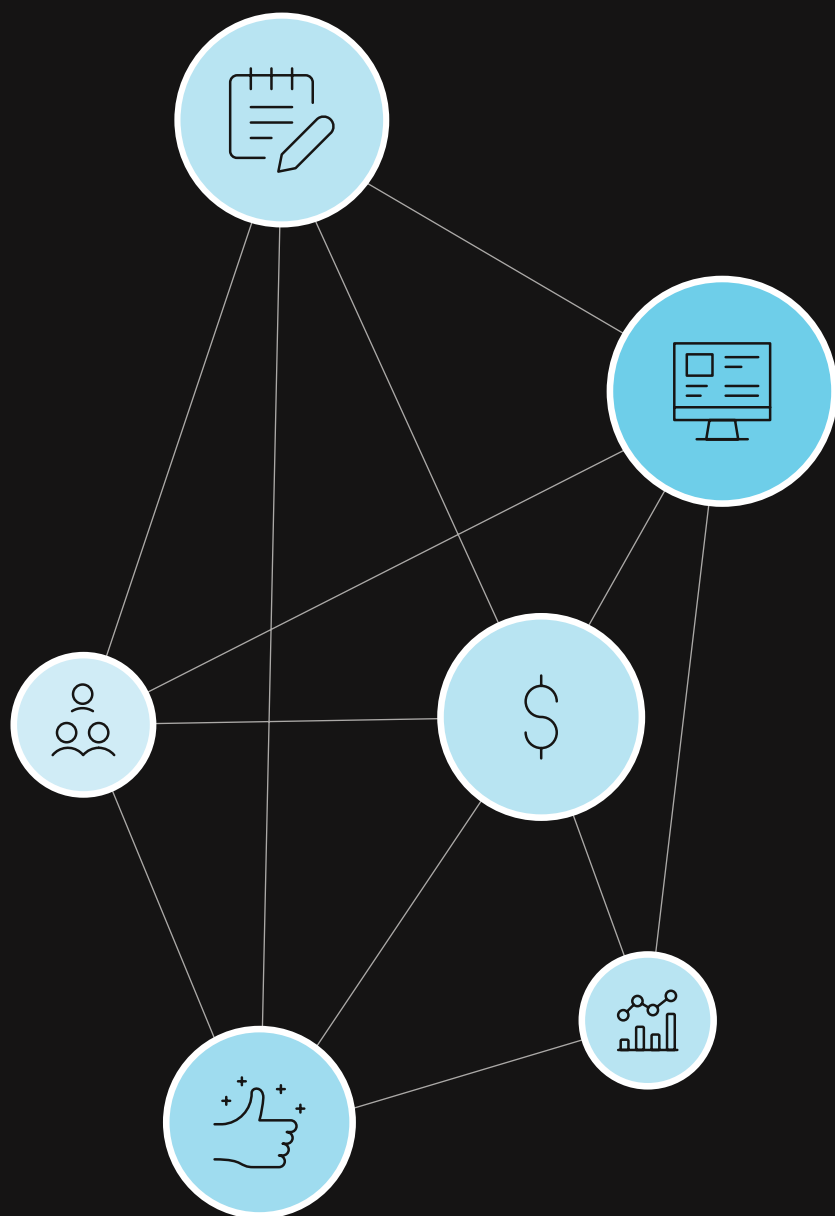


FUNDING INDEPENDENT JOURNALISM

How to responsibly fund
media organizations

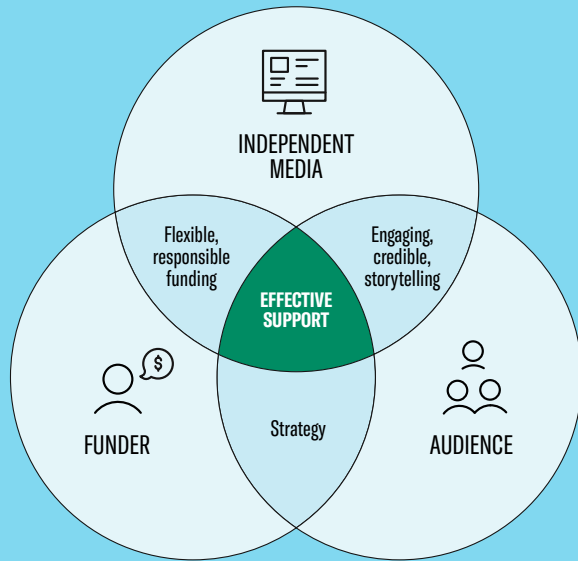
Algis Lipstas, JJ Robinson, Sue Valentine



WHAT WILL YOU FIND IN THIS DOCUMENT?

This short guide, created by the Open Society Foundations' Program on Independent Journalism with support from the Open Society Foundations' Grant Making Support Group, includes insights and lessons on supporting the work of independent media around the world, drawn from the program's experience as well as that of their grantees. It encourages grant makers to structure their support for media as effectively as possible, by considering a media outlet's audience as "the third person in the room" during negotiations. It also asks grant makers to acknowledge our power as funders and avoid "instrumentalizing" journalism—using it to carry the funder's messages instead of allowing a news outlet to exercise its own editorial judgement.

FOREWORD



Media Needs an Audience to be Effective. Fund the Outlet not only the Content.

Vibrant independent media is a critical component of an open society. Effective journalism should not only inform a population and hold governments, private interests, and other civil society actors accountable, it should also engage its audiences and be relevant to their needs. The COVID-19 crisis has again reinforced the need for independent media able to provide trustworthy information amid a cacophony of false claims, misinformation, and conspiracy theories.

These independent media are often the “canary in the coalmine,” the first to be attacked by regimes with authoritarian tendencies. The agility and resilience of journalism organizations, therefore, are crucial. An independent outlet with an appropriately skilled team, a good understanding of its audience, diversity of income, and commitment to fair, transparent, and high quality journalism is more resilient to the political, financial, and legal threats facing media today.

The past decade has seen dramatic changes to the way information is produced, shared, and consumed. Technology has enabled anyone with access to the internet to create and distribute content. It has also broken the traditional business model of journalism that relied on advertising revenue to pay for news. The challenges facing independent journalism are acute, but the situation is not hopeless.

In a noisy world that is awash with information, our need for relevant, accurate, contextualized information that engages our intellect and our emotions is as great as ever. Digital technology offers journalists new opportunities to investigate stories and to reach and engage audiences more efficiently than ever before.

Over the past four years, Open Society’s Program on Independent Journalism has spent many hours talking to digital pioneers and innovators, as well as journalists from newsrooms navigating the transition from analogue to digital technology. We are committed to supporting these journalists and information outlets through a combination of interventions that include flexible funding, peer-learning,

new, experimental storytelling formats, audience engagement, and revenue models. We will always pursue these engagements with respect and protection of editorial independence as a top priority. Donor support that fails to acknowledge the importance of a news outlet’s editorial independence and integrity can do more harm than good.

Journalism is an idiosyncratic trade by definition, made more complex by the rapidly changing environment and diverse national and regional contexts in which it operates. Strategies to meet the challenges confronting journalists on the frontlines have to be nuanced and should respect the relationship of trust and credibility that exists between a news outlet and its audience. The Program on Independent Journalism makes no claims to have the perfect recipe, but we have learned some valuable lessons from our interaction with the field and conversations with grantees that are worth sharing.

GRANT MAKERS: HOW TO FUND MEDIA EFFECTIVELY

Keep in mind these strategic considerations:

- Preserve media's editorial independence (don't tell them what stories to write)
- Provide flexible funding (journalism is a sector in flux and media must be able to adapt and respond quickly)
- Think about which audience the outlet reaches (journalism, however good, must reach people to be effective)

Reflect on these questions:

Audience

- Who is the media organization's audience? (For example: their age, education, interests, location—capital cities, regional areas or smaller towns?)
- How do they engage with and measure this audience?
- What does the audience say about them? (and has the media organization asked?)
- How has the audience grown over time, and what are the grantee's plans for the future?

Agency and Independence

- Will your grant take editorial staff away from something else? If your grant is project focused, what will the grantee not produce as a result of working on this project?
- Does the media organization accept sponsored content from other donors? Do they indicate that this is paid-for content in the same way they would signal paid-for content by a commercial advertiser?
- How does the media organization protect against editorial interference from funders?

Organizational Resilience

- Is your grant paying only for content, or is it helping the organization improve its capacity, resilience, and long-term sustainability prospects?
- If you are providing flexible longer-term support to a small independent media outlet, do you understand how the organization sees itself in the long run? How do they plan to get there? Do they have the capacity and resources to support this plan?
- As it grows stronger, how will this organization benefit, or even inspire, the wider field of independent journalism in its country or internationally?

LESSONS ON HOW TO RESPONSIBLY FUND INDEPENDENT MEDIA

The Program on Independent Journalism has worked with its grantees to distill key lessons for grant makers thinking of supporting independent media:

LESSON 1

Think long term.

Journalism without an audience is meaningless, but it takes time and effort to build and retain an audience that has high levels of trust in its information sources. Powerful and effective journalism needs more than just great reporters. It requires a structure that pays, trains, publishes, and protects journalists, equipping them with the tools, networks, and experience needed for independent media to be successful. Building such organizations and earning the trust of an audience takes time (the program's support for start-ups typically runs for at least three years) and often demands an investment in skills other than editorial.

“At Local Call—like many independent media outfits—journalists, editors, web developers and programmers, graphic designers, digital organizers, audience engagement teams, team leaders, and resource developers are all dependent on one another. Without funding for the whole, talented journalists are not able to fully have the impact in their reporting that they ought to.”

Suhad Babaa
Codirector, [Local Call](#)

LESSON 2

Seek to understand what the grantee really needs.

Some donors find it easier to support novelty, innovation, tools and technology at the expense of what a media organization may actually need. As a consequence, prospective media grantees will often pitch such things in their proposals (for example, a smartphone app) even as they struggle to pay rent and keep the lights on. Spend time talking with potential grantees to identify their real needs. A good place to start is with organization-focused conversations. Ideally these discussions would occur outside the structure of a formal meeting about their proposal, such as conversations during scoping visits, conferences, or when the grantee is an attendee at a workshop. Consider supporting the organization's overall mission, rather than funding specific content or tangential activities that distract it from this. There is value in supporting the basics of reporting.

“It’s not that [Program on Independent Journalism] funding is a big quantity when compared to [others]..., but it’s the quality of money that matters. The quality is extremely high, and I would say to other small organizations to chase quality over quantity. You may get \$100k for trainings, or tech, or projects, but if you can’t spend it wisely, or without committing some kind of creative accounting, it might not be worth it.”

Paraphrased from **Jakub Gornicki**
Cofounder, [Outriders](#)

LESSON 3

Build resilience through flexible funding.

The Program on Independent Journalism’s default assumption is to provide grantees with flexible funding. Flexible funding allows organizations to set their agenda and prioritize, pivot, and adapt to changes in context, innovate, take risks, and plan for the long term. Flexible funding can support exciting experimentation with new media tools or exploration of new beats. It can also be used by grantees to support activities that some funders may consider “less sexy,” such as accounting software, an audience engagement editor, development of internal policies and procedures, safety training and protocols, a business consultant, a dedicated fundraiser, or access to legal support. All of this helps build resilience and lays the groundwork for the sustainability of a media outlet.

“Flexibility is key—realizing that independent media operates in a very uncertain environment where events and big changes happen unexpectedly, and where our success as a media organization depends on our ability to respond to these changes quickly while knowing that we can count on our donors to be flexible and understanding of what needs to be done.”

Lina Ejeilat
Editorial Director, [7iber](#)

LESSON 4

Avoid prescriptive grant making: never “pay for stories”!

Commissioning specific content or sponsoring topics in line with your program’s strategic objectives (for example: funding an outlet to produce stories on health, human rights or education) could be regarded—both by the journalists and their audience—as editorial interference. This is problematic because it undermines the editorial agency and credibility of independent media, harms its trust with its audience, moves a media outlet away from its own objectives, and often leaves the organization in a poorer position to survive when the grant expires.

Likewise, commissioning and/or funding tangential work such as training services, events or research can risk taking staff and resources away from the publication’s core business of producing journalism and reaching its audience.

Journalism is not a replacement for activism, advocacy, or the lack of law enforcement. Journalists should not be requested to perform these functions in exchange for funding.

When the donors mistake themselves for the audience, the grant is usually ineffective. Good journalists should determine their

own editorial agenda and know how to reach and engage audiences effectively. Responsible media should have a policy of labelling paid-for-stories as “sponsored content,” “native advertising” or “advertorial,” even if the funds come from a well-meaning philanthropy.

“Core funding doesn’t in any way undermine our commitment to important issues that deserve stronger coverage; from gender equality, to freedom of expression, environmental issues, social justice, and others. On the contrary, it allows us to cover these issues in a better, more organic, and more intersectional way that engages our readers more and amplifies the impact of these stories.”

Lina Ejeilat
Editorial Director, [Ziber](#)

“Non-editorial skills/support are a required aspect of running a newsroom, but most foundation funding for journalism is project-based. Project-based funding is often not flexible or generous enough for most organizations to actually improve their non-editorial skills.”

Wille Shubert
Program Director, [Mongabay](#)

LESSON 5

Recognize the power you carry as a funder.

Independent media outlets are typically overworked, understaffed, and surviving on a financial knife-edge. Many may be tempted to say “yes!” to prescriptive projects proposed by a donor, even if these are unlikely to have an audience. Experienced media grantees may even try to twist some of their existing work to comply with the terms of a prescriptive grant (one Program on Independent Journalism grantee calls this “Pretzelling”). They may be unaware that the Open Society Foundations are able to offer more flexible funding and it is up to you, as the grant giver, to propose a grant structure that ensures editorial independence and agency for the outlet and minimizes risk of editorial interference.

“We shall not accept funding for specific stories or story areas, or that has conditions regarding our editorial decisions such as which stories we do and what they say. In applications and reports to funders we may describe stories or story areas we have worked on or intend to work on, provided that we do not bind ourselves.”

[amaBhungane Center for Investigative Journalism](#)
Funding Policy 2019

LESSON 6

Consider the audience as a stakeholder in any grant provided to a media outlet.

An outlet can produce high-quality journalism, but if this does not reach or connect with an audience, then it is unlikely to have much impact. Audiences can be measured in many ways: an outlet may record monthly unique visitors to its website or engagement data from social media or it may feed stories to mainstream media outlets that do have large audiences. The numbers do not always have to be big to show impact and relevance; an outlet's journalism may reach a small but highly influential audience, a community neglected or badly served by other media. Deeply engaging smaller audiences can sometimes be much more impactful than recording high numbers of clicks when visitors spend minimal time on a page.

Many independent media outlets are founded by journalists who are focused primarily on content production rather than distribution. The Program on Independent Journalism's experience is that encouraging conversation around audience is valuable and can help an organization become more effective. At the same time, do not be tempted to spend large amounts of funds devising complex audience surveys or data systems for measuring media impact. Asking an outlet to set soft targets for audience metrics in its proposal can be a useful way to check in with them and determine where the grant succeeded and where it failed.

LESSON 7

Prioritize local media.

When organizations from the “Global North” apply for funding to help media and/or journalists elsewhere, consider what added value their involvement actually brings, and who benefits the most from the funding. It might be more relevant to ask those on the receiving end what they need and what foreign organizations are best-placed to provide it. Are there local media with greater

in-country audience reach and credibility that could do the same work if supported? Could it be more effective to help them establish international partnerships? Independent media organizations not only publish their journalism but train, protect and pay reporters locally. This strengthens the wider media ecosystem in a country even if that particular outlet should fail.

LESSON 8

Be open to funding companies, not just NGOs.

Some of the most successful independent media organizations are registered as companies rather than NGOs. Authoritarian regimes have become adept in recent years at administrative, legal, and financial harassment of independent journalism, oppressing media outlets very effectively without the opprobrium of jailing reporters. Nonprofit entities typically face heavier restrictions and are more easily monitored and targeted by state bodies. However many authoritarian regimes like to assert themselves as pro-business, which can mean greater freedom to operate for media organizations registered as companies rather than NGOs. While funding a company can be off-putting for some donors (and some organizations themselves may believe their “for-profit” status disqualifies them from seeking donor funding), independent media are rarely a commercially-profitable

endeavor. If a media is dedicated to serving the public interest and profits are ploughed back into the business, we believe a “charitability” case can be made that satisfies Open Society’s threshold. Donor support can be critical for providing seed investment, diversification of funding, and access to a wider network of peers and media support agencies. Never underestimate the isolation of many outlets, particularly those working in challenging or hostile environments and don’t let a for-profit registration discourage you from supporting them. However, be prepared for a longer process of getting the proposal to the final approval stage. You should also work with a grantee to consider the tax implications of a grant to a commercially registered organization, which can vary widely and be used by authoritarian states as leverage against the media.

“In Jordan, every grant to a nonprofit has to get government approval before the start of the project. In 2019, the government sometimes took over six months to approve certain projects, and in other cases simply did not approve the grants. It is impossible for an independent media organization to operate under these parameters. This is why independent media register as LLCs. In reality, we operate as

nonprofits, meaning that there is no distribution of profits to partners, and the revenue remains within the organization to support the work we do. Donors can work closely with their grantees in helping set up financial management systems that ensure full transparency and sound management of funds and revenues.”

Lina Ejeilat
Editorial Director, [Ziber](#)