



5. PROVIDING PUBLIC FUNDING FOR COMMUNITY BROADCASTING

AT A GLANCE

- ~ Sustainable sources of public funding are key to the development and long-term viability of community broadcasting.
- ~ Experience suggests that the proper development of this sector depends on at least some public funding being provided to support it.
- ~ Ideally, at least some support should be provided via a public fund. This could be part of a broader fund – such as a universal service fund or the fund that is used to support public service broadcasting – or a dedicated fund – for example supported by a direct government grant or cross-subsidies from other broadcasters.
- ~ Such funds should be administered by an independent body to avoid political pressure and influence.
- ~ Community broadcasters should also be able to obtain funding from foreign sources and any limitations on this should be imposed only to support the independence and community nature of this sector.
- ~ Consideration should be given to waiving or reducing the fees normally charged for broadcasting operations (such as license and frequency charges) in the case of community broadcasters, as a form of indirect funding support via reducing expenditures.

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INTRODUCTION

Funding for community broadcasters is a core issue that **determines the sustainability and development trajectory of this sector**. As a result, ensuring adequate funding and the ability to mobilise resources should be a **core goal of the regulatory framework** for community broadcasting. Many community broadcasters rely primarily on the goodwill of their communities and local civil society organisations to establish and manage their stations, to undertake programming, and generally to assist in ongoing fundraising. At the same time, experience shows that more robust sustainability, particularly over time, **depends on the availability of various sources public funding** for community broadcasters.

It is essential that, in order to guarantee their independence and ability to serve their communities, the allocation of any public funds to community broadcasters should be fair, transparent and equitable. Such funding should **specifically target the growth and development of the sector**, rather than attempting to condition and influence operations. For this to happen, it is crucial that such funds are **administered by an independent body**, in the same way as is necessary for the licence allocation processes, so as to avoid political pressure and influence.

The issue of private sources of funding for community broadcasters is addressed in *Policy Brief Six: Access of Community Broadcasting to Private Sources of Funding and Support*. However, it is important to note that **these are not entirely discrete sources of funding**. In particular, where substantial sources of public funding for community broadcasters exist, it may be appropriate to impose restrictions on funding from commercial sources, among



other things to ensure fair competition with commercial broadcasters. Such restrictions should, however, always be **necessary and consistent with the core community character of these services**.

KEY POLICY ISSUES

Three main policy issues arise when looking at the issue of public funding for community broadcasters: the **availability of direct public funding**, **access to funding from foreign sources**, and lastly **indirect funding for community broadcasters**.

1. Direct public funding

It is important for community broadcasters to have access to private sources of funding, both commercial and in the form of voluntary community contributions. But experience in countries around the world has shown that it is very difficult for these broadcasters to survive, especially over time, simply on these sources of funding. As a result, the **availability to them of public funding can make the difference** from a day-to-day struggle to survive to the ability to engage in longer-term planning and development.

It is essential that the allocation of any public funding be done in a fair and transparent fashion, allowing for **equitable access to these funds**. This has a number of implications. First, the process must be **overseen by an independent body** which is able to make decisions in an unbiased way which respects editorial independence, free of political or other unwarranted influences. Second, the procedures for applying for funding must not only be fair, but they must, like licensing procedures, **take into account the developmental state of the sector**. Unduly complex or time-consuming processes will favour more sophisticated, rather than necessarily more worthy, applicants.

Third, any such funding should be allocated on the basis of **clear, pre-established public interest criteria**. The exact selection of criteria will depend on the existing situation and

the priority needs of the sector. In some cases, funds are divided into different tranches, which are then allocated to support different needs. One of the key needs that has been identified in many countries is **support in the development and start-up phase**, in particular with a view to promoting the extension of community broadcasting services to un-served or under-served communities. Closely related to this is **directing allocations to purchase or maintain equipment**, either in a start-up phase or as needed over time. Public funding for community media could also be provided to support operations in the areas of text messaging, online streaming, podcasting and social media presence, which can make an important contribution to the reach, richness and sustainability of community broadcasting.

Ongoing operations costs, particularly in terms of managing and operating stations – given that it is easier to attract volunteer support for programme production – also represent an important need. **Human resource development and training** is another core area of need. Finally, public support can help

community broadcasters in a particular region or across a country form themselves into networks, which can then exchange programmes and otherwise support each other, which can be a longer-term sustainability measure.

Before any questions can arise about how to operate or run any public fund for community broadcasters, **sources of support for the fund** must be identified. This could involve an



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allocation from a broader fund or a dedicated fund for community broadcasters. An obvious candidate for the former is the **universal service funds** which exist in many both developed and developing countries, which already have goals which are at least philosophically very much in line with the idea of supporting community broadcasting. Another candidate is the funding that is provided in many countries for **public service broadcasting**, some portion of which could be allocated to support community broadcasting which, again, serves broadly overlapping goals, albeit in a distinctive manner.

A number of sources of support are possible in those countries which have established dedicated funds to support community broadcasters. In some cases, funding is provided through a **direct government grant**, which is a good source although this can depend on ongoing political support. Funding can also come from **cross-subsidies from commercial broadcasters or distribution operators**. A number of options are potentially available here, depending on how the system works and where resources are located in a particular country, including a levy on cable or satellite concessions or revenues, a levy on the advertising revenues of commercial broadcasters and/or a levy on the licence fees paid by commercial broadcasters. These systems have the benefit of being stable and not as directly dependent on political will as direct government grants.

3. Funding from foreign sources

Foreign funding – both bilateral and multilateral, including from sources like UNESCO and the World Bank – is a very important source of funding for community broadcasters in many developing countries, and it is obviously important for these broadcasters to have access to this form of funding. At the same time, inasmuch as broadcasting is supposed to be a national resource, it may be appropriate to place some limits or conditions on foreign funding. It is important that any limits can be **justified by reference to a legitimate goal**, such as protecting the independence and community nature of these broadcasters, for example against funding with religious strings attached to it and so on.

4. Indirect funding and fee waivers

The revenues available to community broadcasters are almost always, essentially by definition, limited. While the previous two sections of this *Policy Brief* looked at ways to increase revenues from public sources, this section looks at ways to reduce expenditures. At the very minimum, **no special fees should be imposed on these broadcasters**. In many countries, furthermore, the various fees which are typically charged to broadcasters – which may include the licence application fee, an annual broadcasting fee and/or an annual spectrum usage fee – are **waived or substantially reduced for community broadcasters**. This makes obvious sense given the need to support and encourage the development of this broadcasting sector in most countries.

Another potential way to reduce expenditures or costs is to **waive or reduce taxes on equipment purchases** by community broadcasters (which may in appropriate cases also be extended to all broadcasters where the sector as a whole is not well resourced).

INTERNATIONAL STANDARDS

There are a number of general international statements about funding for community broadcasters. The *Declaration on Principles of Freedom of Expression in Africa* includes a general call for community broadcasting to “be promoted given its potential to broaden access by poor and rural communities to the airwaves”. The *2011 General Comment* of the UN Human Rights Committee calls for licence fees for all broadcasters to be “reasonable and objective, clear, transparent, non-discriminatory”.

In terms of public funding, the *2009 Declaration of the Committee of Ministers of the Council of Europe* on the role of community media in promoting social cohesion and intercultural dialogue calls on States to examine “the possibility of committing funds at national, regional and local level to support the sector, directly and indirectly, while duly taking into account competition aspects”. For its part, Principle 13 of AMARC’s *Principles for a Democratic Legislation on Community Broadcasting* states: “The existence of public funds with sufficient resources is a key element for establishing and developing community media.”



In terms of concessions, the *2007 Joint Declaration of the special international mandates on freedom of expression* suggests that community broadcasters should “benefit from concessionary licence fees”. Similarly, AMARC Principle 13 also notes that relieving community broadcasters from paying spectrum usage fees “is a desirable way of adapting them to the non-profit nature of community media”.

The Recommendations by Participants of the *International Seminar on Community Media Sustainability: Strengthening Policies and Funding*, a UNESCO-sponsored event, also call for fee waivers for community broadcasters:

v. Offer low fee or free access to licences and frequencies, including, where relevant, digital terrestrial frequencies;

RECOMMENDATIONS

1. Consideration should be given to allocating **direct public funding** to community broadcasters whether through a dedicated fund or via a sub-allocation from an existing fund. The former could be funded through a **direct government grant**, although a **cross-subsidy system** may represent a more robust source of funding. The latter could be part of either a universal service fund or the pool of funding which is provided to support public service broadcasting.
2. Any allocations of public funding should be made by an **independent body** and be according to **clear, transparent and fair procedures**.
3. The **criteria for allocating any public funding** should be clear and set out in advance and may include **support for the development and start-up** of community broadcasters, the purchase or maintenance of equipment, ongoing operations costs, human resource development or special projects such as networking community broadcasters in a particular region or country.
4. Community broadcasters should be able to access **foreign sources of funding** and any restrictions on this should be based on the need to protect the independence and community-nature of this sector.
5. **No special fees should be imposed on community broadcasters**. Rather, they should benefit from **waivers or reductions of the fees** charged to commercial broadcasters and consideration should be given to **waiving taxes** on equipment purchase by community broadcasters.
6. Ad-hoc public funding for **thematic or topic-based programming**, such as election education, health information (for example, in relation to epidemics), minority language service and so on, should be encouraged, although this should be provided in a manner that does not compromise editorial independence.
7. Public funding to support engagement by community broadcasters in **media convergence work** and to support **fund-raising campaigns** could be considered.

POLICY CHECKLIST



- Public fund established for community media, or provision for support from an existing fund
- The fund is overseen by an independent body with clear and transparent procedures and the rules prevent the fund being used to influence or pressure individual broadcasters
- Community media are entitled to access foreign sources of funding
- Subsidies, waivers and reductions of fees and taxes in place to support community media