

Annex D

KosovaLive Subscription for minority media

(Programme not financed yet, partially covered by other donors)

Since launching in October 2000, KosovaLive (KL) has established itself as perhaps the most widely used source of independent, reliable and up-to-date news in Kosova. There are two small party-affiliated agencies beside, but Kosova Live is considered by far most professional and also serves regional and international news agencies as local hub.

All of Kosov@s daily newspapers, TV stations and radio broadcasters use the service, most of them quite heavily. While the service was free-of-charge, some newspapers filled entire pages with KL. Small and regional radio stations (the main news source for a majority of Kosovars) depend on it almost exclusively for their reports. For the large public service broadcasters the agency has become a valued partner.

KL has even managed to develop international reputation in. During the crisis in Macedonia and in the Preshevo , especially, its reports were regularly picked up by news organizations in Skopje, Tirana and Belgrade, or often cited by CNN, BBC, Reuters, AP, DPA, B92 and Fonet among others. The KL web site attracted roughly half a million visitors a month, most from overseas, according to audits by IPKO and Hostway Internet services.

Financials: The agency's customers tend to view the news as a public service-that is, something they should receive for free. As originally planned, KL offered its service free-of-charge for the first year. Like most local enterprises, KL is struggling to become self-sustainable as soon as possible in this economically very disrupted post-war environment.

The agency has now undertaken a very delicate move by turning into a fully paid subscription service, after successfully rebuilding the habit of using a news service, in its first year of operation. On November 1, 2001 KL began charging subscriptions

While many smaller broadcasters and publishers tell the agency that they want the service, they also say they will have trouble affording even a modest fee ranging from 100 € for local media, up to 300 € for national media a month. Even though the agency begins to effectively market its services, it will certainly take some time until the agency succeeds in obtaining a considerable portion of revenues from subscriptions. Therefore, at this point, forecasting revenues would be guesswork. On the other hand, salaries and increasing running costs amount to approximately 16,000 euros per month. Wit the start-up funds running out, KosovaLive needs to replenish its working capital as soon as possible.

A significant step in bridging this gap is being conducted through two similar projects. So far, 15 regional radio subscribers have signed up for longer-term one-year subscriptions, an amount which is being subsidized by individual grants to the broadcasters from US AID/IREX. A similar project with 13 other local radio stations and media is on the way with the KFOS (Soros) office in Prishtina. At the same time the mains media outlets, NGOs and international offices have subscribed to the service on their own.

Goals for 2002: The agency's transition to a profit-making venture will clearly take time. The immediate objective is to raise the second round of working capital to sustain its operations through 2002.

By the end of 2002, KosovaLive aims to generate about half of its operating revenues through subscriptions from local media and international organizations. To help organize and sustain that marketing campaign, the agency will seek some international training and assistance. People with skills in small business management and entrepreneurship are not abundant in Kosova.

Editorially, the agency plans to beef up its network of correspondents in the regions, from 15 to 25. It is especially important to hire solid correspondents in the Serb areas of Kosova, as well as in Belgrade. The objective is to both broaden and deepen the agency's coverage of issues of growing concern to most Kosovars: matters of good governance, health and education, municipal affairs and economy with a special focus on investigative journalism. In this context, although it has the technical capacity and the required newsroom

staff, the news agency urgently needs transportation means, and is looking into ways of finding financial support for the purchase of at least two vehicles.

The last parliamentary elections and the devolution of much political authority to Kosovars put this at a premium. Few local media possess the resources (or experience) to adequately cover such concerns, particularly outside Pristina. That is KosovaLive's unique brief. Hence, helping the news agency to better do this job is to help all media in Kosova. Because it is such a widely shared resource.

Main donors to KL are IREX ProMedia, USAID, OSI and the Swiss Federal Ministry of Foreign Affairs. For 2002, the main donors agreed to encourage KL to set up the Serbian language service, as the news agency has to develop towards an all-Kosov@ agency including information on and from the minority population. Latest by 2003, also journalists and editors of minority background shall be incorporated in the work of KL. Additionally, the market orientation of KL has to be developed, making the agency more independent from foreign donations and giving it a longer term perspective of sustainability.

While direct support to KL for its operational costs is useful, the agency shall not be given grants to provide the service free of charge to the media. Rather it has to be the media being subsidized for a regular subscription to KL. This for two reasons:

1. Subscriptions are considered own income in the financial records of KL. The agency gets more acquainted with the fact to have to provide a service to get the money in.
2. Subscriptions are seen also by the media receiving the service as integral part of their budget and therewith as costs to calculate for their operation. They accept the value of the service differently and will act towards KL if the service does not fit their needs.

By providing the subscription fees to the media using the service instead of directly subsidizing KL, on both sides a market behavior is strengthened.

Medienhilfe offers its support program to implement the minority broadcast media subscription to Kosova Live. The partners included are the same seven minority radio stations as in part A of the support program:

1. Radio Hayat (Vitromirica/Peja)
2. Radio Contact (Prishtina)
3. Radio Contact Plus (Mitrovica)
4. Radio K (Kosovo Polje)
5. Radio Max (Silovo/Gjilan)
6. Radio Kent FM (Prishtina)
7. Radio Yeni Dönem (Prizren)

Medienhilfe will provide the grant to these media, covering the annual subscription costs with up to 200€/month for each station.

Medienhilfe will ask the media included to contribute to the costs for the service. We also will make the financial support depending on the financial situation of the station concerned.

Medienhilfe through this grant will cover a maximum of 75% of the costs for the service for 2002 with a perspective to prolong this program with decreased support for two more years (to cover max. 50% by 2003 and 25% by 2004).
