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CHAPTER ONE: PRELIMINARY

1.1 Legal Basis

These Rules on the *Establishment and Administration of the Media Development Fund* is issued by the Bhutan InfoComm and Media Authority (the "Authority") in accordance with Sections 57 (2) of the Bhutan Information, Communications and Media Act 2006 (the "Act"). The Act authorises the Authority to sub divide the Universal Service Fund into one or more sub-funds for the purpose of administering or funding one or more categories of universal service. The Media Development Fund is a sub-fund of the Universal Service Fund and is intended for the development and promotion of the media industry in Bhutan.

1.2 Commencement

These Rules shall come into force from the..... Day of.....Month of the.....year corresponding to the.....Day of.....Month of theBhutanese Year.

1.3 Scope of Application

These Rules shall apply to all the Media Service Providers operating within Bhutan and will be applied for funding the development of media services. These Rules should be read in conjunction with all other existing codes of practice and regulations established by the relevant Government agencies to promote the development of the Media industry in Bhutan.

1.4 Amendments

These Rules are subject to amendment and changes when required. Such amendment and changes shall be made in accordance with the needs and changes in national priorities, Government policies and industry trends. Amendment of these Rules by way of addition, variation or repeal may be effected by the Authority as and when required, after two thirds majority votes of the Members.



1.5 Interpretation

The power to interpret these Rules shall vest with the Authority who may issue such instructions as may be necessary to give effect to and implement the provisions of these Rules.

1.6 Rules of Construction

In these Rules, unless the context indicates otherwise, the masculine gender shall include the feminine gender and the singular shall include the plural and vice versa.

1.7 Definitions

For the purpose of this set of rules, the terms and acronyms shall have the following meanings:

Act refers to the Bhutan Information, Communications and Media Act 2006.

Authority means the Bhutan InfoComm and Media Authority as established by the Bhutan Information, Communications and Media Act 2006.

USF means the Universal Service Fund.

MDF means the Media Development Fund.

RGoB means the Royal Government of Bhutan

Media Service means service provided through any mode of media and made available to the general public.

Media persons mean any person who provides service through any mode of media and makes such service available to the general public.

Traditional Media means folk songs, stories and such other traditional cultures and folklores of Bhutan.



CHAPTER TWO: SCOPE OF THE FUND

2.1 Scope of the Fund

The primary scope of the Fund is to support the development and promotion of media services within Bhutan including the following:

- a) Promote good local content for the Media industry in Bhutan;
- b) Promote traditional media to bridge the knowledge divide and to facilitate the flow of cultural content, particularly in rural areas;
- c) Promote and develop media towards building a vibrant information society;
- d) Support media professionals to establish partnerships and networks with the media in other countries, especially in the fields of HRD;
- e) Facilitate in the investment of co-productions of international films with the local content producers; and
- f) Reduce international imbalances affecting the media, particularly as regards to infrastructure, technical resources taking full advantage of ICT tools in this regard.

2.2 Objective of the Media Development Fund

The principal objective of the Media Development Fund is to strengthen the democracy by supporting the development of a free, independent and a professional media in Bhutan by providing financial support to:

- a) Broadcasters, print media, and content providers for media-related projects;
- b) Facilitate improvement of the quality of the media services;
- c) Bhutanese journalists, media organizations and other non-governmental organizations for the development of media professionals; and
- d) Promote access to information and media by all Bhutanese through supporting any proposals that directly support the development of Bhutanese media.



CHAPTER THREE: THE MEDIA DEVELOPMENT FUND

3.1 Establishment of the Fund

As per Section 57 (2) of the Act, the Authority can sub-divide the Universal Service Fund into one or more sub-funds for the purpose of administering or funding one or more categories of universal service. This Fund would only be used for funding programmes related to media.

3.2 Areas of Media Development Fund.

The Fund shall be used for the following activities:

- a) *Promotion of good local contents both traditional and contemporary - representing a cross section of society; youth programs enhancing Bhutanese culture and Gross National Happiness values.*
- b) *Bolster the quality of Bhutanese journalism education by:*
 - i. Supporting students internships in the leading national and regional media outlets;
 - ii. Support inter-regional exchange programme; and
 - iii. Supporting creation of educational manuals for journalism students.
- c) *Raise the professional standards of Media persons by:*
 - i. Providing on-the-job training to rookie journalists; and
 - ii. Encouraging projects in the areas of investigative journalism, analytical and news reporting.
- d) *Media literacy programmes*
 - i. Promote media literacy programmes for Bhutanese media consumers;
 - ii. Protect children from materials that are inappropriate; and
 - iii. Increase media education for a cross-section of society to ensure that they value the quality of the media and journalism and use media to their benefits.



- e) *Encourage Media-NGO-Government cooperation by:*
 - i. Supporting dialogue and open communication between media, NGO and government through holding joint seminars, working meetings and round-tables;
 - ii. Conducting workshops for the staff of government communication units; and
 - iii. Encouraging inter-regional media cooperation and partnerships.

- f) *Encourage the media to:*
 - i. Invest in the co-productions of international films with the foreign content producers; and
 - ii. Continue to play an important role in the Information Society.

- g) *To finance the programme of the Authority if there are no other appropriations from any sources.*

3.3 Eligibility for Support from the Fund

The Fund would support any person who is in the business of media. However, the Fund will not be available for the support of advertisement, NGO informational leaflets, specialized publications covering narrow professional issues and projects aimed at partisan political purposes.

3.4 Contribution towards the fund

The Fund shall be constituted through the contribution made as follows:

- a) All filming fees and fees collected from the accreditation of journalists;
- b) Contribution from International donors if any (individual or organization) who would like to support media development in Bhutan;
- c) Contribution from any International Corporate sponsorship; and
- d) Contribution from RGoB, if any.



3.5 The Media Development Fund and Utilization

- a) The MDF is a one time grant and no additional or follow up grants will be provided for the same project/activity unless decided by the Authority.
- b) The maximum fixed grant under MDF is Nu. 1 million.
- c) The maximum adhoc grant under MDF is Nu.0.3 million.

3.6 Establishment of Fund Administrator

In order to manage the affairs of the Fund, the MDF Administrator established by the Authority as per Section 56 to 61 of the Act would be responsible for the administration and management of the Media Development Fund. The function of the unit is set forth below:

- a) Assessment of the annual implementation plans;
- b) Assessment of the subsidy applications;
- c) Assessment of the revenue figures as reported by contributing parties;
- d) Auditing and calculating of the proportions and amounts of contributions to be made by the contributing parties towards the Fund;
- e) Auditing and assessment of the incoming and outgoing situations of the Fund;
- f) Evaluating of the performance of the media programme; and
- g) Other matters concerning the Fund.



CHAPTER FOUR: DISBURSEMENT OF THE FUND

- 4.1 The Fund shall be made available for providing financial support to any media projects which would be developed on the basis of a systematically developed strategy based on the Royal Government's Policies and in close consultation with those responsible for implementing this programme.
- 4.2 Any media person that would like to seek support from the Fund shall submit to the Authority the project plan along with the application for subsidy and related information. The subsidy applications shall contain the following information:
- a) Background of the Media service provider;
 - b) Scope of the project;
 - c) Objectives and strategies that will be used;
 - d) Detail programme list;
 - e) Benefits and advantages of the proposed project;
 - f) Impact of such programme for the over all media development;
 - g) Implementation plan;
 - h) The requested amount of subsidy with cost breakdown; and
 - i) Any other additional information the Authority may call for.
- 4.3 Upon receiving of such request, the MDF Administrator shall assess the programme. The detail assessment report would then be submitted to the Authority.
- 4.4 The Authority then will discuss on the assessment report and decide whether such programme would be eligible for support from the Fund.
- 4.5 The Fund for implementing the programme shall be released to the interested Media service provider by the Authority.



CHAPTER FIVE: MONITORING AND EVALUATION

- 5.1 The Authority shall monitor and assess the performance of the Fund in terms of achieving the specified policy objectives with the use of clearly articulated performance indicators.
- 5.2 A detailed project report shall be submitted to the Authority, after which required information including the performance outcomes would be made available to the public.
- 5.3 The Fund utilization procedure shall be as per the existing rules and norms of the RGoB and shall be subject to auditing by the Royal Audit Authority, from time to time.



ANNEX 1: OVERALL PROJECT/PROGRAMME PROCESS

1. **Announcement and advertisement**
 - a) Announcement and advertisement of the available fund by the Authority with the basic information.
 - b) Dispatch Terms of Reference (ToR) on request.
2. **Selection and Assessment**
 - a) Receipt of project proposal by the MDF administrator.
 - b) Criteria assessment and Project assessment by the administrator.
 - c) Submission of the detail assessment report by the administrator to the Authority.
3. **Approval**
 - a) Approval by the Authority
 - b) Communication between the Authority and the proponent
4. **Commitment**
 - a) Signing of Contract between the Authority and the proponent
 - b) Advancement of the fund
5. **Implementation**
 - a) Payments
 - b) Monitoring
 - c) Reporting
 - d) Communication between the MDF administrator and the proponent
6. **Termination of Project**
 - a) Overall performance evaluation by the Authority
 - b) Termination of the Project



ANNEX 2: PROJECT ASSESSMENT FORM

Project title :
 Location :
 MDF fund requested (Fixed/Adhoc grant):
 Fund from other sources :
 Proponent :
 Area of MDF :

No.	Appraisal Field	Point of Attention	Yes/No/ N.A	Remarks
1.	Area	Does it fall under the MDF area?		
2.	Objective	Is it in line with the scope and objective of the MDF?		
		Is it in line with the RGoB's policies and goals?		
		Are the objectives realistic?		
		Does it have any innovative and creative aspects?		
		Does it link to other schemes and projects?		
		Does it generate employment and enhance income?		
		Will the project improve the quality of media services?		
		Will it strengthen the process of successful democracy?		
3.	Organisational framework	Is the project organisational structure clear and logical?		
		Is the administrative organisation described adequately?		
		Is the proponent capable of executing the project?		
		Are infrastructure, facilities and equipments adequate?		
		Is sectoral and geographic orientation relevant?		
4.	Managerial framework	Does the proponent have well defined development objectives?		
		Does the proponent have coherent plans to execute the objectives?		
		Is there a structure for monitoring during execution?		
		Does the proponent have adequate staffs to perform the key functions?		
5.	Budget/Financial Framework	Are there procedures for allocation of resources and acquisition and spending of funds?		
		Is the size of fund and provisions sufficient?		



		to guarantee continuity for the duration of the activity?		
		Are there specific financial risks?		
		Is the presented budget healthy and realistic?		
6.	Accountability Framework	Is the quality of financial accountability sufficient?		
		Is there a positive independent audit for the counterpart?		
		Is internal monitoring available?		
7.	Legal Framework	Is the proponent legally registered?		
		Any contractual arrears?		
		Is the legal entity apt and transparent?		
8.	Additional Measures	Is there a need for any additional measures/support ?		

9. Overall Assessment by the MDF Administrator:

10. Final Remarks by the Director, BICMA:



ANNEX 3: PROJECT REPORTING TO THE AUTHORITY

1. Summary Sheet

- a. Project Number :
- b. Project Name :
- c. Brief Description Objectives :
- d. Duration :
- e. Implementing Agency :
- f. Funding Source :
- g. Amount of MDF :
- h. Total cost of activity :

2. Introduction

3. Objectives and Strategies

4. State of Affairs

The following activities have been implemented during..... (Year)

Activity	Period	Implementing Agency	Status	Description of results

5. Assessment

6. Financial report

Activity no.	Project name	Actual Disbursements	Accepted Expenses	Outstanding Balance	Reported Upto	Report due

7. Conclusions and Recommendations

