts to set up a multi donor media funds. IREX study mentions a few as good practice examples – Tanzania Media Fund (TMF) and The Southern Africa Media Development Fund (SAMDEF). There are more of the funds set up using the same model – Media Foundation of West Africa, Voices of Africa Media Foundation, etc. They function in different ways, but were all set up in similar way. They were set up as entities with explicit mandate of media development, a structure and significant seed funding in place, and with some distance between donors and the organization in terms of decision-making. For example, SAMDEF had a start-up budget of 1 million USD in 1998 and TMF a budget of 7.5 million USD for a period of 3 years starting in 2008. This funding was provided by major donors such as Swiss Agency for Development and Cooperation (SDC), UK Department for International Development (DFID), Irish Aid, and The Royal Danish Embassy for TMF and Free Voice from the Netherlands and Swedish International Development Agency (SIDA) for SAMDEF. Most of such funds, in addition to seed funding, continue to receive funding from major donors such as USAID, Open Society Institute, etc. to this day.

Interestingly, while most donors that supported setting up of the above funds are present in Serbia, this model in terms of creation of the fund does not seem feasible. Reasons mentioned are multiple – many of the donors are winding down their support to Serbia and others are staying but with significantly reduced budgets. All donors mentioned the global economic crisis and the global media crisis. Some mentioned high operational costs of such funds and a one or few challenged the model’s sustainability. Regardless of the reasons, it became clear that an option of setting up a significant size multi-donor fund is not feasible for Serbia at this moment.

TMF and SAMDEF provide different kind of support to media. TMF provides grants and capacity building support. SAMDEF provides loans, co-funding, loan guarantees, equities, etc. Looking at sustainability and the long term, a model closer to SAMDEF may be more viable and more sustainable. Keeping in mind the commercial nature of majority of media provision of loans and products like those SAMDEF provides may be more appropriate for a good section of the media scene.

In addition to SAMDEF, Media Development Investment Fund (MDIF)[[29]](#footnote-29) is worth mentioning. As their web site states MDIF is a mission-driven investment fund for independent news businesses in countries with a history of media oppression. It was founded in 1995 (similarly funded by major donors to start up) believing that only financially independent news media can stay editorially independent over the long term. Similar to SAMDEF they provide loans equity investments, loan guarantees and technical assistance grants. These two models are interesting as they have more potential for sustainability and in fact have grown over the years although both still receive funding from major donors. The question here is whether this model is applicable to Serbia (or any single country) with its limited market for growth of such an enterprise. Exploring a similar regional fund seems more feasible.

The Study also looked into private foundations funding media or media related issues in Europe such as Freedom of Expression Foundation, from Norway. These are privately set up foundations. Although initially established by private companies, they have, in the meantime either severed the ties with those companies or are run independently despite the ties and are all mission-driven. Foundational like this have the advantage of independence and freedom from fundraising. They either operate on an endowment income or are funded from the business profit. Negative side is the amount of capital that is required to establish such a foundation in order to be of a significant enough size to operate independently and sustainably and to have an impact. An establishment of a foundation like this seems like a prospect far from near future in Serbia.

The new development since the IREX study was conducted is an actual establishment of an independent national media foundation in Serbia. In November 2013, the daughter and the son of murdered journalist and several civil society activists established Slavko Curuvija Foundation (SCF). SCF’s mission is aimed at raising the quality of journalism in Serbia by offering support for local media, investigative journalism, as well as providing training for students of journalism. The Foundation was established with support and a small seed grant from Rockefeller Brothers Fund. It has light operational footprint and an independent Board of Directors that ensure the foundation’s independence. Since the establishment the foundation has secured support from 3 other donors and secured its budget for the first year.

# Conclusions, Recommendations and Risk Analysis

Analysis of the context and previous experience clearly demonstrate challenging situation and numerous issues with Serbian media scene. There are issues in every aspect of media functioning: situation with the market in which they operate, policy/legislative environment and implementation of existing policies/laws; functioning of the regulatory bodies; financing; freedom of information; privatization of state owned media; public broadcasting service; content, etc. Perhaps listing just some of them makes more understandable across the board lack of optimism that solutions can be found which was widely present among majority of the stakeholders included in the Study.

A study on feasibility of a potential Media Fund conducted in such circumstance had to result in some disappointing findings and conclusions. It however, was also encouraging to see that there were individuals and organizations that were not giving in to pessimism but were rather looking for opportunities and possibilities. This section of the document lays out conclusions of the study, recommendations following from those conclusions and provides an overview of risks and challenges and ways to manage those.

## Key Conclusions

### Donors’ Experience and Lessons Learned

Donors’ support to media in Serbia started in 1990s and continued to this day. Large number of media received some kind of support, either directly or indirectly. Support was financial, technical, in equipment, but also in training and professional exchange. It targeted media as organizations, production as well as individual journalists. Based on the strategies, investment and impact, donor's support to media can generally be divided in two main periods - during and after the nineties.

The shift in the funding from nineties to 2000s, from flexible, institutional and large support to independent media outlets to so called "issue-based", smaller project funding left media very vulnerable in the open market. They had to fight for their share of media space with other, more commercial media, and often paid the price for that with their editorial policies and quality of the content and production.

### Need for the Media Fund

Based on the Study, especially the in-depth interviews, it was difficult to ascertain a clear and definitive yes or no answer to the question should a Media Fund be established. The answers were across the spectrum and not aligned to stakeholder groups. Everyone agreed that needs of the media were great but there was no consensus on establishment of the Fund.

To conclude, **needs of the media are great but the there is no consensus if the Fund could respond to those needs. Despite the differing views a possibility of establishment of a Media Fund should not be discarded.**

### Purpose and Priorities of the Media Fund

Potential purpose of the Fund fall in one of the following three groups. Firstly, there is an obvious need to regulate the **framework for the work of media** with the purpose of **addressing the systemic and the long-term issues** plaguing the media scene in Serbia. Secondly, support to **"independent" media** was identified as a priority that would have the purpose of ensuring sustainability of independent media outlets and thus freedom of information. The third possible area of work is support for enabling citizens to have **access to and quality of information**. While this area is connected to first two, here the focus would be on citizens as main and final beneficiaries. The purpose here would be for media to fulfill their main role – **informing the public** and becoming important pillar of democratic society. Such a purpose and focus of Media Fund is most feasible at this point.

### Types of Operations of the Fund

Based on previous experience with funding of media and ways in which foundations/donors operate there are three possible approaches to type of operations that a Media Fund could take:

1. **Institutional support to media partners**. Limited grantmaking type of operation within which Media Fund would select and support certain media outlets as partners providing longer-term, flexible and comprehensive institutional support
2. **Open call, grant-based support.** Exclusively grantmaking type of operation by supporting media outlets and other stakeholders through regular open calls and grant-based support and
3. **Operational and grantmaking activities.** Combination of operational and grantmaking activities, within which Media Fund would have its own programs/projects but also would also provide grant-support to media and/or other stakeholders.

While Media Fund could use different approaches to its operations, **open grantmaking seems the best option if the fund is to focus on citizens as main beneficiaries, and their right/possibilities to access to quality information/content.** Further, this option is most viable in the start-up phase of the Fund work.

### Cost-effectiveness of Potential Types of Support

If the Media Fund were to operate as grantmaking entity, there are different options to be considered in terms of types of support that it can provide through open grantmaking:

* + Direct institutional support
  + Project-based financing
  + Technical assistance

Media Fund could, potentially provide one, two and/or all three types of support to media. However in choosing type of support cost-effectiveness should be important criteria.

**Media Fund would need to find its’ niche, topic or area that is either not yet supported, or an area where there is additional assistance needed.**

**Direct institutional support might be potentially considered for very small scale operations like news portals/online media that have wide outreach but whose operational costs are not very high.**

**Technical assistance to media could be cost-effective and useful to media under certain conditions:** well-selected topics for potential trainings & education and setting mechanisms in place that would ensure implementation of gained knowledge/skills/attitudes within selected media outlets.

**Project-based funding seems to be the most cost effective option.** It would enable flexibility for Media Fund in terms of targeting, different topics/objectives, as well as grant amounts.

### Fundraising and Sustainability

Within this study, multiple sources of support were considered..

**There was little enthusiasm for an idea of creating donor's consortium, or a joint fund** where donors would use resources that they already are directing to media; similarly, **there was no expressed interest of allocating new resources for such purpose**.

**Given current economic situation, it is not likely that companies would support new Media Fund** in the beginning. If it would be supported, the amounts to be expected are not high.

**State would not support the Media Fund financially.**

**Individual citizens’ giving is not a viable source of funding in the start up phase of the funds work.** This area may develop later on.

**Local foundations are open for cooperation and joint programs, but could not offer financial support.**

Based on available data and analysis in the longer-term **USD 300,000 – 400,000 might be available annually**; achieving this level of annual support will take several years while the Fund builds credibility and reputation.

### Organizational Structure

Various aspects of the research within the study demonstrated that human resources and organizational structure would be particularly important elements for the potential Media Fund. Both of these elements are also two key elements for internal organizational strengths of potential Media Fund, and therefore for its overall sustainability. In that respect, it is not surprising that interviewees stressed importance of governance. **Visible and transparent Board is seen as the key element of structure.**

**Large operation with a full start up budget and full staffing was not a feasible option.**

**Independence and reputation of the people involved are the key to success of the Fund.**

### Lessons Learned from Other Countries

Building on the IREX report from 2012 types of funds were analyzed in light of findings of this study to determine appropriateness and applicability of those models. **Setting up a multi-donor seed fund is not a viable option for Serbia at this time.** The donors were very explicit in their lack of enthusiasm for such an endeavor. In addition to lack of interest among donors, this model requires continuous funding and is not a sustainable model in a funding environment such as Serbia.

**A fund that provides loans and/or investment options to media is likely not an appropriate model for a Fund in Serbia.** In addition to it requiring significant initial investment the challenge would be the size of Serbian market with its limited space for growth and securing of its viability as a business endeavor.

**An establishment of private foundation supporting the media seems like a prospect far from near future in Serbia*.*** While there are companies and people with funds of needed volume, there is little interest from them to invest in such a foundation.

## Key Recommendations for Development of Media Fund in Serbia

Based on the findings and the conclusions of the Study, the following recommendations are being made:

* **Despite the differing views a possibility of establishment of Media Fund should not be discarded.**
* Should a decision to establish the Fund be made, it should not aim to change ‘everything’ and/or set very high expectations. Instead of the aiming to change the overall situation in media, **the Fund should be directed to bring about positive change in certain aspects of the work of media with very clear focus and priorities and clear idea how the impact of its work will be measured.**
* **The purpose of the Fund should be improving access to and quality of information/content for the public on the topics of public interest by improving the access to and quality of information/content produced.** This of course, is a very wide area and it can include wide range of sub-priorities and ways of support, which should be further narrowed down, keeping in mind that citizens should be the main beneficiariesand media used as tools to achieve the purpose.
* **The Fund should operate as grantmaking entity if the Fund is to focus on citizens as main beneficiaries, and their right/possibilities to access and quality information/content**. In its later stages of development it can expand to become combined operational/grantmaking fund.
* In terms of types of support and their cost-effectiveness, **project based funding for media, journalists, as well as other stakeholders (CSOs, media and journalists associations) in combination with focused technical assistance are a recommended option.** Options for types of support should be further refined and potentially narrowed once priorities of the Fund are selected.
* During the first phase it would be necessary to **ensure one to two donors that would support the organization on an on-going basis, both operational as well as programmatic costs**. Besides institutional support,2 -3 additional donors should be approached for specific programs.
* In the next phase, **new donors should be introduced to work on increase of the annual budget with focus on diversification of sources.**
* Given the options for Fund's priorities as well as limited possibilities for funding and financial sustainability, general recommendation is that **the Fund should consider a ”light organizational structure”.**
* **Very active, involved, visible and transparent Board with expertise, reputation and independent from influences is seen as the key element of structure.**
* **A non-decision making Advisory Board with media expertise and role to advise the Board and/or staff on media-connected issues is highly recommended.**
* **Staffing of the Fund should be “light”, to include the Executive Director and potentially two to three other staff members.** Additional human resources should and could be either hired on temporary, contractual basis for specific tasks and/or recruited as interns.
* Based on reviewing other models in Serbia and abroad, **the most viable option is something that is Serbia’s own homegrown foundation with a clear focus; local ownership and light touch operation.**

## Risks and Mitigation Measures

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Development phase** | **Area** | **Risk/Challenges** | **Probability and Potential impact** | **Potential Mitigation Measures** |
| Phase 1: Establishment of the Fund | Fund activities | * Media outlets can feel threatened by “intermediary” role of Media Fund in donors financing to media * Slow procedures make financed media productions outdated * Lack of measurable Media Fund results and impact | * High probability and significant impact * Medium probability and significant impact * Medium probability and significant impact | * Working in close communication with media outlets and accessing funds unavailable for media outlets directly * Funds available for rapid funding * Clear mission, long and short term results, established system for evaluation on different levels of achieved impact, goals and results |
| Sources of funding | * Some of potential donors are already committed to their media partners or even other foundations * Lack of level of funding needed to make an impact on media stakeholders * Donors would like to exercise their influence on media through Media Fund | * High probability and significant impact * High probability and medium impact * Low probability and significant impact | * Providing added value for donors if they invest through Media Fund * Starting with scale of program which is adequate for available funding, identifying up to 2 institutional donors and 1-3 other donors * Developing code of ethics, conflict of interest policies and adopting and promoting Media Fund fundraising standards |
| Organizational structure | * Lack of credibility of Board members within media community * Lack of credibility of Executive Director (ED) within media community * Lack of transparency in decision making procedures | * Medium probability and huge impact * Medium probability and huge impact * Medium probability and huge impact | * Commitment to accountable Board members selection process, introduction of media representatives in Advisory Board * Transparent process of selection of ED with clear criteria consulted with donors and media outlets * Use assistance of other domestic donors to immediately develop clear decision making procedures. |
| Phase 2: Development and widening of Media Fund | Fund activities | * Lack of clear focus of Media Fund different programs due to different sources of financing * New legislation implementation changes media context | * Medium probability and medium impact * High probability and significant impact | * Clear Strategic plan * Adaptive planning introduced within Media Fund, with research and development activities constantly present, keeping close contacts with media outlets |
| Sources of funding | * International donors leaving Serbia * Increased dependency on EU financing and demand for increased administrative work * Lack of diversified revenue sources | * High probability and huge impact * High probability and low impact * High probability and significant impact | * Developing fundraising mechanisms from local sources * Developing knowledge and skills on management of EU projects * Development of financial sustainability plan according to Strategic Plan, having minimum 1 institutional and 3-10 other donors |
| Organizational structure | * Undersized or oversized staff * Lack of Board members motivation and activity level | * Medium probability and medium impact * High probability and significant impact | * Clear procedures on percentage of administrative costs comparing to overall budget, staff size and salaries rules * Constant communication between ED and Board members, clearly defined role of the Board. |

# Annexes

List of annexes:

* Annex 1 - List of interviewees
* Annex 2 - BIRODI research of media representatives attitudes
* Annex 3 - BIRODI research on attitudes of citizens
* Annex 4 – List of participants of round table
* Annex 5 – List of laws and acts in RS regulating media work
* Annex 6 - Donors support to media

## Annex 1 - List of interviewees (alphabetical order by name)

1. Aleksandra Čalošević, Project Officer at Norwegian Embassy in Serbia
2. Aleksandra Kalinić, Manager of MATRA Program in Serbia Ana Koeshall, Director at Ana and Vlade Divac Foundation
3. Ana Pribićević-Camernik, PR & Communications Manager at Deutsche Gesellschaft fur Internationale Zusammenarbeir (GIZ) GmbH
4. Andrea Brbaklić, Communication Division Executive Director at Erste bank Biljana Dakic Djordjevic, Program Officer at Balkan Trust for Democracy
5. Carl Giacinti, Project Manager People 2 People Programme at EU Commission, DG Enlargement
6. Dejan Petrović, Project Manager Social Development at Erste Stiftung
7. Dragan Kocić, Managing Board Member at Association of Independent Electronic Media (ANEM) and City Radio Nis owner
8. Douwe Buzeman, Second Secretary (Political Secretary & Head of Press and Culture) at Netherlands embassy in Belgrade,
9. Haki Abazi, Western Balkans Program director at Rockefeller Brothers Fund
10. Hedvig Morvai, Executive Director at Europe Balkan Fond
11. Ivan Kuzminović, Program Officer at Norwegian Embassy in Serbia
12. Ivana Cvetković Bajrović, Senior Program Officer at NED
13. Ivana Ćirković, Director at Office for Cooperation with civil Sector of Government of Serbia
14. Jadranka Jelinčić, Executive Director at Fund for an Open Society Serbia
15. Jelena Ćuruvija, Ex-officio President at Slavko Ćuruvija Foundation
16. Jelena Preradović, Manager Community Relations at Philip Morris International
17. Jerome Kelle, Chef du service de presse a Ambassade de France a Belgrade
18. Maja Čečen, Director at B92 Fund
19. Mara Živkov , Consultant at Norwegian Embassy in Serbia
20. Marija Vujanić, Corporate Communications Manager at Telenor
21. Marina Paunović, Former Chief of Party at IREX programs in Serbia
22. Mia Vukojević, Director at Trag Foundation
23. Milena Spasić, CSR Manager, Function for PR and Communications at NIS (Naftna Industrija Srbije)
24. Mirjana Mirosavljević, Journalist and Program Coordinator at Reconstruction Women’s Fund
25. Neven Martinović, Director at Smart kolektiv
26. Nevena Nikolić, Policy Office at Netherlands embassy in Belgrade
27. Nicola Bertolini, Deputy Director General for Enlargement at Europan Union Commission
28. Petar Jeremić, Executive Board President at Journalist Association of Serbia (UNS)
29. Peter Wiebler, Acting Mission Director in Serbia at United States Agency for International Development (USAID)
30. Predrag Blagojević, Editor in Chief and Co-owner at Juzne Vesti
31. Rajka Šinik, Corporate Communication Manager at Banca Intesa
32. Robert Čoban, President of Managing Board and Owner at Color Press Group
33. Sanja Rajačić, CSR Specialist at Telenor
34. Sasa Mirković, Deputy Minister at Ministry of Culture and Information of Republic of Serbia
35. Svetlana Lana Djukić, Project Manager at EU Delegation in Serbia
36. Srdjan Djurdjević, Senior Media Legislation Assistant at Organization for Security and Cooperation in Eurupe (OSCE) mission to Serbia
37. Steven Stark, Press Attaché at U.S. Embassy in Serbia
38. Tijana Koprivica, CSR manager at Delta Holding
39. Veran Matić, Managing Board President and News Editor at B92 Fund
40. Vladan Avramović, Political Officer at British Embassy
41. Vukašin Obradović, President at Independent Journalist Association of Serbia (NUNS)
42. Walter Veirs, Regional Director at C.S. Mott Foundation

## Annex 2 - BIRODI research of media representatives attitudes

Independent Media Fund

Research of attitudes of local and regional media representatives

- summary -

Mart 2014

Full report can be downloaded using following link: <http://mirc.rs/wp-content/uploads/2014/08/Nezavisni-medijski-fond-istrazivanje-stavova-predstavnika-medija1.docx>

Summary in English – Conclusions:

* The process of surveying was itself marked by a high level of refusal to participate in the research. The online survey was, with the institutional support of the association of media and the association of journalists, directed to 500 e-mail addresses, out of which only 43 were completed.
* The research process was on one hand marked by disinterest, and on the other by the overwhelming number of surveys up to this point, as well as by questioning the point of conducting such surveys when the (local) media are in such bad condition.
* The structure of the realized sample shows that the interest was shown by the media which work locally and have a private ownership structure, mostly radio and web portals. Media which were established before and after the year of 2000 have equally participated in the survey.
* The research participants are well aware of the lack of research journalism, educational and cultural content, and media content which refers to the ex-Yugoslav countries.
* The changes within the program/editing policies are happening 'under the pressure' of the audience, under the changes in the course of business and the economical pressures.
* According to the views of the surveyed media representatives, the biggest influence to the editing policy is that concerning the journalist-technical part (the editor, journalists, technical conditions) and then the owner/founder of the media part i.e. the political and social elite.
* The surveyed media have developed mechanisms of self-evaluation, while the external evaluation is less present. It is conducted thorough unstructured forms (conversations) or is focused on measuring the ratings (listening/viewing/reading), while the quality of the program as an element of evaluation remains less popular.
* Most of the surveyed media have strategic documents which see the future of financial sustainability of the media in advertising and/or the realization of donor supported projects. Asked to evaluate the influence of media finances onto their work, the participants are of the opinion that the lack of finances affects the quality of program and program scheme and to some extent their independence.
* Only a third of the surveyed media had some kind of donor support which was above all directed to technical equipment, the realization of theme projects and research texts. Most of the media which were receiving the support could not evaluate the effects of the projects. If they were to receive the resources, they would direct them towards the development of research journalism, their own production and the strengthening of the informative program.
* The need for a Media fund was almost completely supported. The means assigned by the fund should be directed towards research journalism, the strengthening of the capacities of those employed in the media, and to the improvement of the informative program. Most of the resources should be in form of financial support, rather than technical.
* The surveyed media are marked by a so-called domination of donator conservatism, where they see the resources of the Media fund as based on international and state donors, while disregarding the possibility of citizen and the private sector donations.
* It should be emphasized that there is a discrepancy between the views of what is missing in the media (research journalism, education, culture, content from the ex-Yugoslav area) and what the Media fund should support (research journalism, strengthening the capacities of the employed, the improvement of the informative program). This shows that there exists a certain kind of routine in the work of media.
* The previous results analyzed within a context of results from the civil research, lead to a conclusion that the existing media offer an informative (entertainment) concept, but that the citizens have media requirements of a higher level. Those higher requirements can be seen in people's advocacy for programs which are relevantly informative, educational and analytical. Turning the media towards the citizens as consumers and financiers, with stronger trust in the media and the Media fund itself, are the most necessary and most important premises for the success of this innovation.

## Annex 3 - BIRODI research on attitudes of citizens

Independent Media Fund

Research on citizens attitudes

- summary -

Mart 2014

Full report can be downloaded using following link: <http://mirc.rs/wp-content/uploads/2014/08/Nezavisni-medijski-fond-istrazivanje-stavova-predstavnika-medija1.docx>

Summary in English

The research of the citizen views about an independent multi-donor fund which would stand as a support to the functioning of the media in Serbia proves that such a fund is evaluated as necessary and that Serbian media need such a support to function properly.

With the aim of media development and their quality functioning, the following steps are necessary:

* Raising the awareness of the citizens about the importance of media to the citizens and the importance of informed citizens to the society.
* Informing the citizens about the media fund – its structure, organization, way of functioning and management.
* Ensuring the transparency in the functioning of the Media fund in terms of the level and the structure of investment (who invests and how much), the expenses (for the functioning of the fund, the investments and their sharing), monitoring and work control, and the effects of the media support by periodical and annual evaluation.
* Finding the ways to inform the citizens and to involve them into the analysis of the functioning of the fund – apart from the bad financial situation there is a suspicion in the way certain gathered funds are spent, which is seen as the main cause for low charity donation in Serbia.
* Ensuring clear and simple mechanisms for donation of the citizens and/or private companies
* Directing the activities of the fund towards the development of the local media and the development of the content designed for the local audience.
* Directing the support of the media towards the development of the educational content, cultural and art content, as well as that concerning science and technology, business and quality children's and entertainment program.
* Improving the independence in creating their own program, their technical resources, online content and strengthening the capacities of the existing staff are the priority areas for the media support.

## Annex 4 – List of participants of round table

1. Dragan Djordjević, Member of Executive Committee at Lokal Press
2. Dragan Kremer, Media Department Coordinator at Fund for an Open Society Serbia
3. Ivan Protić, Editor in Chief at B92 info
4. Dragana Stevanović Kolaković, Project Management Specialist for Civil Society at United States Agency for International Development (USAID) in Serbia
5. Dragana Žarković Obradović, Country Director at BIRN Serbia
6. Dušan Belanović, Communication Specialist at Institute for Sustainable Communities (ISC)
7. Ivan Cvejić, Editor in Chief at BETA news agency
8. Ivan Tadić, Director of Daily Edition at Kurir (Adria Media)
9. Ivana Petronijević, Journalist at TANJUG
10. Jelena Ćuruvija, Ex-officio President at Slavko Curuvija Foundation
11. Maja Vasić-Nikolić , Project manager at Independent Journalist Association of Serbia (NUNS)
12. Marija Dragić, Reporter at TANJUG
13. Meral Karan, Democracy and Governance Office at Agency for International Development (USAID)
14. Miša Čvorović, Producer at Insajder
15. Nedim Sejdimović, General Secretary at Independent Association of Journalists of Vojvodina (NDNV)
16. Nevena Nikolić, Policy Office at Netherlands embassy in Belgrade
17. Nina Topić, Deputy Chief of Party at Institute for Sustainable Communities (ISC)
18. Pavle Dimitrijević, Executive Director at Bureau for Social Research BIRODI
19. Petar Jeremić, Executive Board President at Journalist Association of Serbia (UNS)
20. Slobodan Georgiev, Journalist, Editor and Project Manager at BIRN Serbia
21. Srdjan Djurdjević, Senior Media Legislation Assistant at Organization for Security and Cooperation in Eurupe (OSCE) mission to Serbia
22. Svetlana Lana Djukić, Project Manager at EU Delegation in Serbia
23. Svetlana Tomov, Marketing Manager at Radio 021
24. Zoran Sekulić, Director at FONET

## Annex 5 – List of laws and acts in RS regulating media work

* The Public Information Law (Official Gazette of the Republic of Serbia, nos. 43/03, 61/05 and 71/09);
* The Broadcasting Law (Official Gazette of RS, nos. 42/2002, 97/2004, 76/2005, 79/2005 – other law, 62/2006, 85/2006 and 41/2009);
* Electronic Communications Law (Official Gazette of RS, nos. 44/2010);
* Advertising Law (Official Gazette of RS, nos. 79/05);
* Strategy for development of public informing system in Republic of Serbia by 2016 (Official Gazette of RS, 75/12)
* Strategy for advancing from analog to digital broadcasting of radio and TV program in Serbia (Official Gazette of RS 52/09 and 18/12 and Decision on changes of Strategy (Official Gazette of RS 18/12)
* Law on free access to information of public importance (Official Gazette of RS 120/2004, 54/2007, 104/2009 and 36/2010)
* Law on confirmation of European Convention on Trans-Frontier Television (Official Gazette of RS International Agreements 42/09)
* Law on Copyright and Related Rights (Official Gazette of RS 104/2009 i 99/2011)
* Law on Public Media Services (yet to be registered in Official Gazette of RS at the time of creation of the Study)
* Law on Electronic Media (yet to be registered in Official Gazette of RS at the time of creation of the Study)
* Law on Public Information and Media (yet to be registered in Official Gazette of RS at the time of creation of the Study)

## Annex 6 - Donors support to media

Political climate in 90ies put media under lot of political and economic pressure. Without international donors support, many media wouldn’t be able to survive such a decade. EU Cards program provided 20 million EUR directed at improvement of legal framework and grant for media. During time, EU re-focused its support from emergency funds for sustainability toward regular grant making and research journalism in early 2000s. Similar road was taken by many other international donors, such as Fund for an Open Society and National Endowment for Democracy, starting with emergency funds to support survival of media in 90ies and transforming programs to give grants to support independent journalism and investigative stories on different topics. NED also provided funds for re-granting to media to Media Hilfe and Slavko Curuvija Fund recently. Most recently, their 2013 grant list includes also three grants to media – Juzne Vesti (Simplicity doo with $31.000),**Independent Journalists' Association of Vojvodina ($33.600) and E-Novine ($ 35.000)[[30]](#footnote-30). Fund for an Open Society has a separate program concerning media – Public Interest in Media[[31]](#footnote-31) which is being run for years with focus on active participation of citizens in realization of rights being informed objectively, completely and timely.**

USAID worked with IREX in providing massive media assistance to Serbia in 90ies and 2000s. Through 3 programs: Pro media, Pro media 2 and Serbia Media Assistance Program[[32]](#footnote-32) that lasted for 15 years, such assistance helped independent media to survive the consequences of 90ies, trained hundreds of journalists and supported media infrastructure of independent media. Evaluation show that quality of news improved by 2004 with many independent media outlets existing on the market. Faced with economic crises and rapid closure and downsizing of media market in late 2000s and early 2010s, IREX re-modeled its work and selected media outlets/partners that received different kind of support and assistance, including financial support and technical assistance. IREX operations in Serbia closed in 2012 after the implementation of 8.8 million dollar media assistance program.

With the change of strategic focus of USAID in 2013, when they started to finance Serbian organizations directly, support to media was not canceled. On the contrary, among first 5 direct grants in November 2013, one was given to Media Coalition. It’s a 15-month, $248,800 grant to strengthen and support the democratization of Serbian society by promoting media literacy and independent and accountable journalism[[33]](#footnote-33).

Rockefeller Brothers Fund (RBF) considers support to media as one of the planks of its sustainability strategy. Mostly supporting independent non-profit media like entities focusing on public good, recently supported the establishment of Slavko Curuvija Fund. With support to media, directly and in partnership with CSOs, RBF was trying to support 4 different societal processes in Serbia: 1. Performance, Accountability and Transparency of Government, 2. Strengthening Community Capacity for Participatory Democracy, 3. Building a Culture and Practice of Sustainable Development and 4. Building constituencies for Reconciliation and Enduring Peace in Western Balkans[[34]](#footnote-34). RBF provided support to organizations from annual to multi-years projects ranging from $50.000 up to $600.000.

OSCE mission to Serbia has a multiyear Media Freedom and Development program. They are working in three areas to help strengthen and empower Serbia’s media: legal reform; monitoring freedom of the media and documenting cases of media rights violations; and running training programs to help build up the capacity of Serbia’s journalists and media[[35]](#footnote-35). They have provided technical assistance to media, with occasional financial support to media projects ranging mostly from 10.000 to 15.000 EUR.

US embassy in Belgrade provided also support to media directly and indirectly. Embassy was ready to support technical assistance programs by providing trainings and consultancies on various media related topics. Through Democracy Commission small grants program[[36]](#footnote-36), one of the priorities has been Free flow of information (including support for independent media). Democracy Commission gave grants directly to media and in partnership with CSOs. Grants were maximum $24.000.

Matra is a major program run by the Dutch Ministry of Foreign Affairs through which the Netherlands supports countries of the Southeast Europe with their EU accession prospects. Matra program is present in Serbia as well[[37]](#footnote-37). Media freedoms are one of the topics Embassy supports. Embassy gives annually 50-100.000 EUR for projects in all areas they support.

Embassy of Norway runs Media Grant Program[[38]](#footnote-38) for promoting the Rule of Law. This is a call for individual grants for journalists working in Serbia, Montenegro and Macedonia. The**Media Grant Program** primarily offer individual grants, but it is also open for teams of journalists working together on a project relating to the area of **rule of law**. Grants amounting from 3,000 EUR to 10,000 EUR are offered to active and well established journalists that work in Serbia, Montenegro and/or Macedonia. The grants are meant to support reporting on the rule of law by journalists who have ideas, sources and have arranged credible dissemination (publishing) plans, but are in need of financial resources to conduct interviews, gather records and data and finalize their reporting projects for publishing and for the presentation to the general public. Embassy of Norway also provides grants to CSOs and media could be partners on those projects. Embassy invested around 400.000 EUR in media in last two years with average grants between 20-30.000 Euros per project.

Embassy of United Kingdom is running their program Reuniting Europe[[39]](#footnote-39). Media are targeted with this program, but bound by the rules - Embassy cannot support production. For this reason, there is a limited space to work directly with media. Instead, Embassy supported media strategy development.

ErsteStiftung provided support to BIRN Balkan Fellowship for Journalistic Excellence[[40]](#footnote-40) in several countries in the region, including Serbia. Eight cycle is about investigative journalism through which 10 journalists receive a grant to do their research. Grant are 4.000EUR each with 2.000 EUR for travel costs and additional 2.000 E for research. Best research story receives additional 4.000 EUR.

Balkan Trust for Democracy supported media outlets on several occasions, but focused only on specific topics of Trust interest: reconciliation, regional cooperation, civic activism and participation, monitoring of ethical code for journalists, shadow reports for human rights, ethnic minorities, anticorruption. Most recent support was to Slavko Curuvija Fund.

Development of this publication was enabled by US Agency for International Development (USAID) through “Civil Society Forward” program by Institute for Sustainable Communities (ISC). The opinions expressed in this publication represent the views of the authors and do not necessarily reflect the views of ICS, USAID or the U.S. Government.

1. Although the questionnaire was sent out to more than 500 different media outlets; response was not great. A number of media, when directly contacted, refused to participate, claiming that they do not have the time and/or that they participated in similar surveys before without any feedback and/or benefits for them. (BIRODI) [↑](#footnote-ref-1)
2. This list also includes Fund for an Open Society, which although registered locally is still part of the network of Open Society Institute (OSI) foundations. [↑](#footnote-ref-2)
3. USAID Media Sustainability Index from 2014, http://www.irex.org/sites/default/files/u105/EE\_MSI\_2014\_Serbia.pdf [↑](#footnote-ref-3)
4. Source: APP midyear 2013. However, according to Serbian Business Registry Agency, in April 2013 there were 1196 media outlets: 664 print, 228 radio programs, 119 TV programs, 20 news agency services, 156 internet editions and 9 uncategorized. [↑](#footnote-ref-4)
5. http://www.rra.org.rs/pages/browse\_permits/cirilica/national [↑](#footnote-ref-5)
6. http://www.b92.net/video/vesti.php?yyyy=2014&mm=02&dd=24&nav\_id=816183 [↑](#footnote-ref-6)
7. Republic Office for Statistics / http://mtt.gov.rs/slider/raste-broj-korisnika-interneta-u-srbiji/ [↑](#footnote-ref-7)
8. http://mtt.gov.rs/slider/raste-broj-korisnika-interneta-u-srbiji/ [↑](#footnote-ref-8)
9. USAID Media Sustainability Index 2014 [↑](#footnote-ref-9)
10. 2013 est., Nielsen Audience Measurement [↑](#footnote-ref-10)
11. http://www.irex.org/project/media-sustainability-index-msi-europe-eurasia [↑](#footnote-ref-11)
12. Full list of policies, laws and acts is provided in Annex 5 [↑](#footnote-ref-12)
13. http://cima.ned.org/sites/default/files/WAN-IFRA%20Soft%20Censorship%20Serbia%20Report.pdf [↑](#footnote-ref-13)
14. Ibid. There are other estimations, with data showing percentage up to maximum 35%. [↑](#footnote-ref-14)
15. The amount was estimated based on the data gathered through interviews with donors; overview of the programs can be found in Annex 6 [↑](#footnote-ref-15)
16. Self-censorship is a situation in which media (owners/editors) choose not to broadcast/print information from fear of consequences (either financial, political, or both). [↑](#footnote-ref-16)
17. 2013 report of World Association of Newspapers and News Publishers and Center for International Media assistance - “Soft Censorship: Strangling Serbia’s Media” [↑](#footnote-ref-17)
18. http://www.cins.org.rs/?p=433 [↑](#footnote-ref-18)
19. a) general news and information; b) specialized media content on politics, culture, education, religion, economy, entertainment and other topics of concern for life and work of citizens; c) general information and specialized media content of importance for life and work of citizens in local and regional communities; d) media content for children; e) media content of importance for preserving of cultural heritage and promoting culture and art, as well as work of cultural institutions; f) research journalism and other complex journalist forms; g) original audio-visual and radiophone products in Serbian and languages of national minorities [↑](#footnote-ref-19)
20. Term “independent” is used to mean media not controlled by the state. [↑](#footnote-ref-20)
21. BIRODI survey with citizens, Annex 3 [↑](#footnote-ref-21)
22. BIRODI survey with media, Annex 2 [↑](#footnote-ref-22)
23. In BIRODI survey, 50% of citizens claimed that if they would support Media Fund it would be for local media. [↑](#footnote-ref-23)
24. Cost-effective methods or processes bring the greatest possible advantage orprofit when the amount that is spent is considered – Cambridge Business English Dictionary [↑](#footnote-ref-24)
25. Paraphrase of sentence from unknown philosopher - The richest person is not the one who has the most, but the one who needs the least. [↑](#footnote-ref-25)
26. **Technical Assistance is support that support more effective work of recipients.**Examples of TA could include: attending a workshop or training sessions on various issues (both issue-based or focused on organizational development) hiring a facilitator for a board retreat; or working with a consultant to develop a fundraising plan or a strategic plan for the organization – Adapted technical assistance definition from The Denver Foundation (Technical Assistance Resource Center) [↑](#footnote-ref-26)
27. As for study trips opinions are divided - while some donors consider them without effect, some feel that their experience with study trips was quite positive and brought new practices in the work of journalists. [↑](#footnote-ref-27)
28. Please refer to Annex 6 for detailed information about availability of funds within international donors community. [↑](#footnote-ref-28)
29. MDIF was originally founded as the Media Development Loan Fund (MDLF) before changing its name in 2013. [↑](#footnote-ref-29)
30. http://ned.org/where-we-work/central-and-eastern-europe/serbia [↑](#footnote-ref-30)
31. http://www.fosserbia.org/programs/program.php?id=1742 [↑](#footnote-ref-31)
32. http://www.irex.org/project/serbia-media-assistance-program [↑](#footnote-ref-32)
33. http://www.usaid.gov/serbia/news-information/press-releases/usaid-changes-way-it-works-serbia [↑](#footnote-ref-33)
34. http://www.rbf.org/program/pivotal-place-western-balkans/ [↑](#footnote-ref-34)
35. http://www.osce.org/serbia/106707 [↑](#footnote-ref-35)
36. http://serbia.usembassy.gov/dcsgp.html [↑](#footnote-ref-36)
37. http://serbia.nlembassy.org/services/development-assistance [↑](#footnote-ref-37)
38. http://www.norveska.org.rs/Documents/Beograd/Journalists.pdf [↑](#footnote-ref-38)
39. https://www.gov.uk/government/world-location-news/call-for-proposals-reuniting-europe-programme-2014-2015-in-serbia [↑](#footnote-ref-39)
40. http://birn.eu.com/en/programmes-and-projects/programme-balkan-fellowship-for-journalistic-excellence [↑](#footnote-ref-40)