



Third Report
from the
Foreign Affairs Committee

Session 2005–06

Public Diplomacy

Response of the Secretary of State for
Foreign and Commonwealth Affairs

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
June 2006*

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THIRD REPORT OF THE FOREIGN AFFAIRS COMMITTEE

SESSION 2005-6

PUBLIC DIPLOMACY

RESPONSE BY THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

INTRODUCTION

- i) The Government values the Foreign Affairs Committee's interest in Public Diplomacy and welcomes its report. It comes at a key time, following Lord Carter's review of Public Diplomacy in 2005. The Government has taken careful note of the recommendations made by the Committee.
- ii) The Government's responses to the specific conclusions and recommendations in the Committee's report are set out below. The Committee's conclusions are set out in bold type. The Government has also taken this opportunity to update the Committee on its progress in implementing those of Lord Carter's recommendations not covered by the Foreign Affairs Committee's report.

CONCLUSIONS AND RECOMMENDATIONS

Lord Carter's Review of Public Diplomacy

- 1. We conclude that while it is appropriate for arms length bodies to follow a Public Diplomacy strategy in line with government medium and long term goals, given that funding is provided through grant-in-aid, this must be counterbalanced by institutional safeguards to preserve the day-to-day and short term editorial and operational independence of the BBC World Service and the British Council respectively.**

We agree. The new Public Diplomacy Board, chaired by Lord Triesman and including senior representatives of the FCO, British Council and BBC World Service, will set the Public Diplomacy Strategy. On the Board, the BBC World Service has observer status in recognition of its editorial independence. The Board's Terms of Reference confirm the editorial independence of the BBC World Service and the operational independence of the British Council.

- 2. We recommend that the Government's Public Diplomacy strategy be aligned with the FCO's strategic global priorities. We conclude that the strategy should both provide direction to the public diplomacy organisations and be informed by their individual contributions.**

We agree. The Board has begun work on a new global strategy, including country priorities, aligned to the UK's International Priorities (published by the FCO in March 2006).

- 3. We conclude that it is appropriate for an FCO Minister to chair the new Public Diplomacy Strategy and Performance Management Board and to be accountable to Parliament for its decisions. However, this must not be allowed to compromise the BBC World Service's editorial independence or the British Council's operational independence. We support the Carter review's proposal for the establishment of an advisory panel and recommend that the new board maintain good links with the panel's membership.**

We agree. The Public Diplomacy Board's Terms of Reference recognise the operational independence of the British Council and the editorial independence of the BBC World Service. The BBC World Service has observer status only on the Board in recognition of its editorial independence.

We agree. At its final meeting on 30 January 2006, the PDSB agreed that VisitBritain would initially organise and Chair the advisory panel, henceforth to be called the "Public Diplomacy Partners Group". Invitations to participate have issued to the relevant government departments, organisations and independent members. The first meeting is scheduled for 22 June 2006. The Terms of Reference for the new Public Diplomacy Board set out its working relationship with the Partners Group. There will be close links between the two bodies.

- 4. We conclude that any changes made to the arrangement for oversight of the British Council must not jeopardise its operational independence and effectiveness.**

We agree. Any changes in the oversight of the British Council would not jeopardise its operational independence.

- 5. We recommend that the Foreign Secretary should appoint half of the British Council's board members, including the chair and vice chair. We conclude that this should increase accountability to Parliament whilst guaranteeing the Council's separation from Government and ensuring a wider group of interests are represented on it.**

We do not agree. As Lord Carter's report acknowledges, the Council derives a great deal of value overseas from being able to demonstrate an arms length relationship with Government. We do agree on the importance of the British Council's Board representing the wide range of people and groups with a keen interest in the ongoing work of the Council

- 6. We recommend that in order to avoid any perception of a conflict of interest arising from the position of the Permanent Under Secretary as principal accounting officer of the British Council and his membership of its board, the Foreign Office should be represented on the British Council's board by another member of the FCO's board of management.**

Both Lord Carter and the FAC noted the potential perception of a conflict of interest caused by the dual role of the PUS as accounting officer for the FCO and as a Council Board member. We are reviewing this as part of discussions aimed at refreshing and strengthening co-operation with and oversight of the British Council.

- 7. We recommend that the FCO, in light of Lord Carter's review on public diplomacy, describe what changes it believes are necessary in relation to its oversight of the British Council as well as any changes it proposes to make to enhance its mechanisms of dialogue with British Council. We further recommend that the FCO indicate how these changes would be likely to affect the British Council's operational independence and the perceptions of its partners and clients of its distance from government.**

Co-operation and oversight between the FCO and British Council will need to evolve in view of the British Council's involvement in the new Public Diplomacy Board. The required mechanisms are subject to ongoing discussion. The principles that will guide these discussions include the need for regular, formal discussions at official level, more focused forums at strategic level and the need to respect the Council's unique status as working towards government public diplomacy objectives whilst remaining distinct from government.

- 8. We conclude that Lord Carter's review was right to recognise the BBC World Service's unique contribution to the United Kingdom's public diplomacy as a world class international broadcaster and to understand the significance of its editorial independence to its reputation and ability to deliver an unbiased trustworthy news service. We conclude that making decisions on priority markets and new investment in a manner consistent with governmental medium to long term goals, in consultation with the Foreign Office, need not be detrimental to the BBC World Service's editorial impartiality.**

We agree.

- 9. We recommend that the BBC World Service, together with the Foreign Office, carry out regular reviews of its services to ensure that resources are being utilised to achieve a maximum impact, with overall audience figures increased through appropriate new media opportunities.**

We agree. This will be undertaken through regular co-ordination between the BBC World Service and FCO.

- 10. We agree with Lord Carter that there remain considerable advantages for the BBC World Service remaining structurally bound into the overall BBC operation.**

We agree.

- 11. We conclude that the ringfenced funding for the BBC World Service and the British Council should remain in place.**

We agree with Lord Carter's recommendation in respect of the ring-fence.

- 12. We recommend that in its response to our report the Foreign Office outline how it plans to assess the impact of the Public Diplomacy Challenge Fund and the Public diplomacy Campaign Fund and what plans or modifications it has in mind for them.**

The FCO is carrying out a review of all discretionary programme budgets, including public diplomacy project funding. The review will assess the impact of programme budgets against achieving the UK's International Priorities. The report should be drafted by the summer 2006. The options that will be outlined in this review will inform Public Diplomacy Group's existing plans, which are to amalgamate both the campaign and challenge fund, with the bulk of the funding being spent in the countries deemed high priority by the Public Diplomacy Board, and to keep a smaller amount of funding for access on a competitive basis to all the FCO's Missions overseas. The impact of this funding would be measured by the new performance measurement system for public diplomacy suggested by Lord Carter.

- 13. We recommend that in its response to this report the FCO provide us with a breakdown of how the BBC World Service and British Council allocate their resources in the financial year 2005/6. In the case of the British Council we recommend that data be given on a country-by-country basis and on a regional basis, and in the case of BBC World Service by country, language service and by region. We further recommend that in future the Foreign Office furnish the Committee with such data on an annual basis.**

Attached at annex B is a breakdown of the BBC World Service's spending by region and language. As languages are not constrained to particular countries, it is not possible for the BBC World Service to accurately assess its spending on a country-by-country basis. The information requested on the British Council is attached at annex C.

British Council

- 14. We regret that the British Council was late in publishing its annual report for 2004-5 and recommend that in future it publish its annual report more speedily so that Parliament may carry out effective and timely scrutiny of its performance.**

There were particular circumstances, related to the introduction of the IT-based Finance and Business System, which caused last year's delay in the publishing of the annual report. The British Council expects to publish its next annual report before the July recess.

- 15. We recommend that for the 2005-6 annual report the British Council present its performance results against targets in a format that demonstrates clearly successes or failures.**

The British Council will do this for its 2005 - 6 report

16. We recommend that the Foreign Office, as part of the 2007 comprehensive spending review, commission an independent review of the British Council's work which examines what the British Council does, why it is doing it, what it should be doing, and whether any activity would be better conducted in other ways or by different organisations.

We have considered this carefully, but do not agree. We judge that this is not the time for such a review. The FCO's top priority is to drive forward the recommendations arising from Lord Carter's review. We undertake to look again at this recommendation in due course.

17. We conclude that over the past year the British Council has demonstrated an enthusiasm for working in association with other government departments and public bodies.

We welcome this conclusion. The British Council will continue to look for opportunities to work with other government departments and public bodies.

18. We conclude that it is the British Council's international network that allows it to run English Language teaching centres where conditions are challenging and where there are limited business opportunities. We further conclude that it is the British Council's independence from government that helps to broaden the range of organisations in these difficult environments with which it is able to engage.

We agree and commend the British Council for providing English Language teaching across a wide range of countries, often where there are limited business opportunities.

19. We recommend that the National Audit Office urgently consider conducting a further value for money report on the British Council.

We agree that further NAO scrutiny could be useful. Following discussions with the British Council, the NAO is considering its options. The Comptroller and Auditor General will decide shortly how to proceed.

20. We commend the British Council's determination to stay open for business in countries where it faces extremely challenging security conditions and for the progress it has made in improving security at its premises for staff and customers alike and recommend that the Council continues these policies where appropriate and necessary.

We agree that the British Council should be commended for the approach that has been adopted concerning security whilst acknowledging the duty of care it has for its staff. Future decisions on their overseas presence will need to be taken on a case by case basis, subject to the particular resource and security considerations.

21. We recommend that in its response to this report the Foreign Office update us on the latest position of the British Council in Russia regarding outstanding tax issues and detail what actions it is taking to prevent further interference with the Council's operations by Russian authorities. We further recommend that the Foreign Office inform us of any tax problems in other countries which relate to the British Council and what it is doing to resolve them.

The British Council has registered all its centres in Russia with the local tax authorities, and has complied with successive tax demands of the Russian authorities totalling some £1.4m. Its current activities are being carried out in a tax-compliant environment and a new draft Cultural Centres Agreement is under discussion. Provided no further difficulties are encountered, we expect the Council to be fully compliant with its legal and tax obligations in Russia within the next six months.

The Council has agreed a strategy of status resolution, including tax, for all its operations world-wide. It intends to resolve status everywhere by the end of 2009, with faster progress in high priority countries.

22. We recommend that in its response to this report the Foreign Office set out how it purposes to appraise expenditure on the Chevening scholarship and fellowship in terms of their impact in the medium and long terms. We further recommend that the Foreign Office explain what selection process and criteria it uses to identify those scholars and fellows most likely to bring benefit to the United Kingdom in the short, medium and long term.

The FCO is developing measures to enhance the impact of the Chevening Programme, for example, developing a much stronger alumni network, including by improving the Chevening website, which supports award-holder and alumni networking, and by working with the British Council to track and engage alumni more effectively (specific requirements will be included in the new Service Level Agreement to be signed shortly). The evaluation methodology for Chevening will evolve in line with the wider assessment and evaluation measures for public diplomacy that are being introduced following the Lord Carter Review.

Chevening targets the future generation of leaders, decision-makers and opinion-formers. Chevening academic scholars are selected following interview in their home countries. In general they show intellectual ability, leadership potential, a proven track record of success and have ambitions to make a "positive difference" in their chosen fields. In the case of professional Chevening fellowships, FCO Posts nominate potential candidates to Global Selection Panels in the UK. Panels select successful, mid-career professionals in positions of leadership and influence or in line for such positions. They must be active in their field and interested in maintaining an international policy dialogue on the Fellowship subject. The 2005 Fellowship pilot was a success. The FCO is now evaluating the 2006 scheme, subject to which it will continue in the present form in 2007. We will review the size of the Fellowship component of Chevening for 2008.

BBC World Service

23. We conclude that 2004-5 proved to be another successful year for the BBC World Service, which saw a significant growth in the size of its audience. We particularly commend the Service on the success it had in Iraq where it was the biggest speech radio station.

We agree.

24. We conclude that the Government's vision that the BBC World Service should remain a service publicly funded through Grant-in-aid is wholly right. We commend the BBC World Service for carrying out such an extensive review and reprioritisation of its resources ahead of the next spending review. This will enable it, among other achievements, to realise its proposal for an Arabic television news channel in 2007.

We agree that BBC World Service should continue to be funded through Grant-in-Aid and commend the BBC World Service on its strategic reprioritisation of October 2005, which included plans to launch an Arabic TV service.

25. We conclude that the reduction in the BBC World Service's language range, which mirrored the direction given by Government, was regrettable. We recommend that the BBC World Service in consultation with the Foreign Office review regularly its language services for impact and financial value but do its utmost to preserve and extend its language services upon which so many depend for its trustworthy news and information. We conclude that this is particularly important in countries with no properly functioning parliamentary democracy, inadequate freedom of the media and significant violation of human rights, and we recommend that the BBC World Service is funded accordingly.

We do not agree that it was regrettable for BBC World Service to close a number of radio services in 2005. We believe these decisions reflected changing global priorities, new technology and audience preferences. The decision was taken after extensive analysis that confirmed that these services were no longer high priorities for the BBC World Service and that many of these had small and falling audiences. We agree that the BBC World Service should continue to give priority to those countries where there is the greatest need for their services.

26. We conclude that it is important that the BBC World Service's English output continues to include a significant proportion of programmes which promote British culture and Britain's creativity to overseas audiences as well as the first rate, impartial news and information programmes. It is this mixture of programming which is the World Service's attraction and a characteristic of its success. We recommend that under no circumstances should the World Service's English language programming be allowed to evolve into just a news and information service.

We agree that the content of BBC World Service should continue to include a mixture of programming, including culture.

27. We commend the BBC World Service for its achievement in funding the new Arabic television news service from a combination of efficiency savings and a reprioritisation of resources from the 2004 spending review provisions. We conclude that the new service will be an important means of balancing the output of other Arabic language services. We further conclude that the BBC's impartiality and objectivity will be of paramount importance if it is to succeed. We recommend that the BBC World Service together with the Foreign Office review the new channel's funding and performance in the period leading up to its first anniversary to ensure that it is adequately resourced and to determine whether extra funding should be provided by the government to enable the channel to become a 24 hour service. We also recommend that the BBC World Service explore the potential for subsidising the costs of the new Arabic television service through generating income via advertising and syndication.

We agree that the launch of the BBC World Service's first vernacular TV offering is a very welcome step and that the service could play an important role in meeting the demands of the BBC World Service's Arabic audience. We agree that the government and BBC World Service should keep the performance of the Arabic TV service under close review, including its budget. In the case of Arabic TV, BBC World Service explored the potential for subsidising costs of the 12-hour service. They judged that commercial funding options were not feasible at that time. However, the government has no objection in principle to the World Service as a whole exploring options for generating such additional revenue, and scope for doing so will be explored where possible. Any such revenue would need to be fully in line with the BBC's editorial and managerial guidelines.

28. We recommend that in the run up to the next spending round the Foreign Office argue the case with HM Treasury for an increase in grant-in-aid funding for the BBC World Service so that it can introduce further priority vernacular television services in addition to its new Arabic service without being forced to make excessive cuts in its radio and media services.

The FCO and Treasury will maintain a regular dialogue concerning funding and the opportunities and costs associated with various projects. In line with the approach outlined in the BBC Charter Renewal White Paper, it is right that plans for any new services should wherever possible be funded through efficiencies and reprioritisation. We agree on the importance of radio and new media services as part of the World Service's output. Radio and new media will continue to form a core element of the BBC World Service's output for the foreseeable future.

29. We recommend that the Foreign Office set out in its response to this Report the latest position regarding the disruption of the BBC World Service's Nepali service and its assessment of the likely impact on the World Service's

broadcasts in both Nepali and in English in Nepal if the government's proposed new media ordinance comes into effect.

In February 2005, the Nepali government banned all FM stations from broadcasting news. This directly impacted the BBC World Service's rebroadcasts from nine FM stations across Nepal. However, a Nepali Supreme Court interim ruling in August 05 had the effect of the ban being lifted. In April 2006, the new Nepali government said it would repeal all royal ordinances that violated the public's right to information, and in early May the Supreme Court upheld all FM stations' right to broadcast news. The BBC World Service's ability to broadcast in Nepal should therefore be secure.

30. We conclude that the security and safety of staff must always be a top priority for the BBC World Service and we believe that it was right for the BBC World Service to close its bureau in Tashkent owing to attacks and intimidation reported by journalists last year. We commend the actions taken so far by the Foreign Office on behalf of the BBC and the World Service and recommend that the FCO continue to make strong representations to the Government of Uzbekistan. We further recommend that in its response to this Report the FCO indicate whether there is any near-term prospect of the World Service's bureau reopening in Uzbekistan.

We agree that the BBC had no choice but to close its operation in Uzbekistan in 2005. The FCO will continue to work closely with the BBC with a view to their return to Uzbekistan at the earliest, safe, opportunity. Regrettably, we are not optimistic that this will be possible in the short-term.

31. We conclude that if the BBC World Service is to sustain its position as the best known and most respected international broadcaster it must take every opportunity to exploit new technology in order to keep pace with changing consumer preferences. We commend the BBC World Service's vision for new investment in digital services and believe that extra investment in new media will be vital in the future if the service is to see a growth in audiences.

We agree that the BBC should continue to review its range of services and their methods of delivery to ensure they reflect the needs of their audiences.

32. Additional BBC World Service question (paragraph 119)

We recommend that the BBC World Service publish full details of the effects on each vernacular service of changes in the broadcast frequency or medium of those services in the past 12 months, together with the anticipated effects of any further changes scheduled to take place in the coming 12 months.

Annex D contains a list of the changes in medium and short-wave radio output in 2005. In addition to medium and short-wave radio, this list should be judged against the BBC World Service's policy of maximising its FM output in order to improve audibility. The World Service's global strategy is succeeding. In 2005 the BBC World Service's audience grew to 163 million. This is the highest audience in its history.

The Government response to additional recommendations from Lord Carter's Report on Public Diplomacy:

- 1. The current Public Diplomacy Strategy is due to be revised. This opportunity should be taken to develop a comprehensive mid-term plan (3-5 years) with core themes and priorities based on the FCO's Strategic Priorities.**

The new Public Diplomacy Board met on 30 March and 16 May 2006. It has begun work on a new global Public Diplomacy strategy, including country priorities, aligned to the UK's International Priorities (published by the FCO in March 2006).

- 2. The Board would need to be supported by an executive Unit within the FCO.**

An internal reorganisation of the FCO's Public Diplomacy Group, met from within existing public diplomacy resources, was completed January 2006. A British Council secondee heads up the Strategy and Performance Measurement Unit, which acts as the Secretariat to the Board.

- 3. With VisitBritain's help, public diplomacy partners should consider the development of a joint customer relationship management (CRM) system for public diplomacy partners, and greater sharing of marketing and research.**

This recommendation is to be taken forward by the Public Diplomacy Partners Group, chaired by VisitBritain, which holds its first meeting on 22 June 2006.

- 4. The FCO and DfID should continue to work together to identify appropriate public diplomacy opportunities, and appropriate ways in which each can support the other's agenda.**

DfID has been invited to join the Public Diplomacy Partners Group.

Public Diplomacy Group (FCO) and DfID are working closely together. A first joint DfID/FCO Africa regional conference for Press and Public Affairs Officers took place in Lusaka in December 2005. Public Diplomacy Group also input to the new DfID communications strategy.

- 5. There should be continued close co-operation between FCO and UKTI, and where appropriate, increased efforts to exploit UKTI activity in support of a new Public Diplomacy Strategy.**

UKTI has been invited to join the Public Diplomacy Partners Group. It remains a key partner in the I-UK web portal along with British Council and VisitBritain, and works with the FCO on specific events, such as trade missions and exhibitions, and international EXPOs. Support for increased trade and investment is often a key part

of the FCO's public diplomacy strategy in individual countries. There is close co-operation between Press and Public Affairs Officers and UKTI colleagues overseas.

- 6. The FCO and the MoD should attempt to clarify ways in which the MoD's Defence Diplomacy efforts can support broader public diplomacy goals (and vice versa) in the future PD Strategy.**

FCO and MoD officials will meet to discuss this further. In addition, the MoD has been invited to join the new Public Diplomacy Partners Group.

- 7. The Public Diplomacy Board should consider where the public diplomacy opportunities lie within the private sector (both in terms of geography and in terms of which companies are likely to be supportive) and should attempt to incorporate proposals to exploit these into the overall Public Diplomacy Strategy.**

We agree. Discussions have begun with a number of private sector sponsors on the funding of a UK pavilion at the Shanghai Expo 2010.

- 8. The Image Bank currently presents a fairly limited offer for public diplomacy partners and if it is to be an effective tool in the public diplomacy delivery kit it will require considerable further commitment and investment.**

Public Diplomacy Group within the FCO is discussing options for a free-standing image bank that will be able to hold a wider range of images than the present one which is hosted by VisitBritain. Options include hosting it on the FCO Web platform or contracting it out to VisitBritain. As an interim arrangement some new images have already been made available through the FCO web platform.

- 9. Once central public diplomacy priorities and objectives (thematic and geographical) have been clarified then DCMS should consider appropriate ways in which to mobilise its sectors behind that effort in a co-ordinated way.**

DCMS has been invited to join the new Public Diplomacy Partners Group.

The Foreign Secretary and Secretary of State for Culture Media and Sport hosted a cultural dinner on 15 March 2006 to discuss the role the culture can play in diplomacy.

Public Diplomacy Group will remain in close contact with DCMS, and will update them as the Public Diplomacy Board clarifies its objectives and priorities.

- 10. There will need to be further detailed work on the sort of information that should be collected and how, taking account of existing arrangements. Proposals for the collection of inputs and outputs on a country by country basis should be developed through a facilitated exercise involving the FCO, the British Council, and the BBC World Service.**

A new strategy and performance monitoring arrangements should be introduced in time to be part of the budgeting exercise for 2006-07 and full data collection should begin from April 2007.

The FCO and British Council have jointly prepared Terms of Reference (TOR's) incorporating Lord Carter's recommendations for a consultancy firm to scope the design and development of common performance metrics. The metrics will measure the impact of public diplomacy activities of the FCO, British Council and the BBC World Service. The consultants will report back with their findings before the end of summer 2006.

11. The Review Team recommends tracking should be reintroduced on an annual basis, between 10-30 countries being surveyed each year, and that data should be collected over time to attempt to identify shifts in impact and influence.

Results of the first International Tracking Study were published in 2004. We are considering implementing further tracking studies, but have put this on hold until the successfully appointed consultants make their recommendations on existing and proposed research and evaluation systems. In the interim the FCO has subscribed to a commercial polling service to track perceptions of the UK overseas.

12. The FCO should consider whether to develop a cadre of trained professionals to deploy around the world as required, either to deal with crisis situations, or to offer on the job support and training to inexperienced Press and Public Affairs Officers.

Public Diplomacy Group within the FCO has revised and improved its London-based training courses designed to develop skills among Press and Public Affairs Officers overseas. The Group reacts to regional requests for specific training needs (in 2006 Australasia, USA, Russia and neighbouring countries, and France), and has developed a full day training workshop as part of the regular Press and Public Affairs Officers conferences (in 2006: Muslim world, Caribbean, EU, and South and Central America). There is always a Press Officer within every rapid deployment team, sent to deal with consular emergency situations.

13. Dedicated full-time liaison officers should be appointed in the press offices of key Government Departments (including FCO, Home Office, No 10, Department of Health, Department for Education and Skills, and the Ministry of Defence).

The Director of the Foreign Press Association (FPA) recently gave a presentation at the monthly meeting for all HMG Directors of Communications. He explained the work of the association and put in a request that key departments strengthen their liaison links with the FPA. He has followed up in writing and with further outreach activity to Directors of Communications.

14. The FCO should agree a code of conduct for dealing with foreign correspondents, including the sort of information that will be made available, how regularly, what the likelihood of Ministerial interviews is etc.

The FCO Press Office is preparing a short letter which will be sent to all current members of the FPA setting out what we are able to offer and certain procedural details. This letter, once agreed, will then be sent as a matter of routine to any new foreign correspondent arriving in the UK and registering with the FPA.

15. British Lobby journalists might be encouraged to set up a formal mentoring system to help foreign press in Parliament. FCO Press office and Parliamentary team should explore the possibilities for better access, perhaps in conjunction with the Foreign Press Association.

John Williams, FCO Director of Communications, will write to the Lobby Chairman proposing this system.

16. It is recommended that Key personnel in the FCO should familiarise themselves with the British Council's new SAP system and the opportunities it presents for a deeper understanding of British Council activity and expenditure.

The FCO's IT Strategy Unit is fully briefed on the British Council SAP systems.

17. The relationship between revenue-earning operations and grant-funded operations should remain under continuous review and assessment within the British Council.

We agree. The British Council Board agreed a long-term strategy for its Teaching Centres in January 2006. The Council continues to keep this under review. Its commercial finances have improved this year following an increase in the volume of business.

18. The Review Team felt that the BBC should explore options for developing a television arm of the BBC World Service in consultation with the relevant stakeholders.

We agree. Discussions are ongoing between the FCO and BBCWS concerning the future role of TV as part of meeting the evolving demands of the global audience

19. The International Governor may wish to review the group's terms of reference, and consider how these could be developed to increase the accountability of the BBC World Service, recognising that these questions may form part of a wider consideration in the light of proposals in the Charter Review Green Paper.

With the creation of the new BBC Trust, discussions are on-going between the FCO and BBC as to the appropriate mechanisms for co-ordination and oversight of issues relating to the BBC World Service.

20. If publications are to be produced, they should be designed to meet demand or specific needs, or to clearly contribute to an overall public diplomacy strategy.

We agree. There is no centralised publications budget for public diplomacy. Production will only occur following a specific need being identified.

21. All public diplomacy partners must keep abreast of new technologies when developing their online presence and services.

We agree. As an example, the FCO e-Media Team are currently developing a new global, high performing web platform for the FCO. The project is also investigating opportunities to share services and collaborate on web development with The British Council, DfID and UKTI

22. Information on GOF activity –including what is being funded where and details of programme expenditure on a country by country basis- should be collated as part of the Public Diplomacy Performance Measurement Unit’s database of inputs and outputs.

The FCO programme office is in the process of establishing a database which will capture details of all FCO funded projects including GOF and public diplomacy.

23. Public Diplomacy Group should consider whether there should be more specific requirements of Wilton Park in return for that funding, in support of a new more focused Public Diplomacy Strategy, or whether in fact oversight of the body would more naturally sit elsewhere within the FCO.

Wilton Park has put in place a new corporate target to show some of the value the FCO gets from Wilton Park. Further work will be done for the summer Wilton Park Board meeting, between the FCO and Wilton Park.

BBC World Service – analysis of budgeted 2005/06 operating expenditure

| Region | language service | £m | |
|---|-------------------|--------------|-------|
| Africa and Middle East | French For Africa | 2.2 | |
| Africa and Middle East | African English | 4.1 | |
| Africa and Middle East | Great Lakes | 0.4 | |
| Africa and Middle East | Hausa Service | 1.2 | |
| Africa and Middle East | Portuguese | 0.8 | |
| Africa and Middle East | Somali Service | 0.9 | |
| Africa and Middle East | Swahili Service | 1.4 | |
| Africa and Middle East | Arabic Service | 9.8 | |
| Americas | Brazilian | 2.4 | |
| Americas | Latin American | 4.2 | |
| Americas | Caribbean | 0.5 | |
| Asia Pacific | Chinese | 4.1 | |
| Asia Pacific | Bengali | 1.2 | |
| Asia Pacific | Hindi | 2.2 | |
| Asia Pacific | Nepali | 0.4 | |
| Asia Pacific | Sinhala | 0.4 | |
| Asia Pacific | Tamil | 0.4 | |
| Asia Pacific | Urdu | 3.2 | |
| Asia Pacific | Burmese | 0.9 | |
| Asia Pacific | Indonesian | 1.6 | |
| Asia Pacific | Vietnamese | 1.0 | |
| Asia Pacific | Thai | 0.8 | |
| Eurasia | Regional Russian | 0.4 | |
| Eurasia | Russian | 5.4 | |
| Eurasia | Turkish | 1.3 | |
| Eurasia | Uzbek | 0.7 | |
| Eurasia | Azeri | 0.6 | |
| Eurasia | Kazakh | 0.3 | |
| Eurasia | Kyrgyz | 0.2 | |
| Eurasia | Ukrainian | 1.6 | |
| Eurasia | Persian/Pashto | 6.3 | |
| Europe | Czech | 1.3 | |
| Europe | Albanian | 1.4 | |
| Europe | Bulgarian | 1.3 | |
| Europe | Greek | 1.1 | |
| Europe | Hungarian | 1.2 | |
| Europe | Slovak | 1.3 | |
| Europe | Polish | 2.4 | |
| Europe | Romanian | 1.5 | |
| Europe | Croatian | 0.8 | |
| Europe | Macedonian | 0.5 | |
| Europe | Serbian | 1.4 | |
| Europe | Slovene | 0.6 | |
| Language transmission & distribution costs | | 20.2 | |
| Language service costs - radio, online, transmission, regional support | | 95.9 | |
| Set aside for Arabic TV - Utilised for restructuring costs in 2005/06 | | 4.0 | |
| Total language service costs | | 99.9 | |
| English - production, presentation, scheduling & commissioning | | 51.1 | |
| English transmission costs | | 22.2 | |
| New Media (exc distribution & regional language online costs) | | 6.7 | |
| Audience research & marketing | | 5.8 | |
| BBC Monitoring subscription | | 5.3 | |
| | | 191.0 | |
| Transmission support, resource services, other support functions & overheads | | 21.4 | |
| Total expenditure | | 212.4 | |
| Reconciliation to 2005/06 Grant in Aid | Operating | Capital | Total |
| | £m | £m | £m |
| Grant in Aid | 208.1 | 31.0 | 239.1 |
| HM Treasury approved virements | 4.3 | -4.3 | 0.0 |
| Funding available for expenditure | 212.4 | 26.7 | 239.1 |

British Council Allocations by Council 2005/6

| HMG Income Allocations By Country 05/06 | | | |
|--|---|-------------|---------------------|
| Region | Country | HMG | Total Income |
| Central & Southern Asia | Afganistan | (635,000) | (692,098) |
| Central & Southern Asia | Bangladesh | (622,200) | (3,914,510) |
| Central & Southern Asia | Central & Southern Asia Regional Budget | (287,600) | (287,600) |
| Central & Southern Asia | Iran | (631,700) | (1,146,506) |
| Central & Southern Asia | Kazakhstan | (911,500) | (1,207,349) |
| Central & Southern Asia | Nepal | (267,000) | (1,009,654) |
| Central & Southern Asia | Pakistan | (1,245,500) | (8,342,683) |
| Central & Southern Asia | Uzbekistan | (827,300) | (972,427) |
| China & Hong Kong | China | (4,559,159) | (15,228,361) |
| China & Hong Kong | China & Hong Kong Regional Budget | (233,000) | (233,000) |
| China & Hong Kong | Hong Kong | (1,126,427) | (10,864,162) |
| East & West Africa | Cameroon | (439,500) | (916,453) |
| East & West Africa | East & West Africa Regional Budget | (675,800) | (675,800) |
| East & West Africa | Eritrea | (173,900) | (224,086) |
| East & West Africa | Ethiopia | (687,800) | (987,828) |
| East & West Africa | Ghana | (824,200) | (1,262,630) |
| East & West Africa | Kenya | (1,021,100) | (1,686,489) |
| East & West Africa | Nigeria | (2,853,600) | (5,660,955) |
| East & West Africa | Senegal | (286,000) | (372,590) |
| East & West Africa | Sierra Leone | (273,200) | (338,633) |
| East & West Africa | Sudan | (279,900) | (465,016) |
| East & West Africa | Tanzania | (643,800) | (944,617) |
| East & West Africa | Uganda | (730,900) | (1,218,775) |
| East Asia & Australasia | Australia | (1,010,800) | (1,157,250) |
| East Asia & Australasia | Brunei | (30,700) | (34,126) |
| East Asia & Australasia | East Asia & Australasia Regional Budget | (593,200) | (593,200) |

| | | | |
|----------------------------|---|-------------|--------------|
| East Asia & Australasia | Indonesia | (1,487,800) | (1,838,939) |
| East Asia & Australasia | Japan | (3,073,200) | (7,925,646) |
| East Asia & Australasia | Korea | (990,900) | (4,427,524) |
| East Asia & Australasia | Malaysia | (1,185,300) | (3,728,070) |
| East Asia & Australasia | Myanmar | (307,500) | (1,564,108) |
| East Asia & Australasia | New Zealand | (401,400) | (495,446) |
| East Asia & Australasia | Philippines | (549,200) | (1,443,253) |
| East Asia & Australasia | Singapore | (561,200) | (5,664,668) |
| East Asia & Australasia | Taiwan | (514,600) | (2,252,376) |
| East Asia & Australasia | Thailand | (991,400) | (4,112,933) |
| East Asia & Australasia | Vietnam | (827,600) | (2,564,663) |
| India & Sri Lanka | India | (4,774,000) | (11,908,552) |
| India & Sri Lanka | India & Sri Lanka Regional Budget | (376,100) | (376,100) |
| India & Sri Lanka | Sri Lanka | (424,800) | (3,643,783) |
| Latin Americas & Caribbean | Argentina | (851,700) | (929,245) |
| Latin Americas & Caribbean | Brazil | (3,082,100) | (3,884,537) |
| Latin Americas & Caribbean | Caribbean | (235,600) | (306,702) |
| Latin Americas & Caribbean | Chile | (654,900) | (738,900) |
| Latin Americas & Caribbean | Colombia | (727,800) | (2,868,402) |
| Latin Americas & Caribbean | Cuba | (265,086) | (284,701) |
| Latin Americas & Caribbean | Latin America & Caribbean Regional Budget | (323,414) | (323,414) |
| Latin Americas & Caribbean | Mexico | (1,483,500) | (3,248,178) |
| Latin Americas & Caribbean | Peru | (310,000) | (348,739) |
| Latin Americas & Caribbean | Venezuela | (683,100) | (1,383,396) |
| Middle East | Bahrain | (455,200) | (2,486,528) |
| Middle East | Iraq | (1,366,000) | (1,366,000) |
| Middle East | Kuwait | (474,700) | (1,863,381) |
| Middle East | Middle East Regional Budget | (545,800) | (545,800) |
| Middle East | Oman | (585,200) | (1,598,389) |

| | | | |
|--------------------------|--|-------------|-------------|
| Middle East | Qatar | (373,625) | (1,439,646) |
| Middle East | Saudi Arabia | (1,412,500) | (5,136,533) |
| Middle East | United Arab Emirates | (822,300) | (4,946,660) |
| Middle East | Yemen | (322,500) | (377,579) |
| Near East & North Africa | Algeria | (22,500) | (22,500) |
| Near East & North Africa | East Jerusalem | (1,131,000) | (1,262,280) |
| Near East & North Africa | Egypt | (1,847,100) | (6,349,330) |
| Near East & North Africa | Jordan | (642,800) | (2,277,719) |
| Near East & North Africa | Lebanon | (444,700) | (1,078,308) |
| Near East & North Africa | Libya | (367,200) | (441,437) |
| Near East & North Africa | Morocco | (455,100) | (1,441,106) |
| Near East & North Africa | Near East North Africa Regional Budget | (409,000) | (409,000) |
| Near East & North Africa | Syria | (435,300) | (1,229,958) |
| Near East & North Africa | Tunisia | (335,600) | (889,497) |
| North & Central Europe | Czech Republic | (1,553,800) | (3,100,707) |
| North & Central Europe | Denmark | (294,100) | (390,804) |
| North & Central Europe | Estonia | (379,300) | (426,323) |
| North & Central Europe | Finland | (345,000) | (402,989) |
| North & Central Europe | Hungary | (1,488,500) | (2,177,855) |
| North & Central Europe | Latvia | (369,800) | (459,555) |
| North & Central Europe | Lithuania | (505,100) | (555,211) |
| North & Central Europe | North & Central Europe Regional Budget | (440,000) | (440,000) |
| North & Central Europe | Norway | (359,600) | (383,231) |
| North & Central Europe | Poland | (2,062,400) | (5,883,313) |
| North & Central Europe | Slovakia | (1,000,300) | (1,539,919) |
| North & Central Europe | Slovenia | (602,100) | (788,941) |
| North & Central Europe | Sweden | (394,200) | (403,200) |
| North & Central Europe | Ukraine | (1,289,700) | (2,210,090) |
| Russia Region | Russia | (5,466,800) | (8,013,226) |

| | | | |
|------------------------|-----------------------------------|-------------|-------------|
| Russia Region | Russia Regional Budget | (284,000) | (284,000) |
| South East Europe | Albania | (406,600) | (444,100) |
| South East Europe | Armenia | (414,600) | (451,745) |
| South East Europe | Austria | (518,700) | (885,739) |
| South East Europe | Azerbaijan | (512,900) | (1,505,942) |
| South East Europe | Bosnia-Herzegovina | (679,200) | (779,985) |
| South East Europe | Bulgaria | (1,071,000) | (2,405,486) |
| South East Europe | Croatia | (565,100) | (767,379) |
| South East Europe | Cyprus | (581,300) | (3,036,020) |
| South East Europe | Georgia | (457,700) | (578,173) |
| South East Europe | Greece | (1,089,800) | (8,851,450) |
| South East Europe | Israel | (1,220,300) | (1,808,657) |
| South East Europe | Kosovo | (211,500) | (218,500) |
| South East Europe | Macedonia | (571,200) | (657,336) |
| South East Europe | Romania | (1,532,600) | (2,921,318) |
| South East Europe | Serbia & Montenegro | (1,034,200) | (1,428,337) |
| South East Europe | South East Europe Regional Budget | (297,300) | (297,300) |
| South East Europe | Turkey | (3,874,000) | (5,824,107) |
| Southern Africa | Botswana | (248,000) | (567,000) |
| Southern Africa | Malawi | (232,300) | (579,959) |
| Southern Africa | Mauritius | (325,300) | (585,671) |
| Southern Africa | Mozambique | (320,000) | (722,000) |
| Southern Africa | South Africa | (2,828,048) | (3,516,048) |
| Southern Africa | Southern Africa Regional Fund | (3,598,302) | (3,598,302) |
| Southern Africa | Zambia | (289,050) | (990,221) |
| Southern Africa | Zimbabwe | (665,000) | (1,091,712) |
| West Europe & Americas | Belgium | (1,528,100) | (1,862,910) |
| West Europe & Americas | Canada | (633,100) | (633,100) |
| West Europe & Americas | France | (1,712,000) | (3,272,394) |

| | | | |
|------------------------|--------------------------------------|----------------------|----------------------|
| West Europe & Americas | Germany | (2,456,600) | (2,950,460) |
| West Europe & Americas | Ireland | (501,000) | (501,028) |
| West Europe & Americas | Italy | (1,895,200) | (9,379,380) |
| West Europe & Americas | Malta | (154,000) | (154,000) |
| West Europe & Americas | Netherlands | (535,300) | (1,013,511) |
| West Europe & Americas | Portugal | (979,200) | (6,576,820) |
| West Europe & Americas | Spain | (1,759,800) | (31,653,846) |
| West Europe & Americas | Switzerland | (257,100) | (446,351) |
| West Europe & Americas | United States | (1,016,000) | (1,195,697) |
| West Europe & Americas | West Europe Americas Regional Budget | (362,000) | (362,000) |
| | | | |
| Overseas Total | | (113,569,211) | (293,834,069) |
| | | | |
| United Kingdom Total | | (34,067,001) | (67,619,154) |
| | | | |
| Global Total | | (147,636,212) | (361,453,224) |
| | | | |

The figure of £34m cited as "UK total" covers UK sector work and staff servicing overseas activity; plus UK engagement internationally in arts, customer services (including websites, visits, seminars, etc), English language, Education and Training, Governance, and Learning and Creativity. An additional £41.7m grant-funding covers facilities, overseas estates, IT, corporate HR and finance, the Finance & Business Services project, and the RAB adjustment for fixed asset movements.

BBC World Service

Changes in transmitter hours, March 2005 to May 2006 (short wave and medium wave)

| SHORT WAVE | | | |
|------------------------------|--|--|--|
| | Transmitter hours at 1 st March 2005 | Transmitter hours at 1 st May 2006 | Overall net change in weekly transmitter hours since 1st March 2005 (as at 1.5.06) |
| Albanian* | 33.3 | 44.8 | 11.5 |
| Arabic* | 936.3 | 875 | -171 |
| Azeri* | 28 | 10.7 | -17.3 |
| Brazilian | 10.3 | nil | -10.3 |
| Burmese | 33 | 28.5 | -4.5 |
| English* | 3139.1 | 2560.8 | -578.3 |
| French* | 64.3 | 59.1 | -5.2 |
| Hausa* | 35.2 | 31.7 | -3.5 |
| Hindi | 76 | 80.5 | 4.5 |
| Nepali* | 19.3 | 10.5 | -8.8 |
| Persian (Dari)* | 73.5 | 85.6 | 12.1 |
| Persian (Farsi) | 156 | 137 | -19 |
| Russian* | 150 | 129.5 | -20.5 |
| Serbian* | 26.2 | nil | -26.2 (available on FM only) |
| Somali* | 37.8 | 38.8 | 1 |
| Spanish* | 124.1 | 21 | -103.1 |
| Tamil | 10.5 | 7 | -3.5 |
| Ukrainian* | 46.7 | 46.5 | -0.2 |
| Uzbek | 24 | 24.7 | 0.7 |
| Vietnamese | 31.5 | 21 | -10.5 |
| *also available on FM | | | |
| MEDIUM WAVE | | | |
| | Transmitter hours at 1 st March 2005 | Transmitter hours at 1 st May 2006 | Overall net change in weekly transmitter hours since 1st March 2005 (as at 1.5.06) |
| Arabic | 360 | 311.5 | -46.5 |
| English | 707.2 | 526.5 | -180.7 |
| Hindi | 12.5 | 14 | 1.5 |
| Russian | 250.8 | 243.9 | -6.9 |
| Russian (C.Asia)* | 9.9 | 3.5 | -6.4 |
| Ukrainian | 18 | 17.3 | -0.7 |
| Uzbek | 3.6 | 10.5 | 6.9 |

Notes:

1. The hours in these tables represent the number of transmitted hours for each language. To reach a given target region, any one service may be carried on a number of different frequencies and transmitter sites to provide better audibility. The transmitter hours usually exceed the numbers of hours broadcast.
2. Bulgarian, Croatian, Czech, Hungarian, Greek, Kazakh, Polish, Slovak, Slovene and Thai services were closed in 2005
3. No changes in transmitter hours for languages not mentioned

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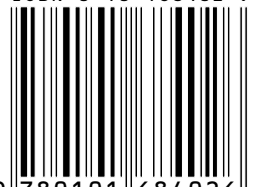
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