

Other Support

The MDDA is also tasked with providing other indirect support – including leveraging resources for community media. Whilst during the year under review, the focus was on setting up the Agency and developing the framework for disbursement of grants, the following actions/plans were implemented.

Mentoring/capacity building

The MDDA has identified the need to provide mentors/capacity building to community and small commercial media projects in order to ensure the development of a diverse and vibrant media sector.

MDDA provides direct support in the form of funding and indirect support such as capacity building to community electronic and print media



What the MDDA will and won't fund

We will fund:

- Core running costs and once off projects for community media projects
- Once off projects/investments aimed at increasing sustainability of small commercial projects
- Training and Capacity Building for media projects
- Research aimed at promoting media development and diversity

We won't fund

- Projects controlled by government, any political party or any of the entities which have entered into an agreement to provide financial support to the MDDA.
- Training Institutions. The MDDA will rather leverage support through the relevant SETA's.
- Projects or specific needs or budget items that are already adequately provided for by other donors/agencies.
- New media projects in the metropolitan areas of Johannesburg, Durban and Cape Town unless they can prove they will meet the needs of inadequately served audiences/communities.
- Unlicensed radio or television stations though seed funding may be made available to assist such projects in developing applications for licences.
- Conferences and attendance at these.
- Media earmarked for a foreign audience.

Beneficiaries

The following table provides details on the projects awarded grants in 2003/2003 financial year

Name	Description	Location	Languages used	Nature of grant
Moletjie Radio	A geographic community radio station Rural	Moletjie area outside Polokwane in Limpopo. Station covers about ten villages over a 60km radius	SePedi SeLobedu Tshivenda Xitsonga English Afrikaans	<ul style="list-style-type: none"> • Support for a technical study into coverage limitations. • Further investigation into proposal to build a new studio on land provided by chief.
Khathorus Radio	A geographic community radio station Urban	Kathlehong, Thokoza and Vosloorus townships in Gauteng	IsiZulu English Sesotho Incidental use of Setswana, isiXhosa and "township lingo"	<ul style="list-style-type: none"> • Community awareness • Training • Operational costs Conditional on further investigation, and finalisation of on air date
Radio Mams	Geographic community radio station Urban	Mamelodi township outside Pretoria, Gauteng	Sesotho isiZulu isiNdebele English Afrikaans "Mams Lingo"	<ul style="list-style-type: none"> • Community awareness/marketing • Training • Operational costs Conditional on further investigation and finalisation of on air date
Vukani CR	Geographic community radio station Rural	Cala district in the Eastern Cape (Cala, Lady Frere, Indwe, Elliot, Engcobo, Cofimvaba, Dordrecht, Barkly East)	IsiXhosa With occasional use of English and Afrikaans	<ul style="list-style-type: none"> • Operational costs for one year
Takalani CR	Geographic community radio station Rural	Ukhahlamba District in the Eastern Cape (Sterkspruit and surrounds)	IsiXhosa Sesotho Afrikaans English	Mentoring support
Radio Unique	Geographic community radio station Rural	Burgersdorp and surrounds Eastern Cape	IsiXhosa English	Mentoring support
Radio Teemang	Geographic community radio station Peri urban	Kimberly and surrounds Northern Cape	Afrikaans Setswana IsiXhosa English	<ul style="list-style-type: none"> • Installation of a lightning conductor • Further investigation of operational needs
Just Jy Magazine/AMACs School Media Programme	Quarterly community newsletter for youth/high school students. Produced as part of regular training of high school students.	Youth in disadvantaged communities in and around Cape Town. Covers about 60 schools.	English Afrikaans (dependent on intake of students for training)	<ul style="list-style-type: none"> • Training Workshops • Production Costs
Free State News	Fortnightly small commercial newspaper	Communities throughout the Free State	Predominantly English with occasional Setswana	<ul style="list-style-type: none"> • Computer and other equipment • Mentoring • Training
Big News	Monthly small commercial publication targeting SMME's around South Africa	National publication for small business owners	English	<ul style="list-style-type: none"> • Research • Skills Audit • Marketing campaign • Training

The MDDA's "primary purpose is to help create an enabling environment for media to develop and meet the diverse needs of all South Africans. This includes those marginalised because of factors such as gender, race, disability, geographical location, class or income, as well as marginalised schools of thought – including ironically, that of the broad democratic movement that fought against apartheid..."

Dr Essop Pahad, Minister in the Presidency introducing the Discussion Paper on the MDDA in November 2000

This will assist in strengthening media projects and thus facilitate their viability – and will be a major means of ensuring the MDDA meets its mandate. The mechanisms for implementing the mentoring programme will be finalised during the 2004/2005 financial year. The MDDA has however identified the need to develop a database of mentors who can assist with a range of skills, including the development of business plans, organisational development, financial planning and management and editorial training. This database will be finalised during the next financial year and regularly updated.

Marketing Workshops

The MDDA has had discussions with both the Advertising Media Association of South Africa (AMASA) and the Advertising Media Forum (AMF) who have agreed to partner with the Agency in developing marketing workshops for small commercial and community media projects. These workshops will be held in the 2004/2005 financial year.

MEDIA AS A MEANS TO COMMUNITY UPLIFTMENT – THE

AMAC Co-Director Karen Thorne is interviewed on the MDDA's support to AMAC's School Media Programme. By Steve Kretzmann

AMAC's School Media Programme was initiated in 1997 with the aim of promoting youth participation in school and community life and giving youth 'a voice' by enabling them to use the media as a tool of empowerment. The programme offers holiday training to young people from previously disadvantaged schools in and around Cape Town followed by Saturday workshops during which learners produce school-based newsletters and contribute to the quarterly edition of Just Youth, a youth newspaper produced by and for youth. AMAC currently piloting 10 Media Clubs within the schools.

The Schools Media Programme (SMP) has always been an innovative programme, incorporating training and production, hard skills and soft skills, providing opportunities for school enrichment, whilst operating in a social change paradigm. Paradoxically, the innovative nature of the programme and the fact that it cuts across many "sectors" has made it difficult to access funding. It was therefore with great delight that we received the news that our application for support had been approved by the MDDA. This also sends a positive signal to our other funders, such as the Nelson Mandela Children's Fund, which up to now have carried the programme.

Funding for community print media has been seriously neglected in the last 10-years, since many donors withdrew their support after the first democratic elections. Organisations such as AMAC (formerly Mediaworks) have been literally "clinging on by our fingernails", waiting for a change in the funding environment. So it was with some relief that we noted the unusually rapid "turnaround time" between the initial establishment of the MDDA and the final approval of our application for funding.

This cushion of support lent by the MDDA has created the space and impetus for AMAC to develop a business plan to move the programme toward a level of self-sustainability. During this incubation period we will be focusing our energies on developing a business plan, including readership surveys and circulation verification as well as training volunteers in advertising sales.

The MDDA has given AMAC the opportunity to take the next steps in our vision for Just Youth, namely,

- Mainstreaming Just Youth as a production outcome of all AMAC's skills programmes targeting youth.

Accessing Assistance

The MDDA successfully intervened with the South African Revenue Services (SARS) on behalf of a Johannesburg based community radio station to prevent the station from being closed down. The station was in arrears with its tax payments and due to be closed down the following day when they appealed to the MDDA to assist. SARS at very short notice provided more time to the station to develop a plan to pay back the money owed.

Independent Communications Authority of South Africa (ICASA)

The MDDA and ICASA have agreed to enter into a Memorandum of Understanding in order to ensure we work together where possible to achieve our mandates of increasing diversity in the electronic media. The MoU still needs to be finalised, however there has been ongoing sharing of information between staff of the two organisations.

Department of Communications (DoC)

The Department of Communications (DoC), amongst other things, provides support by installing equipment in community radio stations around South Africa. The MDDA and the Department have agreed to have ongoing discussions to ensure that we do not duplicate activities and therefore maximise the impact of public funds to support the sector. The DoC has further agreed to include the MDDA on committees evaluating applications for studio equipment.

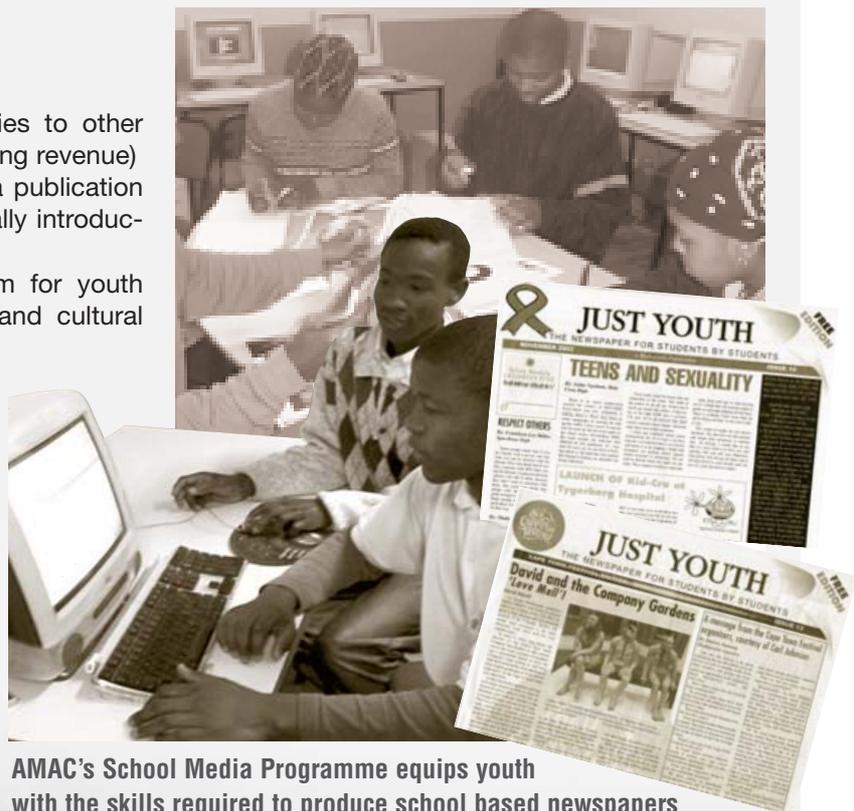
We have also agreed to share any research into the sector and are currently engaged in a study to determine how many South Africans do not have access to any radio service in the language of their choice.

ROLE OF THE MDDA

- Leveraging content (selling stories to other publications as a means of creating revenue)
- Progression toward a multimedia publication by publishing online and eventually introducing sound and video inserts
- Moving toward being a platform for youth exchange across geographical and cultural barriers
- The introduction of school-based newsletters and creating a direct link between these newsletters and Just Youth.

The long-term goal of the SMP is to facilitate access by media club learners to computers in schools (through SchoolsNet) and to integrate media education into the school curriculum through, for example, the language learning area. AMAC is collaborating with other stakeholders in the National Media Education Initiative to achieve these objectives.

The fulfilment of this vision would provide youth in the Western Cape with an unprecedented level of communication skills leading to an increase in, and diversification of, media in South Africa. It would also raise the bar for community media production and impact favourably on the standard of media production as a whole. With sustained effort this vision is certainly achievable. However, all destinations are reached with small steps. The MDDA has helped us take the first small steps to reaching this destination.



AMAC's School Media Programme equips youth with the skills required to produce school based newspapers and Just Youth – a newspaper produced for and by the youth

Governance

One of the major focuses of the 2003/2004 financial year was establishing the Agency, employing staff, and putting in place policies and systems to ensure the efficient and effective management of the Agency – in line with the MDDA Act, the Public Finance Management Act (PFMA), and other relevant legislation and policies.

This was an ongoing process throughout the financial year under review and the policies and systems established will be regularly reviewed to ensure effectiveness.

Funding

The MDDA was allocated R3m by government during the previous financial year to cover set up costs (including purchase of equipment and furniture). As this funding was only transferred to the Agency in March 2003, it was rolled over to the 2003/2004 financial year. A further R7m was transferred for the year under review.

Whilst other major media entities made a commitment to Government to provide support for about R10m a year over five years to the Agency, the process of converting these commitments into funding agreements was not finalised during the financial year in question.

The Board agreed that discussions with media partners should only commence after finalisation of the Regulations and clarity on the Agency's tax exemption status, as these would be a key indicator of the MDDA's integrity.

Draft funding agreements were finalised shortly thereafter and it was decided to commence with discussions thereon with the print partners first. In a meeting with print partners in January 2004, the overall framework of the funding agreement proposed by the MDDA was approved and the print entities agreed to make technical amendments. The process of signing of the agreement commenced during March but was still underway by the end of the financial year.

Proposed funding agreements were forwarded to broadcasters and will be finalised with them in the new financial year.

Section 18A Tax Exemption

In finalising agreements with major print and broadcasting entities prior to the establishment of the MDDA, the Government pledged to amend tax legislation to ensure that donations to the MDDA would be tax exempt. This process was finalised in December 2003 and the MDDA was awarded Section 18A status in January 2004.

Finances

In terms of the Regulations the MDDA has capped expenditure on administration to a maximum of 35% in its first year. Despite not receiving all projected income, the MDDA still managed to achieve this – expending only 31% of the R7m allocated to it in the 2003/2004 financial year plus interest accrued on administration and set up costs – and thus committing 69% of its income to grants and project support.

This is calculated on the allocation for the 2003/2004 financial year rather than the combined income including the R3m rolled over from the previous financial year, as this previous allocation was, according to the Treasury approved budget, predominately awarded for expenditure on infrastructure. The MDDA has also been advised that the regulations cannot be applied retrospectively.

Treasury has approved of an application to roll over unspent administration funds to the next financial year. Such funds are generally already committed to specific administration costs such as the purchase of IT infrastructure and equipment. Any surplus (estimated at about R800 000) will be allocated to the grant funds.

Legislative Adherence

The MDDA has completed a checklist to ensure compliance with relevant legislation, including the MDDA Act, the Public Finance Management Act and Treasury Regulations relevant to public entities.

Audit Committee

As noted previously an Audit Committee has been established in line with the requirements of the PFMA to ensure transparent management of funds.

Internal Audit

The MDDA has decided to outsource the internal audit function. An Internal Audit Charter has been finalised delineating the powers and responsibilities of the Internal Auditor.

A closed tender to a range of black empowerment accounting firms was issued. Two tender bids were received and the process of appointment was near completion at the end of the financial year in question.

Risk Management

An interim risk management strategy was developed, identifying a range of systems and tools necessary to manage risks including mismanagement of funds by beneficiaries, and internal fraud or fruitless expenditure.

A thorough risk assessment will be conducted during the next financial year.

Policies

A range of policies were developed and put in place to ensure effective and efficient management of the MDDA. The process of instituting systems to ensure adherence to these policies is an ongoing process and the Board has established an Executive Committee to oversee the implementation of policies.

Financial Policy

A Financial Policy defining the systems and procedures to ensure effective, efficient and responsible management of the MDDA's finances has been put in place. This policy determines the framework for financial management and delineates the different roles and responsibilities of the accounting authority (the Board) and management. It further outlines the required monitoring, control and evaluation procedures to ensure that expenditure is in accordance with the approved budget.

Procurement Policy

A detailed procurement policy has been adopted, taking into account the requirements of the South African constitution, PFMA and government's Preferential Procurement Framework. The policy is aimed, amongst other things, at ensuring a simple procurement system which is fair, equitable, transparent, competitive and cost effective and promotes equity through measures designed to protect and/or advance previously disadvantaged individuals and SMME's.

Administrative Policy

An Administrative Policy outlining the systems to be used to ensure efficient administration of the Agency has been put in place. This defines administrative procedures for a range of activities, including control of petty cash, stationery, and policies on travel and entertainment expenses.

“Access to information and technological know-how is essential if the world is to defeat hunger, protect the environment and achieve the other Millennium Development Goals agreed by Heads of State and Government at the United Nations Millennium Summit in 2000...”

United Nations Secretary-General Kofi Annan's message on World Telecommunication Day 17 May 200



MDDA supports both community (non-profit) media projects and small commercial media

Code of Conduct for Staff

A code of conduct setting out guidelines aimed at ensuring that the integrity of the Agency is upheld has been adopted. This includes codes on acceptance of gifts and rewards, and rules on e-mail and internet use aimed at protecting resources of the MDDA.

Human Resource Policies

A staff handbook outlining conditions of service and HR policies and procedures has been developed. This includes an Employment Equity Policy and an HIV/Aids Policy.

Performance Management

The MDDA has developed long-term objectives and indicators to measure the impact we will have over a five-year period. Most importantly it has been agreed that the MDDA is a development agency. This will guide the way that we provide support to the media sector and will require evaluation of our systems to ensure they meet our development objectives.

The Agency has further finalised objectives to be met in each of the next three years and it has been agreed that we evaluate our success in meeting these regularly.

Alongside this, a staff performance management system has been evolved as a means of continually assessing our performance against these objectives.

Earnings

Total earnings over the year:	Chairperson	R33 925.25
	CEO	R339 317.78

Note that the Chairperson's earnings include payments for meetings attended from January 2003 – March 2004.

The CEO's earnings reflect the Total Cost to Company thus the figure includes any contributions for pension, medical aid and bonuses.

Operations

Structure

The Board is committed to keeping the operational costs low – whilst trying to ensure sufficient resources are available to effectively meet the MDDA's mandate. The following structure has been adopted with this in mind.



Project Management

At one of its first meetings the MDDA Board recognised the need to contract consultants to assist in the setting up of the Agency in order to ensure this was done as quickly as possible. A range of consultants were invited to submit tenders in this regard. KPMG/Uxolo were appointed for six months as project managers to, amongst other things, manage the finances, ensure legislative compliance and recruit key staff members.

Position	African Male	African Female	Indian Male	Indian Female	Coloured Male	Coloured Female	White Male	White Female	Total
CEO								1	1
Finance Manager	1								1
Project Managers	2			1					3
CEO/Board Secretary		1							1
Project Administrator		1							1
Receptionist		1							1
TOTAL	3	3	0	1	0	0	0	1	8