

Deutsche Welle Anstalt des öffentlichen Rechts, Bonn

Management report for the financial year from 1 January 2019 to 31 December 2019

1. Business development and general conditions

Deutsche Welle (DW) is Germany's international broadcaster and a trusted source around the world for reliable news and information. It conveys a comprehensive image of Germany, while covering important events and issues with journalistic independence and a unique perspective. DW's media training center, DW Akademie, works to strengthen the right to freedom of expression around the world, and together with partners, it plays a leading role in the development of free media systems. In everything it does, DW promotes understanding between cultures and people, and helps shape the image of Germany around the world.

Pursuant to Section 4a (1) of the Deutsche Welle Act (Deutsche Welle Gesetz - DWG), DW prepares four-year Strategic Plan. It forwards the draft annual update of its Strategic Plan to the German Bundestag and the Federal Government. The Strategic Plan and its updates are adopted by Deutsche Welle's Broadcasting Board with the consent of the Administrative Board, taking into account the comments of the German Bundestag, the Federal Government, and the public. The current Strategic Plan relating to the years 2018 - 2021 was adopted by the Broadcasting Board on 15 November 2019, with the consent of the Administrative Board on 16 December 2019.

DW defines three goals in it:

1. DW aims to strengthen freedom of expression and democracy globally in an age of terror, propaganda, refugees and migration.
2. DW aims to increase the effect and relevance of its programs.
3. DW aims to increase its viewer numbers from 157 million to 210 million user contacts every week.

To achieve these goals, DW is concentrating on the following three priorities in its measures:

1. A greater focus on journalistic programs.
2. Completing its reorganization to become a digital media corporation.
3. Strengthening freedom of expression and democracy through journalistic programs and communicating media skills.

Deutsche Welle is therefore seeking to empower people worldwide to form their own convictions on the basis of reliable facts and an open exchange of ideas and defend them in debates within society.

DW is financed by German government grants and, to a minor extent, by project funding of the German government and other fund providers. In 2019, the federal grant from the budget of the Federal Government Commissioner for Culture and the Media (Beauftragter der Bundesregierung für Kultur und Medien - BKM) amounts to € 350.5m. The government grant therefore increased by € 24m, i.e. 7.3 percent, compared with the prior year. Additionally, project funding is received. Projects involving the DW Akademie as part of media development are funded predominantly by the Federal Ministry for Economic Cooperation and Development (BMZ, € 24m) and German Foreign Ministry (AA), the EU and other fund providers (together approx. € 10m).

The financial strengthening of DW based on the coalition agreement goes hand in hand with personnel continuity. The appointments of the Director General, Peter Limbourg, and the Chairmen of

the Broadcasting Board, Prelate Karl Jüsten and of its Administrative Board, Peter Clever, were confirmed in 2019.

In 2019, the global political environment was continually characterized by terror, propaganda, flight and migration as well as a growing number of crises and conflicts. The economic conflicts mainly between the USA and China, but also between the USA and the European allies such as France and Germany, have reached a new dimension. The same is true for the meanwhile global discussion relating to the effects of climate change and the necessary measures to mitigate it. More political and economic pressure is expected because of Brexit.

These threats are aggravated by increasing populism in Europe and in many other regions of the world. Ethnic nationalism and emphasis on the nations' own interests jeopardize democratic culture in the long term. Fragile democratisation processes and the struggle for the preservation of democratic structures are made even more difficult.

In a global media environment, the dissemination of deliberate disinformation or false information is increasing. Hate speech and propaganda are increasingly taking root in virtual platforms. Democratic processes are distorted because it is often difficult to assess the credibility of sources. In such an environment of eroding confidence in established media, high-quality journalism has become more important than ever before.

Restrictions of the freedom of expression and the freedom of press are reported globally, also in some European countries. The freedom of expression and the freedom of press are also jeopardised by an accelerated monopolization process of media, which is identifiable in many countries. International broadcasters such as DW therefore have a growing responsibility.

DW addresses these challenges, and also the German government emphasises the importance of a reliable, globally present media voice from Germany.

DW has pursued the goals and projects described in its Strategic Plan 2018 - 2021 consistently and with great success. In 2019, 197 million people worldwide made use of the DW programs. The current viewer numbers show a clear increase by 35 million or 22 percent compared with the prior year. The very high increase in viewer numbers is attributable to a significantly higher use of online programs and is primarily due to the consistent implementation of the digital strategy. Another trend in media use manifests itself in the viewer numbers: Every week 99 million people use the TV programs of DW, i.e. ten million more than in the prior year. This increase is largely attributable to DW Premium, a service and sales structure for link-ups, TV reports, web videos and social media content, which is made available to selected partners. The usage of radio programs increased by one million to 37 million – 95 percent of the listeners of DW's radio programs live in Sub-Saharan Africa, 90 percent of the usage of radio programs is attributed to VHF FM partners.

Another success factor in the efforts to provide regional programs which meet target groups' needs even better is the significant expansion the network of correspondents. In particular in the priority target regions, Africa and Asia, DW deployed more correspondents and progressed with the establishment of additional correspondents' offices: In 2019, a correspondents' office was opened in Cape Town, the existing office in New Delhi will be expanded. The office in Beirut, which was set up this year, serves the joint use by DW and DW Akademie.

As part of its digital strategy, DW made considerable efforts to consistently adapt its programs to the digital usage scenarios of its target groups. On the basis of sophisticated platform strategies, it produced its social media programs specifically for the relevant platforms and adjusted the selection of platforms to the changing usage preferences of the relevant target group. In accordance with the needs of its users, DW expanded its moving image programs and significantly improved the visual quality of its programs.

Digital contents are increasingly being used on mobile devices. In response to this usage trend, DW optimised the provision of its programs according to the slogan "mobile first":

The mobile website was particularly being optimized, now radio and TV content is fully accessible on mobile devices. At the same time, activities are geared towards "on demand first".

The newly designed and programmed English TV channel has clearly directed its focus on News and Current Affairs since 2019 and is more clearly directed at the target regions Africa and Asia. In the process of its reorganisation, the news programs were significantly expanded, in particular at regional prime times in the priority target regions Africa and Asia. Having closed the European night gap, DW is now able to present live news to the Asian public around the clock. New weekday news formats – DW News Africa and DW News Asia – with presenters from both continents and the expansion of live TV link-ups meet the growing needs of the viewers for more regionalized content. A significant expansion of its network of correspondents enables DW more than ever before to offer regionalized content with its own regional productions and to respond faster to breaking news situations.

The news-oriented program will also offer many new formats which are adjusted to the information interests of the regional target groups. The new youth magazine "The 77 Percent" DW is addressing the young majority of the population on the African continent in a targeted fashion. In the fields of business and environment, the portion of regionalized content was increased consistently. Environmental themes play a huge role globally and Asian target groups are very interested in this topic area, too. In addition to the successfully established environment magazine program for Africa (Eco Africa), the magazine Eco India was introduced to meet the needs of the target groups and was very successful, as first research results showed. For the existing business format, the regionalized programs Business Africa and Business Asia were also introduced.

After the successful launch of the daily TV format Arts and Culture, the clear increase in viewer numbers of the TV program Euromaxx shows the potential the consistent sharpening of DW's profile.

DW furthermore optimised its English and German online programs: In the interests of sharpening the content profile of the programs, the brand topics of "knowledge", "dialogue" and "freedom" were corroborated. Furthermore, the visuality of the website was improved.

In order to reach more people in the target regions with relevant content and to have the desired impact, DW adjusted its programs in all target regions to the changing conditions and increasingly geared them towards the needs of the users.

The importance of TV to obtain information is increasing in particular for the urban target groups in Africa. In consideration of the foregoing, DW expanded its network of partners and significantly increased the volume of live TV link-ups in addition to the regionalized TV formats for the English language channel – also in the programs in regional languages. Increasingly, DW journalists are linked-up live in programs of major partners – a success of DW Premium. Radio programs are used intensively to obtain information in particular by the DW target groups in Sub-Saharan Africa. Alongside this, social media play a dominating role in the African target regions. DW therefore consistently linked its audio content with social media as Social Radio in all languages and expanded them focusing on dialogue. Given the high popularity of the social network, all African languages of DW intensified their output on Facebook, in particular by platform-specific video content.

With a view to the challenging competitive situation and the need of the target groups for more regionalized content, DW significantly expanded its network of correspondents mostly in Africa. In particular in Ethiopia, the country with the second-largest population in Africa, it could significantly increase the number of local correspondents. After DW had been able to broadcast via short wave only for decades, which was blocked temporarily by the Ethiopian government, the popular Amharic program can now also be received on VHF FM. In addition to radio agreements, DW was able to enter into online and Facebook agreements and to initiate first live TV link-ups. Ethiopia, which was autocratically governed until 2018, has also been a country of focus of DW Akademie since 2019.

With a view to its programs for Asia, DW makes significant changes in focus towards digital programs, in particular social media and TV because of changing media usage in the Asian markets. In doing so, it concentrates on expanding the volume of regionalized content. This also made possible by strengthening its network of correspondents and expanding the office in New Delhi as a joint location for the English reporting for TV/video, online and social media and the regional languages Hindi, Bengali and Urdu. To strengthen its presence in South East Asia as well, DW plans to open an office in Jakarta. Together with the existing office in Taipei, an Asian office network is evolving for reporting from and for South Asia, South East Asia and East Asia in English and the most important DW program languages of the Asian continent. This takes into account the planned gradual expansion of local production to a large extent.

The new English environment magazine Eco India, which is produced together with the Indian partner Scroll, is also an important step towards expanding the TV presence of DW in the country with the largest population in Asia. Likewise, a Hindi version of the magazine was launched in 2019 – in India more than 600 million people speak Hindi.

The DW regional languages Hindi, Bengali and Indonesian successfully focus on YouTube. The regional language programs for Afghanistan and Pakistan, Dari and Pashto, discontinued their radio programs this year, the radio program in Urdu was reduced. With a view to changing media usage and the related, partially dramatic decrease of radio reach, the editorial teams intensified their social media programs and plan to expand their TV presence.

In Russia and in the Ukraine, the situation of the freedom of the press and expression and hence also the framework conditions for foreign news providers have badly deteriorated to some extent. In order to undermine the credibility of international information providers, the government discredited their reporting; frequently they are victims of smear campaigns. Nevertheless, DW was able to hold its ground well in this difficult, restrictive market environment – usage of its programs has increased in comparison with the prior year. The DW satire format Zapovednik on YouTube has a large number of users.

Freedom of the press and hence independent, objective journalism are increasingly subject to pressure in Turkey. This is also increasingly true for foreign media which are currently facing accreditation problems more and more frequently. Moreover, potential partners are increasingly rejecting the cooperation with independent Western news providers. Many news providers therefore fall back on online alternatives, particularly in the light of the fact that the Turkish population is making huge use of digital programs.

With the goal of strengthening independent, credible reporting and the freedom of expression and to increase the diversity of opinions, DW launched a new program for Turkey in April 2019 together with the major Western overseas broadcasters BBC, France 24 and Voice of America: +90 is a YouTube channel addressing a Turkish audience which is interested in politics and society. The very successful start of the channel, which is a platform for dialogue and is to contribute to a better mutual understanding, is continuing. DW furthermore optimises its own programs in Turkish.

Additionally, DW addresses the challenges resulting from censorship and blockage measures by application of a software to circumvent censorship. Despite the difficult market environment, DW has been able in China to increase its efforts for the most populous country in the world by adopting comprehensive censorship and blockade evasion measures. Also the new DW office in Taipei, political events such as the trade dispute between the US and China or the protests in Hong Kong contributed to the fact that the usage of the Chinese program of DW almost doubled within a year due to access numbers both from Mainland China and from Hong Kong and Taiwan. In Mainland China DW succeeded in placing English videos with Chinese subtitles on large Chinese video platforms.

Also in Iran, all media are subject to comprehensive government control – censorship and blockage measures make it hard to gain access to free information. To satisfy the high interest in critical reporting and alternative points of view, DW shows in explanatory videos how to use the software to circumvent censorship.

The Arabic TV and online programs are among the most successful programs of DW. In particular, online usage has seen a strong increase in the last few years. The format Shabab Talks is very popular both on TV and in social media. The successful format, which was supported by funds from the Federal Foreign Office, was discontinued and replaced by the new format Jaafar Talk, which was further adapted to the interests of the target group. The new program is now optimised explicitly also for digital usage. Also the YouTube channel DW Arabia and the newly launched Arabic documentation channel on YouTube are successful. The agreements of DW are also important for its growth, in particular in relation to videos, which are taken over by strong Facebook partners.

In the Arabic world, DW expands its regional content and its local presence, e.g. with its own office in Beirut, which is shared by correspondents of the program and by staff of DW Akademie.

In Latin America, DW is expanding its Spanish reporting on relevant and controversial issues in the target region. In addition to more of its own original content from the region, DW Premium live TV link-ups to partners in Latin America are growth drivers of the Spanish TV program. The TV reach of DW is particularly high in Mexico, Columbia and Venezuela. The launch of the Spanish YouTube channels DW Documental and DW Español contributed to a significant growth of online usage.

In view of the growing political frictions in Brazil, DW expands its Portuguese online program with profound analyses of societal issues and events. In order to profit from the high and continuously increasing online usage in Brazil, the editorial team also increased its involvement in social media.

With regard to the basic conditions for journalists, poor training, lack of security, unbalanced reporting and media concentration are among the main problems of many countries in Latin America. In this connection, DW makes an important contribution to the establishment and consolidation of diverse, independent media systems. Furthermore, it offers numerous qualification measures for media workers.

Europe is one of the regions where the situation regarding the freedom of the press has deteriorated the most. The influence of governments on broadcasting corporations is significantly increasing – especially in countries such as Poland and Turkey and in the Balkans. In addition, both in Eastern and South Eastern Europe, Russian attempts to exert influence with propaganda reports are increasing noticeably. In the European target countries, DW addresses young target groups more through digital platforms. For this purpose, the programs on Facebook, Twitter and YouTube are continually expanded with success. For the users, the independent reporting of DW is a welcome alternative to the nationalist news characterised by press censorship of many regional providers.

In the light of growing geopolitical challenges and developments in the media markets, the requirements for the work of the DW Akademie have increased. It expands its activities to further countries and intensified its commitment particularly in the world's conflict regions, to permit people's access to independent information and involvement in society. In its training of journalists and in communicating media skills it increasingly relies on regional cooperation to ensure sustainable quality journalism in its target countries.

DW's mandate includes the promotion of the German language. The central element here will continue to be the German courses prepared under the auspices of DW Akademie.

The Global Media Forum (GMF), the international media conference held annually, was able to sharpen its profile in 2019, thanks to a clearer programme structure and a clear focus on journalistic topics. The state North Rhine-Westphalia is a strong new partner, with the financial assistance of which the conference will be strengthened further and can establish itself as one of the most important media conferences.

DW strengthened its good cooperation with France Médias Monde (FMM): „ENTER“ is the working title of a journalistic, digital, multimedia program in several languages planned by both broadcasters for young people in Europe. ENTER is intended to address in particular young people mainly in rural regions of Europe who are critical of the EU and rather uneducated. The project initiated under the Aachen Treaty on Franco-German Cooperation is subject to the availability of funds. It could be financed by EU funds, if Germany and France also make their own contributions.

In the light of the virulent issue of refugees and migration, the cooperation project "InfoMigrants" is also continued, a news and information platform for migrants, refugees and asylum seekers. It was established in 2017 by DW, FMM and the Italian news agency Agenzia Nazionale Stampa Associata (ANSA) and its goal is to provide refugees and migrants with reliable information. The project is financed and supported by the European Commission.

DW is also continuing its cooperation with ARD (consortium of public broadcasters in Germany), ZDF (German public-service television broadcaster) and Deutschlandradio (German public radio broadcaster). The cooperation is continued in the course of the structural reform of ARD, e.g. with the SAP project and the related harmonising of IT based business processes and in the field of coordinated common procurement in which DW has the leading role.

As a modern, competitive employer, DW regards it as an important task to strengthen personal responsibility and self-organisation of its employees. Increased and systematic use of options, such as flexible working time models and mobile working, is intended enable employees to achieve a good work-life balance. For longer breaks in working life, DW offers sabbaticals as a new working time model. Furthermore, it is important to improve the corporate culture. In order to adequately prepare executives and employees for the challenges of digital collaborative work, DW strengthens approaches such as digital leadership, flex-office (flexible office) and the 270 degree feedback method.

As an international news provider, DW is active in the communication of environmental and societal issues in numerous multimedia programs. In order to meet the challenges of a sustainable business development, DW expanded its internal sustainability management and integrates it into its everyday actions even more systematically.

2. Net assets, financial position and results of operations

Deutsche Welle concluded the year 2019 with net income for the year amounting to € 2.5m (prior year: net loss for the year of € 1.4m). The net income will be allocated to the Corporation's equity.

Net assets

In the expired financial year, some € 15.1m were invested in intangible and tangible assets. Main additions relate to operating and office equipment, primarily to investments made in IT projects and the computer center area as well as in technical broadcasting facilities and machinery and in audio and video equipment. The carrying value of net assets increased by € 3.9m compared to the prior year, which was mainly due to higher new investments, which exceed amortization/depreciation by € 3.9m.

The compensation claim against the German Federal Government for pension, early retirement and other benefit obligations not covered by reinsurance policies increased by € 24.6m to € 551.9m mostly due to an increase in pension obligations by € 32.9m.

Current assets increased by approx. € 11.0m in 2019, which was mainly due to the higher amounts recognized for credit balances from reinsurance policies (€ + 8.7m). The - overall minor - changes in other values recognized were due to the balance sheet date.

Prepaid expenses were mainly set up for satellite rental fees and social benefits in connection with social security benefits in connection with company pensions paid in advance.

The Corporation's equity increased to € 16.9m, given a net income for the year in the amount of € 2.5m. Due to the fact that financing is guaranteed by the government, sufficient liquidity of Deutsche Welle is ensured at any time, irrespective of the of equity reported by the Corporation.

Provisions, which are mostly set up for pensions and other personnel commitments, exceed the prior-year figure by € 35.5m. Increases primarily related to pension provisions (€ +32.9m) and benefit payment obligations (€ +2.7m) due to continually low interest rates. Provisions for early-retirement arrangements (€ -2.2m) and long-service benefit provisions (€ -0.04m) declined, whereas other provisions with effect on the budget increased by € +1.1m.

Overall, liabilities increased by € 3.1m due to the balance sheet date; this increase mainly resulted from higher other liabilities (€ +1.6m) and a parallel increase in trade payables (€ +1.4m).

Results of operations

Income from federal grants reported in the income statement mainly relates to grants from the Federal Government Commissioner for Culture and the Media (Beauftragter der Bundesregierung für Kultur und Medien - BKM) for the ongoing operations of Deutsche Welle. This grant in the amount of € 343.3m (prior year: € 319.5m) serves the financing of the operating budget and investments. Furthermore, € 7.2 million have been granted for the specific purpose of rent payment for the broadcasting center in Bonn (lessor: German Institute for Federal Real Estate (Bundesanstalt für Immobilienaufgaben)). In addition, this item contains project grants from the Federal Ministry for Economic Cooperation and Development (BMZ) for the DW Akademie and other project grants from public institutions - in particular the Federal Foreign Office.

Other operating income is mainly composed of other project grants (€ 5.4m) and the change in the reinsurance guaranty funds (€ 8.7m). The change in the compensation claim against the German Federal Government (€ 24.6m) is shown as income – as in the prior year – and is reported in other operating income.

Personnel expenses amount to € 184.9m and are € 1.6m higher than the prior-year figure. Ongoing salaries grew by € 6.2m and social security expenses increased by € 1.2m. Pension expenses dropped by € 5.8m compared to the prior year, which is mainly due to lower pension provisions of the year set up for future pension payments (effect of € -7.8m). The basic rate of interest for the calculation of provisions for pensions decreased from 3.21 % in the prior year to 2.71 % in 2019.

Fees and other program expenses increased by approx. 11.0 % compared with the prior year. In this connection, expenses for freelancers increased by € 9.9m. Other program expenses decreased by about € 3.8m, which, amongst other things, was due to higher expenses on program purchases and GEMA fees (Society for musical performing and mechanical reproduction rights).

Overall, other operating expenses increased by € 8.5m to € 72.8m. This is mostly attributable to higher travel expenses (€ +1.4m), more purchased consumables (€ +1.2m) and more expenses on the purchase of external IT services (€ +0.7m) and for electricity and water supply (€ +0.6m). Maintenance costs in particular permitted saving expenses (€ -0.4m). Furthermore, the costs of maintenance and repair decreased (€ -0.3m).

Depreciation/amortization amounting to € 12.6m exceeded the prior year amount (€ 11.2m) by € 1.4m) mainly due to higher investments.

Interest expenses (€ 18.9m) are attributable to the reported interest portion from the compounding of provisions for pensions and long-term provisions for personnel.

Financial position

In the account of the income and the expenditures to be prepared in the process of compiling the annual financial statements, conforming to the budget system of the German Federal Government, governmental accounting methods were applied, and in contrast to the aforementioned accounting principles, they are based on payment transactions only.

The account of the income and the expenditures shows a decrease in cash and cash equivalents by € 6.4m to € 17.3m. This decrease was mainly caused by a reduction of government grants not called by € 4.5m. The government grants of € 4.5 not called by 31 December 2018 were called and consumed in 2019. The decrease in cash and cash equivalents was furthermore caused by a reduction of bank balances by € 1.9m at DW Akademie as at the balance sheet date. The bank balances of Deutsche Welle remained nearly unchanged compared with the prior year.

3. Risk report

Deutsche Welle periodically analyzes its risks through an internal early risk detection system. In consultation with the internal audit department, the risk management guidelines and the risk management process were subject to a detailed audit.

On 29 November 2019 the management approved the updated risk management guidelines and gave its consent to the revised risk management process. Risk management was in particular limited to monetary risks and the active involvement of all executives reporting to the management was decided.

The risk inventory showed that only the development of the government grant represents a risk with an adverse effect on the development of Deutsche Welle since it is financed almost exclusively by the German Federal Government.

The reduction of the government grant or lower project grants from various fund providers represents a material and therefore serious risk for Deutsche Welle (> € 10m). Due to the short-term nature of the fund commitments of the Federal Government, the response time to unexpected reductions in funding is correspondingly short.

Considerable risks (€ 5m - € 10m) are identified in particular in the field of technology/IT infrastructure due to damage to IT systems and building technology, which is particularly caused by "systems failure" and "computer virus and hacker attacks", however, the expected losses are efficiently reduced by measures that have been taken.

Additionally, in the course of the risk inventory two new significant risks (€ 2m - € 5m) were reported. They relate, among other things, to rising pension contributions due to the continuing fall in global interest rates, as well as high compliance costs in the event of the implementation of barrier-free access to linear TV as may be required (displaying subtitles, sign language).

The current COVID-19 pandemic in 2020 has not been subject of the previously carried out risk inventory. According to current assessment, no going concern risks are identifiable from the COVID-19 pandemic, in particular in consideration of the fact that the funds are provided almost exclusively by the German Federal Government.

4. Forecast report

The government bill of the Federal Government Commissioner for Culture and the Media provides for a grant in the amount of € 365.5m (+4.3 percent) for DW. Furthermore, the staffing plan as from 2020 has been increased by 100 jobs for the first time in many years, which represents an increase by 8 percent. With the increase in the number of jobs, fixed-term employment contracts may be converted to permanent contracts or freelancers may be taken on under fixed-term employment contracts, so that employment law risks of DW are mitigated. The jobs are necessary in particular for the employment market sector where it is difficult to find staff, such as IT. Here it is important to retain personnel with permanent, regular employment relationships and to recruit new staff.

The Federal Foreign Office has indicated that it expects to contribute to the program projects of DW to a similar extent as in previous years (approx. € 6m to € 7m). In addition to the program projects, it provides financial support to projects of the DW Akademie and supports the Global Media Forum.

The Federal Ministry for Economic Cooperation and Development is expected to provide funds to projects of DW in 2020 in the same amount as in the prior year.

It will be a financial challenge for the upcoming budget periods to permanently maintain the program projects of DW driven forward due to the positive development of government funds, such as the Turkish YouTube channel +90, in addition to the increasing costs for personnel with permanent contracts and pension expenses (in 2020 approx. € 7.2m to € 9.3m). DW furthermore endeavours to expand the regionalization of the programs and the correspondents' network and to open new offices and studios, provided that this can be financed by more budget redeployments and creating additional synergies. In contrast to this, program scope is restricted, for example due to the additional financial burdens from the reinsured pension scheme with the Baden-Baden Pension Fund (Baden-Badener Pensionskasse). This is caused by the prevailing phase of low interest rates, as a result of which investment income is declining, as well as the requirements of the supervisory authorities derived therefrom. Due to the fact that the funds are provided almost exclusively by the German Federal Government, no material effect on the financial position of DW is expected from the current COVID-19 pandemic in 2020. At this point in time it is not possible to conclusively evaluate the specific effects of the COVID-19 pandemic on the programs. Currently, there are no signs that the tasks and goals of DW cannot be fulfilled. It is apparent that even in times of crisis DW is perceived as a German news provider representing certain values.

Investments in 2020 will concentrate on digitisation, modernisation of the technical infrastructure (e.g. with a new network), replacement of obsolete and unstable systems such as the video management system and IT security. The participation in the conversion of the ERP system to the new SAP system for the entire consortium of public broadcasters in Germany (ARD) is also planned (project „(D)ein SAP“).

Additional measures are being examined in the process of drafting the 2021 budget, in particular the question of the potential integration of program projects in the regular budget of DW.

New priorities in programs are emerging both against the background of current geopolitical developments and in view of the accelerated changes in structures, stakeholders and conditions on the international media markets. The freedom of expression and freedom of press are being subjected to considerable pressure in more and more. Furthermore, digitization and the associated profound changes in media usage behaviour present challenges to all international new providers, to which they must increasingly respond quickly and flexibly.

The goals and priorities described in the Strategic Plan 2018 – 2021 remain valid and will continue to be implemented as far as the general conditions allow. As the regionalization of services is becoming increasingly important in view of the increasing competition and changing needs of target

groups, DW will continue to produce more of its own original content with a high relevance for the target groups. They will be produced more in cooperation with partners and/or locally. Within the scope of its possibilities, it will conduct more investigative research and expand local productions. The expansion of its correspondents' network, which has already started, and the opening of new studios and offices is essential for this purpose. Furthermore, additional joint offices with DW Akademie are planned. They are to contribute both to stronger local networking of DW and its Akademie and with local partner organisations. A stepped-up exchange on investigative journalism and conflict-sensitive reporting are planned. In the process of the further development of its digital strategy, the DW Akademie relies on innovative digital programs and e-learning platforms. The DW Akademie will also gear its content to the functionality and disturbances of digital discourses and on exercising human rights on the internet (digital rights).

DW responds to the increasingly widespread phenomena of propaganda, fake news and targeted disinformation by independent information and reliable facts. In this context, the ability to verify content turns out to be a key journalistic qualification of increasing importance. DW will attach more importance to this in the future, also by applying appropriate technical tools.

Worldwide, the situation regarding the freedom of the press has deteriorated markedly in the last few years. To ensure that the online program of DW can also be received in countries with censorship and that DW can respond flexibly to internet blockades, a closer cooperation with providers of software to circumvent censorship is planned. It is furthermore planned to integrate a functionality to circumvent censorship into DW's own app, to enable its use also in China and Iran, i.e. in countries in which access to the online programs of DW is blocked.

Another priority is the automatic recognition of internet blockages of DW programs. In the future, a "censorship monitoring system" will automatically recognise blockage of the DW website in a country or access hindrances. DW can use this to respond with targeted measures to circumvent censorship or switch to other platforms.

DW will continue to intensify its efforts in the field of IT and cyber security altogether. In addition to technical measures, this also includes the formation of a separate organisational unit for IT and cyber security and the further sensitization of all employees.

The usage success of digital content shows that DW is on the right track regarding the implementation of its digital strategy. With the aim of not only consolidating this success, but to increase it, it will consistently pursue and expand the digitisation of program production and distribution. In doing so, it applies the principle: "All forces are directed towards the outlets with which most people of the target group are reached." With all its strategic decisions for favouring outlets, DW will always take care not to become dependent on only a few or one exclusive platform. Its concentration on the preferences of the target groups may also entail that DW does not strengthen its own platforms in the future as originally intended.

DW attaches importance to updating its priorities – also with a view to modern management behaviour. In time of digitization this is the prerequisite for a successful continued existence in the future. Digitization is not limited to technical tools – the attitude, the mindset of all employees including executives is decisive. DW will therefore continue to intensify its initiatives to promote collaborative, autonomous, iterative work and to develop its management culture along these lines.

Bonn, 12 May 2020

Deutsche Welle Anstalt des öffentlichen Rechts

Peter Limbourg

Director General