Catalysing private capital

Financing the future of public interest media

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IMS

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Foreword

All over the world, media outlets are closing due to a lack of viable funding. Securing Overseas Development Assistance and engaging global philantrppy to support public interest media in fragile, conflict or politically estranged markets is an increasing challenge. The recent closure of USAID,a precipitous fall in global donor assistance coupled with foreign agent laws that cut off the funding lifeblood of public interest media have underlined a pressing need to diversify financial options for our media partners.

Moreover, public interest media get little attention from investors: a database published by Phenix Capital Group shows that only 40 of 2,900 impact funds are targeting United Nations' Sustainable Development Goal 16, which covers peace, justice, and strong institutions (Phenix, 2025). Similarly, when Toniic's Cruising Altitude report looked at the portfolio of more than 100 impact-minded private asset owners, it found that SDG16 was attracting just 0.5 percent of their investments (Toniic, 2025).

Despite OECD calls to increase financial and other forms of support to public interest media to strengthen democratic resilience, SDG16 remains the least-supported SDG when categorised by the number of impact funds.

Through initiatives and networks, such as the Media Viability Manifesto, Team Europe Democracy Initiative, Philea, Journalism Funders Forum, the Global Impact Investing Network, and the Global Forum for Media Development there is renewed and sharper focus on unlocking new forms of funding, financing and investment.

At IMS (international Media Support), we are increasing our knowledge of what is possible and driving forward with action-oriented solutions. In October 2024, we published *Where is the money?* offering locally led insights from four regions into trends in funding, financing and investment for public interest media, emerging as a thought leader in media viability.

At IMS, we are turnng our attention on how we can develop bottom-up approaches to unlocking local capital in key markets. Across the IMS network, local sources of philanthropy, private, community and government capital have emerged in many markets. We sense an urgent need to convert localised aspirations for new funding, financing and investments into practical realities. Leveraging IMS' trust-based partnerships, we are committed to nurturing activities at local, regional and national in markets where it makes sense to do so.

Innovation in media development finance has been limited, with minimal engagement with local sources. To expand local capital supply, a collaborative effort between local actors and global media development actors is essential. Diversifying approaches, such as introducing locally tailored financial tools, is crucial. Over the last two decades, IMS has learned that global expertise must be adapted to local market conditions. While concerns about media capture remain, they should not hinder innovation in media financing. Effective governance will ensure the independence and sustainability of local media.

Against this backdrop, we need bold thinking and concrete actions on how private capital can step up to invest in mission-driven media dedicated to supporting a healthy democracy. We need to envisage a more sustainable media ecosystem by expanding the supply of more varied sources of capital. This report is another step in bolstering our knowledge on how innovative financing for development and the supply of private capital for public interest media could and should become both more robust and more diverse than ever before.

Dr Clare Cook
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Introduction

Public interest journalism is in crisis. Across the globe, media outlets are collapsing under the weight of failing business models, vanishing advertising revenues and escalating political pressure. The traditional advertising-based model that once sustained news organisations has slowed and been quickly overtaken by the algorithmic dominance of tech platforms, which have siphoned off digital revenue and left many publishers in financial freefall (Napoli, 2023). The result has been the expansion of "news deserts" – regions with little or no access to credible, independent journalism (Abernathy, 2020).

At the same time, media freedom is in steep decline. Authoritarian regimes have grown more aggressive and sophisticated in their attacks on the press, recognising and wary of its power to expose abuses and hold power to account (Freedom House, 2024). Media capture is accelerating in fragile democracies, where political elites exploit the industry's economic vulnerability and regulatory neglect to consolidate control over information (Dragomir, 2019).

Globally, the consequences are stark. Today, 85 percent of the world's population lives in countries where press freedom has declined in the past five years (Freedom House, 2024), and over one-third have no access to a free press (Reporters Without Borders, 2024). Amid this hostile environment, many news organisations have grown increasingly reliant on philanthropic aid and bilateral support from international donors. While donor funding has been essential to keeping public interest media afloat – averaging USD 500 million annually, or just 0.3 percent of total Official Development Assistance (ODA) (CIMA, 2023; OECD, 2023) – it has failed to drive long-term sustainability. State-funded media assistance has pivoted dramatically, reflecting highly polarised politics, especially in the US but increasingly in Europe. Today, public interest media funding is contracting as major private philanthropies refocus their media efforts or abandon them all together.

This funding decline comes at a time when media revenues continue to collapse. Modest gains in subscriptions have not offset deep losses across other revenue streams, especially in advertising. In the UK, for example, nearly all growth in advertising in 2023 flowed to online platforms (Ofcom, 2023), leaving traditional publishers with ever smaller slices of an increasingly digital pie. In the US and elsewhere, the pattern is the same (Pew Research Center, 2023). Meanwhile, donor-supported media outlets, particularly those operating in exile or in conflict zones, remain almost entirely grant-dependent, with little path to financial independence (MDIF, 2024).

In this daunting financial landscape, a critical question arises: where will the capital come from to fuel innovation, growth and resilience in journalism? Other sectors focused on social good – like health, financial inclusion, and clean energy – have turned to innovative finance and impact investing to close funding gaps (GIIN, 2022). Ethically minded businesses, impact investors and mission-driven venture capitalists have begun to channel capital toward global challenges through models rooted in private sector principles and value creation (Convergence, 2023).

Yet journalism remains largely absent from this trend. Most investors perceive the sector as too risky and too intangible, with uncertain returns and complex political dynamics (Thomas, 2025). Traditional impact investing frameworks are not well designed for the unique challenges of media organisations, which often produce long-term social value rather than short-term profits. Only the most advanced media businesses reach the necessary thresholds even for the sub-market returns that impact investors require. This challenge is compounded by a lack of standard impact metrics and journalism's indirect connection with global Sustainable Development Goals. Still, change is underway. Growing alarm over the global erosion of public interest media is prompting renewed efforts to mobilise purpose-driven capital. New financing vehicles, such as blended capital funds, impact bonds and concessional loans are emerging to support early-stage and growth-oriented media ventures (OECD, 2023; Convergence, 2023). From Pluralis' EUR 100 million fund to safeguard European publishers under threat of media capture by hostile actors (Pluralis, 2024), to USAID's catalytic media investment fund in Central and Eastern Europe (USAID, 2024), there are ways to step forward and ideas to take shape.

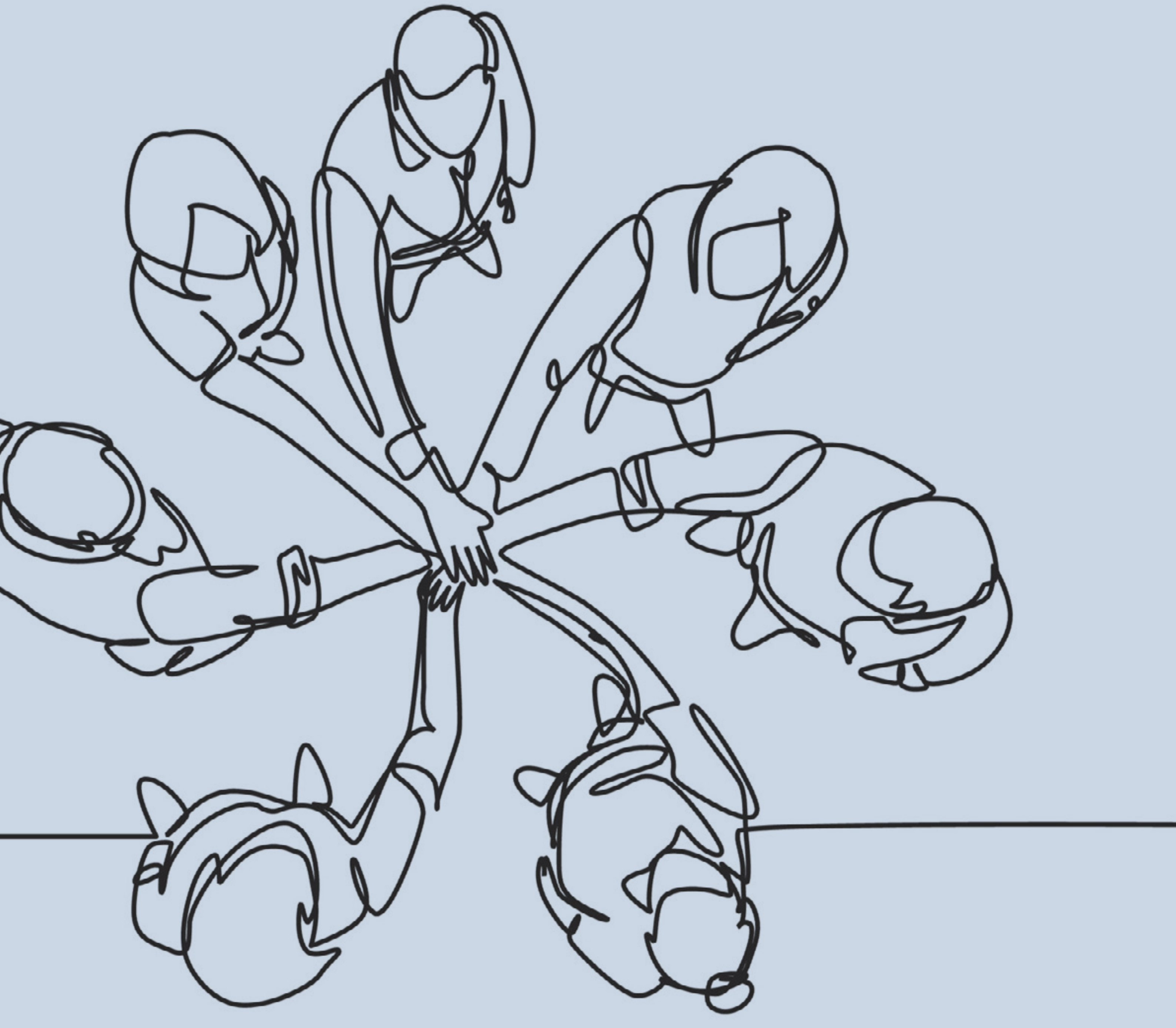
This report responds to a rising demand from the media development field to understand how private capital can complement and strengthen traditional donor funding. It explores the potential of innovative financial instruments to support sustainable, independent journalism and build healthy information ecosystems. Drawing on expert interviews and case studies, it assesses both the demand side – how to build investable media enterprises, and the supply side – which financing tools are best suited to different political and economic contexts?

The present report addresses the following questions:

- What is the rationale for catalysing private capital to support public interest media?
- What funding sources – such as development finance institutions, impact funds, venture capital, family offices and community lenders – could be leveraged?
- What financial vehicles – concessional loans, equity investments, blended finance, impact bonds – are most promising for the media sector?
- What can be learned from applying impact investing approaches from other sectors to journalism?
- Can private sector approaches incentivise new business models and greater financial resilience among public interest media outlets?

The private sector alone will not save journalism, but it cannot remain on the sidelines. New capital, new actors and new models are urgently needed to sustain public interest media.

What is meant by catalysing private capital



Private versus philanthropic capital

In the media sector, most donor and philanthropic funding is grant-based and often paired with capacity development or infrastructure support to strengthen information ecosystems. This can be core funding but is typically short-term and project-based, aligned with specific donor priorities. It primarily targets public interest media in low- and middle-income countries or in contexts of conflict and crisis – markets where media outlets are rarely of the size or scale needed to achieve financial sustainability. In contrast, private capital operates differently from traditional aid and philanthropy, offering longer-term investment horizons and a focus on return-generating models.

Philanthropic capital is typically deployed as non-repayable grant funding where financial returns are not required or expected. It is highly risk tolerant, flexible and mission driven – an ideal source of capital for supporting public good initiatives that lack the potential for financial self-reliance (GIIN, 2022).

In the media sector, philanthropic support is essential to support news organisations that operate in poor market conditions. The downside of philanthropic capital is that it is non-recoverable, requiring constant replenishment. On the spectrum of capital, philanthropic funding is -100 percent return.

While many public interest media organisations – particularly those operating in low and middle income countries – lack the size and scale to move beyond grant-based funding, exploring options for private capital is essential for building long-term resilience and scalability in the journalism sector. Philanthropic capital is limited, highly competitive and will never satisfy the demands of a sector facing systemic disruption and decline.

Private capital, by contrast, expects a financial return – even if sub-market rates coupled with social impact objectives, as in venture philanthropy and impact investing (Convergence, 2023). Private capital seeks repayable models: debt, equity or revenue-based financing. As such, it is more strictly performance-based than philanthropic funding, requiring more structured governance and clear financial and impact metrics (GIIN, 2022).

These approaches move the needle higher on the range of capital – from no return on some concessionary forms of capital, such as zero-interest loans, to fully commercial investments targeting returns of 30 percent or more in high-growth equity deals.

In the context of the journalism sector, mission-driven private capital can support growth-stage media organisations with scalable business models, can incentivize innovation and help build long-term sustainability – particularly when combined with derisking mechanisms, such as first-loss guarantees or blended finance structures (OECD, 2023).

Mission-focused private capital brings a different value proposition to the media sector. It enables media outlets to access repayable, performance-based financing that supports growth, innovation, and financial discipline (Thomas, 2025). When structured according to an impact ethos and in ways that reduce risk, such as through blended finance, concessionary loans, or revenue-based models, private capital can complement philanthropy by backing investable media enterprises ready to scale or to transition from full grant dependence (Convergence, 2023).

Unlike grants, private capital also has the advantage of being regenerative – it is repaid and can be reinvested. This creates a virtuous cycle: as investments generate returns, that capital can be recycled back into the system to support additional mission-aligned enterprises, effectively multiplying the reach of each investment (GIIN, 2022).

V-Ventures

V-Ventures, the impact investing arm of the Vereniging Veronica foundation in the Netherlands, is an example of how using investments made through repayable models like debt or equity, rather than grants, can create a sustainable capital loop (V-Ventures, 2023). Focused on supporting high-quality, public interest media, V-Ventures deploys capital into mission-driven media enterprises and recycles the returns directly back into the fund. This model not only sustains a long-term pipeline of investment but also builds institutional knowledge and ecosystem strength over time. By reinvesting profits into future rounds, V-Ventures exemplifies how regenerative capital can nudge the needle along the range of capital, while simultaneously strengthening resilience and promoting innovation among media investees.

In sectors focused on social impact, private capital rarely operates alone. Successful models typically blend private investment with donor or philanthropic capital to create financing structures that align social outcomes with investor incentives. This blended finance approach helps rebalance the risk-return equation, making investments in social impact sectors more attractive to private actors. Donor and philanthropic capital often act as catalysts. By providing first-loss capital, credit enhancemen, or guarantees, they help to derisk investments and attract hesitant investors (OECD, 2023).

The Global Fund for Coral Reefs

The Global Fund for Coral Reefs combines philanthropic, public and private capital to finance reef-positive businesses in tourism, aquaculture, and waste management (UN Capital Development Fund, 2022). By using donor funds as risk-tolerant concessional finance, the fund attracts private investors who may not have previously invested in companies focused on conservation. This model demonstrates how blended finance can unlock new capital, scale impact, and build financially sustainable solutions in sectors traditionally reliant on grants.

Creating a capital marketplace

Shifting from a grant-based funding ecosystem to one that catalyses mission-driven private capital requires not only new financing models, but a fundamentally different configuration of stakeholders. While traditional media development has largely been led by donors, foundations and NGOs, building an investment-ready media sector requires engaging new actors from across the impact investing ecosystem (GIIN, 2022; Convergence, 2023).

This includes development finance institutions (DFIs) that can provide concessional loans or guarantees to reduce investor risk; angel investors and venture philanthropists who are willing to take early-stage bets; and commercial banks that can offer low-interest loans or use social impact bonds that align financial returns with social or environmental outcomes.

Key actors in impact investing and their roles

Actor	Who they are	How they are used in impact investing	Example in media or social sectors
Development Finance Institutions (DFIs)	Government-backed financial institutions that invest in private sector development in emerging and frontier markets.	Provide market-rate and concessional capital, guarantees and first-loss capital to derisk projects and crowd in private investors. Often seek commercial returns and deploy large volumes of capital, making the media sector an attractive target.	The European Investment Bank (EIB) supported media sector innovation through a EUR 120 million loan to DPG Media Group for digital transformation (EIB, 2023); Dutch development bank FMO financed digital infrastructure ventures expanding access to information (FMO, 2023).
Angel investors	High-net-worth individuals, often with a higher risk tolerance, who provide early-stage capital to start-ups.	Offer seed funding and mentorship to early-stage ventures, sometimes accepting lower returns in exchange for social impact.	Filipino online news website Rappler initially financed its operations through angel investment provided by mission-aligned Filipino entrepreneurs and professionals (Ressa, 2019).
Impact investors/ venture philanthropists	Funds or individuals who invest with the dual intention of achieving financial returns and measurable social impact.	Deploy equity, debt, or hybrid capital into scalable ventures aligned with their values; expect returns but may accept below-market.	Media Development Investment Fund (MDIF) provides loans and equity to public interest media (MDIF, 2023); Pluralis acquires equity stakes in European publishers at risk of hostile takeovers (Pluralis, 2024).
Commercial banks	Traditional banking institutions offering financial products to businesses and individuals.	Act as intermediaries or bond issuers, enabling retail and institutional investors to back social outcomes through thematic bonds.	GLS Bank issues sustainability-themed bonds that channel capital into renewable energy, education, social housing, and media-related investments (GLS Bank, 2023).

In addition to capital providers, incubators and accelerators are critical to an impact investing ecosystem. Incubators and accelerators help build a pipeline for impact investors by assisting media companies to refine their business models, measure audience engagement and build the operational readiness needed to attract investment. Incubators, accelerators, and business coaches also play key intermediary roles in bridging the cultural and operational divide between media organisations and financial actors – helping media outlets understand investor expectations, and guiding funders towards viable opportunities (MDIF, 2023).

Amplify

In the media development space, the Media Development Investment Fund (MDIF)'s Amplify Program is an accelerator designed to enable public interest media companies in emerging and frontier markets to become investable. It provides seed funding, strategic mentorship, audience development and business model support to help promising media outlets strengthen their operations and attract growth capital.

Global Impact Investing Network

The Global Impact Investing Network (GIIN) offers a compelling model of a capital marketplace. GIIN has played a pivotal role in the global impact investing field by fostering collaboration among institutional investors, fund managers, development finance institutions and foundations. It provides shared frameworks – such as IRIS+ for impact measurement – and convenes diverse actors to accelerate the flow of capital into ventures that deliver social and environmental returns. GIIN's success demonstrates the potential of a centralised platform to aggregate capital, disseminate best practices, and connect stakeholders.

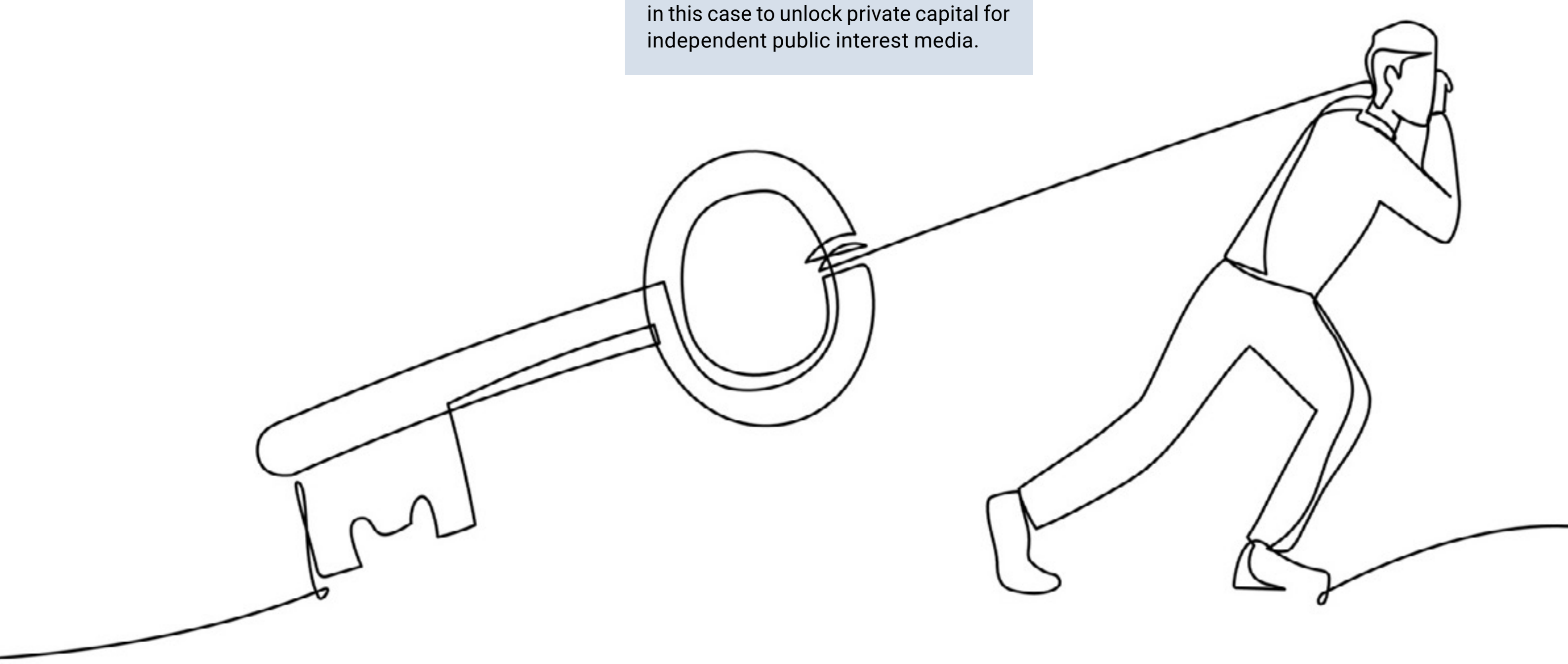
Voncerts

Raising capital for impact investing in public interest media remains difficult, but innovative blended finance tools can make it easier. The Media Development Investment Fund (MDIF), then known as MDLF, partnered with Swiss impact investor responsAbility and Bank Vontobel to structure a series of quasi-bond instruments known as Voncerts. Between 2006 and 2012, three offerings successfully raised CHF 5 million each (approximately USD 5.8 million today), providing MDIF with low-cost capital at just 1 pecent interest to support media enterprises in emerging markets (Media Development Investment Fund, 2012).

Voncerts are a blended finance product designed for private investors, offering a lower return in exchange for measurable public benefit. Originally developed for sectors like environmental protection and poverty reduction, they were adapted in this case to unlock private capital for independent public interest media.

Refugee Investment Facility

Co-managed by iGravity and the Danish Refugee Council, the Refugee Investment Facility (RIF) is dedicated to using innovative financing mechanisms to support small and medium-sized enterprises (SMEs) in refugee hosting communities. By leveraging impact-linked loans and providing technical assistance, the RIF aims to drive sustainable economic growth and resilience in these areas. The RIF seeks to address the challenges of unemployment, lack of economic opportunity and limited access to services and goods that are faced by refugees and their host communities. The impact-linked loans allow enterprises to maintain or build their focus on refugee and host community populations, grow their business and be financially rewarded through interest rate reductions for direct and measurable impacts they have on the refugee and host communities they are serving.



Financial instruments used to deploy private capital

Private capital can be deployed through a diverse range of financial instruments, each offering advantages and trade-offs. From equity and revenue-based financing to concessionary loans and recoverable grants, these tools can enable tailored support for media companies at different stages of growth and scale.

Critically, private capital can spark and foster innovation – fueling new models such as community-owned newsrooms, mission-driven digital platforms and subscription-based investigative outlets that traditional investors might otherwise overlook. By aligning financial incentives with long-term impact, these instruments can also encourage stronger, more resilient business models for public interest media in an increasingly competitive ecosystem.

Instruments used in impact and traditional investing

Instrument type	How it works	Return expectation	Example
Grants (philanthropy)	Non-repayable funds provided for mission-aligned support.	0 percent	Open Society Foundation grants to investigative journalism initiatives; American Journalism Project grants to local media start-ups (AJP, 2023).
Recoverable grants	Grants with optional repayment terms based on revenue or impact thresholds.	0 percent (if repaid, recycling capital)	Skoll Foundation pilot recoverable grants to social ventures (Skoll Foundation, 2022).
Debt (classic)	Loan repaid on a fixed schedule with interest; often secured against assets.	Moderate (market rate)	MDIF loans to public interest media SMEs in emerging markets (MDIF, 2023).
Subordinated/soft debt	Loan with lenient terms, e.g. flexible repayment, unsecured, often used for mission-driven ventures.	Low	Axios' Paycheck Protection Program (PPP) loan during COVID-19, forgiven if employee retention was met (Axios, 2021).
Quasi-equity/ convertible debt	Loan that may convert to equity or remain as debt.	Moderate	USD 50,000 convertible note investment by Impact Ventures in early-stage social enterprises (Impact Ventures, 2022).
Revenue-based financing (RBF)	Repayment tied to a percentage of revenues rather than to a fixed schedule.	Variable	Rock My World Media used RBF to scale a user-focused health informa tion platform (GIIN, 2022).

Instruments used in impact and traditional investing			
Instrument type	**How it works**	**Return expectation**	**Example**
Equity (classic)	Direct purchase of company shares; returns via dividends or sale.	High (10-30 percent plus)	North Base Media's investments into digital-native news platforms like Rappler and The News Lens - Mediagene (North Base Media, 2023). Next Narrative Africa Fund will raise and deploy USD 30 million in equity financing for African television and film projects with social and environmental impact (The Hollywood Reporter, 2024).
Blended capital equity	Combines philanthropic and private investment to reduce risk or return thresholds.	Low/moderate	Pluralis' blended finance model acquiring minority stakes in European media (Pluralis, 2024).
Seed/incubator/ accelerator	Early-stage support (financial and technical) to build investable ventures.	0 percent (if grant) or equity stake	MDIF's Amplify Program for early-stage public interest media (MDIF, 2023).
Venture capital (VC)	Equity investment in start-ups through successive growth rounds.	High	Blavity raised USD 6.5 million from GV (Google Ventures) (TechCrunch, 2018).
Concessional capital	Risk-mitigating capital, such as first-loss capital and guarantees.	None or Low	Temasek's climate impact facility using concessional first-loss capital (Temasek, 2023). The Swedish International Development Agency's guarantee instrument that derisks loans and investments from traditional lenders into high-risk ventures (Convergence, 2023).
Impact bonds	Pay-for-success financing where return depends on achieving measurable outcomes.	Low/moderate	Educate Girls Social Success Note – investor returns based on education outcomes in India (Brookings, 2019).
Thematic bonds	Bonds aligned with social or environmental outcomes.	Moderate (market rate)	GLS Bank issues social and green bonds funding sectors including public interest media (GLS Bank, 2023).
Acquisition/ merger	Buying controlling stakes to restructure and improve resilience.	Varies	Colorado Sun and National Trust for Local News joint acquisition of 24 community newspapers (National Trust for Local News, 2023).

Blended finance

Blended finance accounts for a growing share of investments in social-impact areas, combining public funding, such as ODA, or philanthropy that is non-repayable, with mission-based investment capital that often aims for a lower than market rate return while cashing out on impact. In a blended finance structure, donor funds with low expectation of being recovered serve as derisking or first-loss capital.

A critical tool for blended finance is concessional capital – funding provided on more favorable terms than the market would typically allow, such as lower interest rates, flexible repayment terms or extending the repayment period.

Ci-Gaba

Ci-Gaba is a USD 75 million Fund-of-Funds blended finance vehicle that aims to unlock capital from local pension funds to support the establishment of new venture funds to invest in small and medium enterprises in Ghana. The fund is sponsored by Impact Investing Ghana with support from the Global Steering Group for Impact Investments. The design and start-up costs were provided by FMO Ventures and the Research and Innovation Systems for Africa (RISA) Fund of UK's Foreign Development and Cooperation Office (FCDO).

Donor or philanthropic funds with little or no expectation of being recovered often serve as concessional capital that derisks investments for private actors, by absorbing part of the financial exposure. One common mechanism is the use of first-loss capital, where public or philanthropic funders agree to take the initial losses if a project underperforms.

Guarantees are other important tools for derisking and bolster investor confidence by absorbing potential early-stage losses and securing funding structures. Concessional funding, offered at below-market rates, can ease financial pressure on media companies, enabling greater resilience and stability, particularly in politically risky contexts or underdeveloped media markets.

Private investors have greater confidence, knowing that these mechanisms partially shield them from risk. By adjusting the risk-return profile in this way, blended finance makes it possible to crowd in commercial capital to support companies in sectors like poverty reduction, climate resilience, health and, potentially, public interest media – where social returns are high but financial risk is often perceived as prohibitive. The result is a catalytic funding model that brings together different types of investors in pursuit of shared impact.

Blended finance, particularly through the strategic use of concessional capital, can be a powerful catalyst for media investment. By improving the terms of financing or absorbing early-stage risk, these tools make it possible to deploy both innovative and traditional investment instruments in ways that better align with media organisations' public-interest missions.

First-loss capital acts like a safety net for investors. A party, often a philanthropic organisation or public donor, agrees to take the "first loss". This means if the project does not perform well financially, this party will absorb the initial losses up to a certain amount, protecting the other investors from losing their money first. By reducing the risk for other investors, first-loss capital makes it more attractive for them to invest in the project. It helps mobilise more capital towards projects that have positive social impacts but might not attract enough initial investment due to perceived risks.

Pluralis

In 2023, Pluralis partnered with GLS Bank to issue a thematic bond aimed at protecting public interest media outlets in Europe from political capture and market collapse. The bond raised mission-driven capital specifically to fund Pluralis' investments in news organisations like Petit Press in Slovakia and Gremi Media in Poland. The bond offered investors a market-rate return allowing participants to support the mission without sacrificing yield (Pluralis, 2024).

Sida

The Swedish International Development Agency (Sida), has successfully deployed guarantee facilities to catalyse private investment in high-risk sectors, including media and information ecosystems. By offering partial credit guarantees to local banks and investors, Sida has helped lower the barriers to financing for public interest media outlets operating in politically sensitive and economically challenging contexts. In 2018, Sida partnered with MDIF to establish a USD 10 million guarantee facility aimed at expanding access to affordable financing for public interest media operating in politically repressive or economically fragile markets. Sida's partial guarantee derisked MDIF's lending portfolio, enabling more flexible, risk-tolerant financing for media enterprises (Sida, 2019; MDIF, 2023).

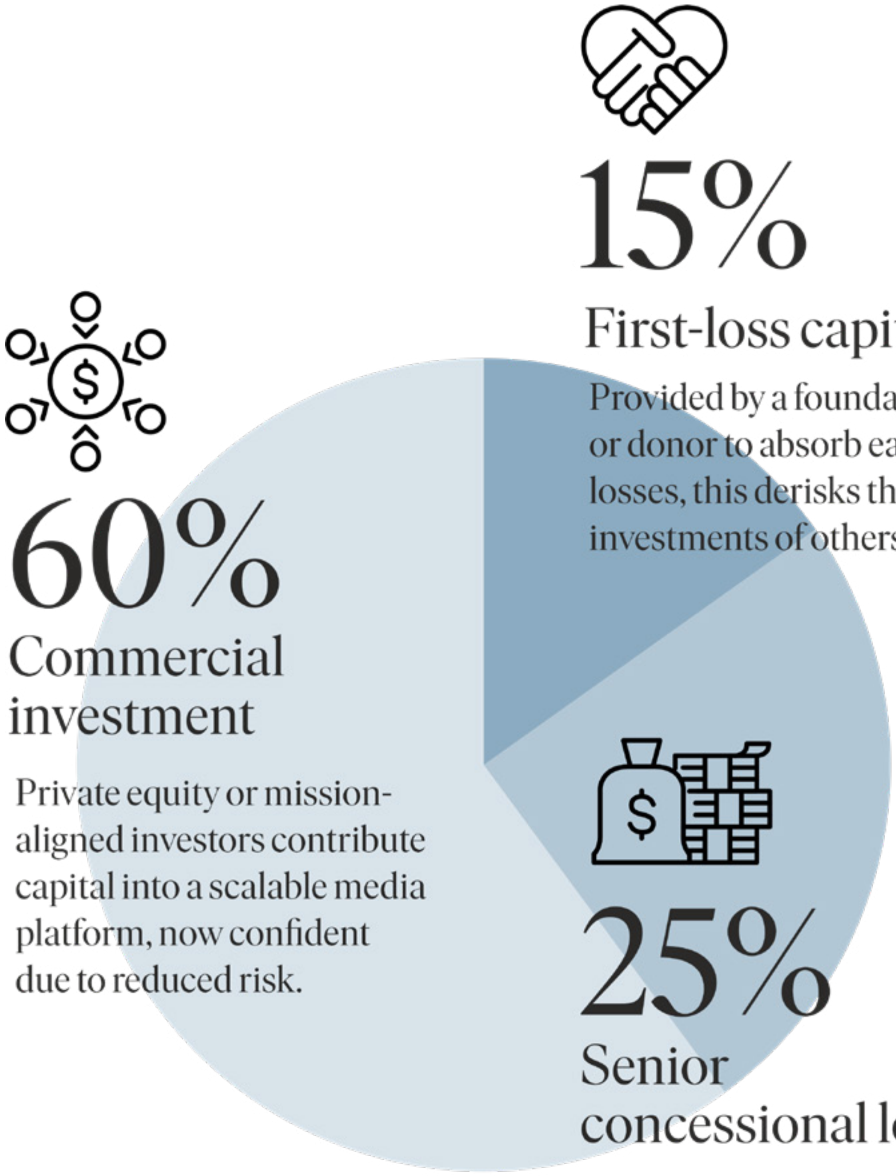
Media Development Investment Fund

Media Development Investment Fund is a not-for-profit fund. It provides affordable debt, equity and quasi-equity using blended finance structures. These include layers of market-rate investments, concessionary capital, and even grants to derisk its investments in media organisations, from different sources including foundations, high-net-worth individuals and corporations. MDIF has used several fit-for-purpose instruments, including investment notes, bonds, debt and equity, to provide financing and technical assistance to small and medium sized media companies in more than 40 countries (Convergence, 2019).

Whether through flexible debt, revenue-based financing or equity paired with safeguards, blended finance structures can offer more favorable conditions for media enterprises, and potentially for local funding ecosystems. In doing so, they help attract private capital to a sector often viewed as high-risk, thus expanding the pool of funding available to support independent journalism. When used with derisking strategies, such as first-loss guarantees or credit enhancements, blended finance can help ensure that impactful journalism thrives despite the growing financial and political pressures in the media landscape.

An example of a blended finance capital stack designed to support independent journalism.

This structure can make public interest media more attractive to private investors while protecting editorial independence.



15%
First-loss capital

Provided by a foundation or donor to absorb early losses, this derisks the investments of others.

60%
Commercial investment

Private equity or mission-aligned investors contribute capital into a scalable media platform, now confident due to reduced risk.

25%
Senior concessional loan

Supplied by a development finance institution or impact investing fund at below-market terms to offer additional stability.

Operationalising private capital

Creating supply – Designing new investment products and impact-focused funds for media

A major reason for limited private capital in the media industry is a dearth of investment products tailored to the unique challenges of the sector. An over-reliance on grant mechanisms, for a sector with low likelihood of financial returns, has led to a lack of investor supply. Creating new impact investing vehicles has upfront costs that are often prohibitive, since it requires numerous components, such as fund managers with expertise in the sector, feasibility studies to stress-test investment products and a steady pipeline of investable companies. Lacking most if not all these components, the media sector has a high barrier to entry for interested investors, even impact investors.

Despite the rapid growth of the global impact investing market – estimated at USD 1.571 trillion in assets under management across over 3,900 organisations (GIIN, 2024) – there remains a notable scarcity of funds specifically targeting the media sector, particularly public interest journalism. While media investments broadly encompass areas like entertainment and digital platforms, dedicated impact funds focusing on public interest news organisations are rare.

This is due to several factors. First, the perceived financial risk and uncertain returns associated with media ventures deter many impact investors. Investors are also unclear on what asset is being created. There is also a limited pool of fund managers who possess both a deep understanding of the media landscape and expertise in deploying diverse financial instruments tailored to the unique needs of media enterprises. This lack of specialised knowledge and experience hampers the establishment of new funds aimed at supporting public interest media.

Traditional donors and foundations can play an important role in catalysing innovative finance vehicles by absorbing upfront costs and underwriting the design phase of new products. In the media sector – where market failures, political risk and uncertain revenue models often deter private investment – this approach can be particularly effective. Design-stage funding can help structure new investment vehicles tailored to the unique needs of independent journalism by supporting design activities too risky for private actors to finance on their own, such as feasibility studies, legal and governance frameworks and stakeholder engagement.

Convergence Blended Finance

With funding from Global Affairs Canada, Convergence Blended Finance has pioneered a catalytic grant mechanism that supports the early-stage development of innovative blended finance vehicles aimed at mobilising private capital toward sustainable development goals. Convergence provides grants, typically between USD 50,000 and USD 500,000, that help fund managers and intermediaries to design, structure and launch financial solutions blending public, philanthropic and private capital.

Creating demand – Developing a pipeline

There are promising examples of private investment in media – such as Tortoise's GBP 10 million round, Pluralis' investments in Poland's Gremi Media and Slovakia's Paetit Press, and the EUR 800,000 backing that helped Ac2ality become a leading TikTok news outlet. Overall, however, the pipeline for impact investing in the media sector remains narrow. A key barrier is the sector's perceived unattractiveness to investors: returns are typically low, exit opportunities are limited and long-term sustainability uncertain in a market in crisis. As a result, impact investors must be exceptionally patient, willing to accept below-market returns – or even risk full capital loss – with few guarantees of recovery. Even among those impact investors who prioritise social impact over profit, most still expect some level of return or capital preservation, particularly in debt-based instruments.

Compounding this challenge is the fact that most public interest media organisations do not track impact with the rigour investors expect, nor are they widely recognised for business model innovation or scalable growth. Without investable enterprises, robust performance metrics or proven revenue strategies, the media sector struggles to generate the pipeline necessary to attract sustained private investment.

Building investable media

Over the last ten years, venture and impact capital has experienced positive results from investment in strong management teams with aggressive growth and revenue diversification plans. Indonesia's PT Arkadia Digital Media (DIGI.JK) – the holding company for Suara.com – was launched in 2014 as an independent digital media start-up and grew to become one of the country's largest groups of digital media outlets, advertising revenue, and creator platforms. Its companies include niche online media outlets focused on entertainment (matamata.com), football and sports (bolatimes.com), an e-commerce platform, associated advertising platforms (iklandisini.com) and, most recently, platforms supporting Indonesia's rapidly growing creator economy (Nexus Creator Hub). The company listed on the Jakarta Stock Exchange as Indonesia's first publicly traded digital media company in 2018. In 2020, MDIF financed the company's expansion into regional publications with a convertible debt-to-equity investment.

The News Lens

Beginning with a small investment from media specialist venture capital firm North Base Media, Taiwan's The News Lens (NASDAQ:TNMG) pursued a venture-funded growth and diversification strategy. For-profit venture funds, such as North Base Media, raise funding based on a specific return over a finite period, usually ten years. Co-founder and CEO Joey Chung soon recognised it was impossible to meet investor expectations based on the growth potential of a small market like Taiwan. The News Lens (TNL) management team and board chose to diversify markets, languages and content verticals. Five years into the 10-year investor time horizon, diversification through acquisition was the only answer. Chung and his colleagues diligently and strategically determined acquisition criteria for new verticals and enabling technology in the marketing, advertising, and data analytics space. The result was a merger, with Japanese digital media company Mediagene, to form TNL-Mediagene, which publishes multiple content verticals linked with enabling advertising, metrics, and AI technology. Having met investors' growth expectations, the company successfully listed on the US NASDAQ in early 2025.

Challenges to catalysing private capital

A major reason for the limited flow of private capital into the media sector is a range of industry-specific challenges that constrain potential investors. These include low financial returns relative to risk, limited investor know-how of the sector, a scarcity of tailored investment products, a lack of investable and scalable media outlets, high market volatility and, critically, few exit opportunities.

In traditional private investment models, investors anticipate an exit – a point at which they can sell their stake, recover their capital and realise returns, typically through an acquisition, sale, or public offering. In the media sector, however, exit opportunities are rare. Even when a media outlet's market value appears to be growing, without a viable path to exit, investors cannot realise gains or recirculate their capital into new ventures. The lack of this dynamic fundamentally limits the appeal of media investments. Moreover, journalism is an inherently political sector. In countries where media is captured or media is under threat, the political risks of investing can be prohibitive. Investors may fear reputational damage, government backlash, or outright asset seizure if they are seen as supporting outlets critical of the authorities.

These factors create a market where only very patient, risk-tolerant capital – willing to accept below-market financial returns and uncertain liquidity – can engage meaningfully.

Removing barriers to catalysing private capital

Activating private capital to support public interest media should focus on removing barriers to entry. Concessional capital can help offset risk and stimulate the development of new financing products. Independently managed funds, where the private sector can invest in a fund rather than directly in an oppositional media outlet, may help mitigate political risks. And the development of a more robust capital marketplace, including media advisory services, accelerators and incubators can help build a more robust pipeline of investable media.

New financing structures, such as the creation of national or regional trusts that serve as permanent, mission-driven stewards of public interest media assets, can also complement these efforts. By leveraging blended capital – combining philanthropic funding with impact-driven investment – these trusts can stabilise ownership, protect editorial independence and facilitate long-term sustainability.

National Trust for Local News

The National Trust for Local News in the United States uses a blended capital model to acquire and preserve community news outlets. It combines grants, low-interest loans and impact investments to build resilient local media ecosystems. By fusing different forms of capital, the Trust protects vulnerable news outlets from predatory investors while strengthening their financial sustainability and community ties. Its acquisition of Colorado Community Media – a chain of 24 local newspapers – demonstrates how blended capital can stabilise ownership, ensure editorial independence and revitalise local journalism ecosystems (National Trust for Local News, 2024).

Mobilising private capital for public interest media will require removing several systemic barriers and reshaping both the supply of investment-ready enterprises and the structures that connect them to capital.

1. Build a stronger pipeline of investable media enterprises

Most public interest media outlets are not structured in ways that attract private investment. Developing a stronger pipeline means supporting media organisations to professionalise their financial operations, refine scalable business models and track performance metrics relevant to investors. Media accelerators, incubators and technical assistance programs must prioritise building investability from the earliest stages of enterprise development.

2. Create vehicles for concessional capital that balance risk and reward effectively

Blended finance structures and guarantee facilities are essential tools for mobilising private capital into the media sector by using donor or philanthropic funds to absorb early-stage risks. These mechanisms help recalibrate the risk-return profile for investors, making investments in high-impact sectors more attractive. However, concessional capital can only be catalytic when deployed in a marketplace with credible prospects for both loss and profit. First-loss structures and guarantees are no substitute for fundamental commercial viability. Capital vehicles must therefore be carefully structured to support media enterprises that have a realistic path to revenue generation and financial growth.

3. Deploy design-stage funding to create new media financing and investment products

Funders should replicate mechanisms like Convergence's Design Funding Window to support the structuring of media-focused blended finance vehicles. Design-stage grants can help derisk innovation, attract early sponsors, and create a pipeline of investable funds that align with journalism's public mission.

4. Incentivise fund managers focused on public interest news media

For new funds and financing vehicles to take root, it is necessary to develop and incentivise fund managers with both impact investing expertise and deep knowledge of the media sector. This could involve cultivating interest among fund managers from adjacent public good sectors – such as education, culture, technology or health – while assembling hybrid teams that combine media practitioners skilled in pipeline development and grantee engagement with seasoned investment professionals who oversee fund governance and investor relations. Alternatively, appointing a dedicated fund manager for public interest media from the ground up – though resource-intensive – could yield a mission-aligned team with a unified vision and the specialised capacity needed to drive long-term results in the media space.

5. Catalyse investment in "media-adjacent" sectors

Rather than focusing solely on direct investment in newsrooms, which often operate on fragile margins, impact investors can be encouraged to invest in sectors that enable public interest media and their adjacent, more entrepreneurial operations (IMS, 2025). Developing new financing vehicles tailored to the most commercially viable parts of the media value chain can lower perceived risk and attract private investors. These vehicles could focus on high-growth segments like digital subscriptions, digital security, specialised content verticals or monetisable data analytics platforms, audience engagement tools and content management systems.

North Base Media

North Base Media invests strategically in scalable, media-adjacent technology ventures, rather than solely in news content production, to strengthen the overall media ecosystem beyond traditional newsrooms. By supporting companies like The News Lens (a video infrastructure and analytics company) and Dataminr (a real-time information discovery platform), North Base Media demonstrates how investing in broader information ecosystems can yield both financial returns and structural support for public interest media.

6. Develop common standards for measuring the impact of public interest media

Impact investors require robust, standardised metrics to assess the financial and social impacts of their investments. Currently, there is no universally accepted impact framework for the journalism sector. It is imperative that new finance vehicles and funds collect rigorous and comparable impact data, as impact investors in other sectors have done through the IRIS+ standards, to make a strong business case for the private sector, to inform impact investment decisions and drive greater impact results.In parallel, funders and media enterprises must articulate clear theories of change and well-defined investment theses that map out distinct pathways to impact, clarifying how different business models for independent journalism deliver social and financial value.

7. Create regional investor support facilities

Bridging the cultural and operational divide between media producers and financial actors is critical. Regional investor support facilities could vet, prepare and aggregate investable media opportunities, helping to mitigate risk through due diligence, technical support and pre-investment readiness programs. These facilities would serve as trusted intermediaries, building pipelines of credible, scalable media enterprises for impact investors and impact investing funds.

8. Facilitate private capital exits

The lack of viable exit opportunities remains one of the largest hurdles to private investment in media. Strengthening exit pathways will be critical to recirculating private capital and ensuring that investments in media remain attractive to mission-aligned investors over the long term. Additional research is needed into mechanisms that could facilitate responsible exits without compromising editorial independence. Possible avenues could include:

- Establishing management buyout (MBO) facilities that allow staff or mission-aligned owners to repurchase equity.
- Designing exit-to-community models that transition investor ownership toward cooperative or nonprofit structures. Rather than investors being repaid through a company's sale, they are partially repaid through structured payments from revenues from the new entity.

Conclusion

The private sector is not a panacea for closing the deep funding gap facing public interest media, especially in low- and middle-income countries. Innovative finance solutions that align with private sector incentives and impact investing principles will not work for every news outlet and context. Media organisations must reach a level of maturity where they can absorb commercial capital and credibly measure their audience and impact. Likewise, media markets need a degree of stability and sophistication for these models to take root. Still, the path forward is clear: building more resilient media ecosystems will require creative partnerships, catalytic capital and smart risk-sharing. The private sector must be part of the solution to safeguard journalism's future.

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