

WILTON PARK

AN EXECUTIVE AGENCY OF THE  
FOREIGN & COMMONWEALTH OFFICE

ANNUAL REPORT AND ACCOUNTS

2006/07

Presented to the House of Commons pursuant to section 7  
of the Government Resources and Accounts Act 2000

Ordered by the House of Commons  
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Wilton Park has a remarkable record of bringing some of the brightest minds together in the cross-fertilization of ideas... I join in applauding you as you endeavour to gain better understanding of global issues in order to make the world a safer and better place for us all...

Ellen Sirleaf-Johnson, President of the Republic of Liberia

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## Chief Executive's Overview

The most striking single achievement of the Wilton Park team last year was to meet, for the first time since 2003, the FCO target of covering our running costs (see Target 3). This was despite the inevitable turbulence caused by the organisation being without a Chief Executive for a large part of 2006, my immediate predecessor, Adam Noble, having served in that capacity only from May to September.

The aim of Wilton Park is "To contribute to the solution of global challenges by organising conferences on key EU and international issues and policies, including international security and arms control, economic and social policy, conflict prevention, governance, globalisation, sustainable development and environment". Wilton Park's success in pursuing that aim depends on the place, the people and our programmes. This Annual Report aims to present a fair picture of these three elements and, of course, of our performance over the financial year.

### *Wilton House*

Comments of those who participate in Wilton Park conferences, whether recorded in questionnaires or culled from conversations, reveal appreciation of a modern, informal style and of cutting edge discussion set in a historic English context. Just as the founders of the Davos Process chose their venue wisely, so the creators of Wilton Park conferences recognized that they could not succeed in London. Being at some distance from a capital city, with the opportunities for networking, and for the exchange of views with frankness, where every opinion is valued and the non-attributable nature of the exchanges is secure, all contribute to the quality of human interchange vital even in the electronic age. Wilton Park's status as an Executive Agency of the Foreign & Commonwealth Office makes it a uniquely valuable resource to those who shape and execute UK policy. Renewal by the FCO of its lease of Wilton Park provides a firm basis on which to plan for the future.



Those who are responsible for Wiston House and its gardens are conscious not only of the heritage, but also of modern environmental demands. In this Report, you will find an account of ways in which we attempt to fulfill our stewardship, including the development of a Biomass Heating project, designed to take advantage of the renewable resources in which the Wiston Estate abounds.

### **Staff**

Many companies in the private sector would envy the quality of our customer focus, as measured by questionnaire and anecdote. 98% of respondents judged service as above average, 85% considering it "excellent". For those who work behind the scenes, greeting, feeding and housing the conference participants, looking after the gardens or paying our bills, there is a tangible sense of pride in working at Wilton Park. Secretaries and Administrators maintain an extraordinarily high standard in the preparation and execution of conferences (judged "excellent" by 84% of respondents). And there is a very special skill among our

Programme Directors in working out the themes, sub-themes and structure of a successful conference. It is that subtle skill which means that it is common-place for a participant to comment to me that the standard of a Wilton Park conference is higher than that of a similarly-themed conference they may have attended elsewhere. Our IT staff have introduced significant advances which form an excellent platform for future development. And the increase in our commercial income is in part due to our reputation for excellent customer service.

### **Programmes**

This Report contains a full list of conferences held in 2006/07 and a review of conference highlights. The number of conferences held in 2006/07 is slightly fewer than in previous years. But the financial outcome is better and this slight reduction also works to the benefit of the quality of our conferences. We do not generate conferences in isolation. Ideas and suggestions come from many sources including in particular the Wilton Park

Advisory Council, the Wilton Park International Council and a variety of intellectual partners in the UK and overseas. These overseas links are important to us; if our conferences are not attractive to policy-formers and opinion-shapers beyond the borders of the United Kingdom, then Wilton Park will quickly lose its high international reputation and its value as an institution which advances the international agenda in so many areas. While Europe has been at the centre of Wilton Park's agenda since its foundation, we must reflect and anticipate a changing world order and new challenges. I am grateful to all of those who engage with us in ensuring that we do so.

### **Looking Ahead**

I took on the role of Chief Executive on 17 January 2007. It is a privilege to be asked to lead an organization where 95% of respondents to questionnaires judged our programmes and discussion as above the average. Over 17,000 participants have passed through our portals in the last five years. And Wilton Park met its financial

target for 2006/07 despite many difficulties. But how do we improve? We need to address the fragility of our financial model and improve our fundraising. We must ensure we take advantage of what modern IT can do for our processes and communications. We must get the most out of our dialogue with the Advisory Council, the International Council and other intellectual partners. And we need to secure wider recognition of the Wilton Park brand and more support for our programmes. These are stimulating challenges for the future.



Donald A Lamont

# Wilton Park's Management

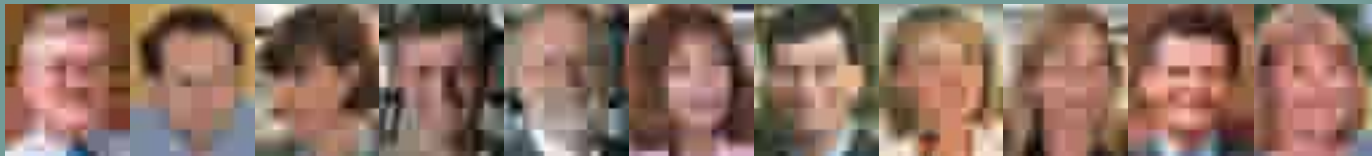
## ***Departmental Board***

The Agency's work is overseen by a Departmental Board, comprising representatives of the FCO and two Non-Executive Directors. Relevant members of the Departmental Board form the Agency's Audit Committee. The Departmental Board sets the Agency's annual financial and quality targets. Members during 2006/07 were as follows:

Ms Anne Pringle (Chair)	Director of Strategy and Information, FCO
Mr Alex Jablonowski (NED)	High Performance Leadership Limited
Mr Simon Turl (NED)	Managing Director, Select Service Partner Air
Dr Farhan Nizami	Chair, Wilton Park Advisory Council
Mr Jolyon Welsh	Head of Public Diplomacy Group, FCO
Mr Iain Morgan	Head of Resource Accounting Department, FCO
Mr Chris Cann	Resource Management Officer, Public Diplomacy Group, FCO
Mr Stephen Lysaght	Public Diplomacy Group, FCO
Ms Annabel Anderson	Public Diplomacy Group, FCO



From left to right:  
 Donald Lamont  
 Nicholas Hopkinson  
 Robin Hart  
 Chris Langdon  
 Roger Williamson  
 Isobelle Jaques  
 Tim Willows  
 Adela Gooch, OBE  
 Julia Purcell  
 Mark Smith  
 Shirley Ellis



#### ***Wilton Park's Management Board***

The Wilton Park Management Board formulates the relevant financial and operating plans and policies required to meet the Agency's targets, including the active management of the potential risks facing the Agency.

#### ***Wilton Park's Terms Of Reference***

Wilton Park's aims and terms of reference are laid down in a Framework Document approved by Ministers in February 2003. A copy of the Framework Document can be found on the Wilton Park ([www.wiltonpark.org.uk](http://www.wiltonpark.org.uk)) and FCO ([www.fco.gov.uk](http://www.fco.gov.uk)) websites.

Donald Lamont	Chief Executive	(Joined Jan 2007)
Nicholas Hopkinson	Director	
Sheila Mackay	Director Conferences	(Resigned Aug 2006)
Robin Hart	Programme Director	
Chris Langdon	Programme Director	
Roger Williamson	Programme Director	
Isobelle Jaques	Programme Director	
Tim Willows	Director Finance & Management	
Adela Gooch	Programme Director	
Julia Purcell	Programme Director	
Mark Smith	Programme Director	(Joined May 2006)
Shirley Ellis	Personnel Manager	
Jane Rawbone	PA to Chief Executive; Board Secretary	

Adam Noble left the position of Chief Executive in September 2006.

Nicholas Hopkinson was Interim Chief Executive between September 2006 and January 2007.



# Advisory Bodies

## ***Wilton Park Advisory Council***

The Wilton Park Advisory Council, formerly the Wilton Park Academic Council, was established in 1949 to ensure Wilton Park's academic independence. Membership is drawn from the academic world, government, non-governmental organisations, media, business, trades unions and other organisations concerned with international relations.

The Advisory Council's main responsibilities are to advise the Chief Executive and his senior staff on the selection of conference themes and speakers and participants, aiming to ensure a proper balance is maintained in the conference programme; and to ensure that Wilton Park's activities meet the highest academic standards and that it maintains its reputation as a centre of excellence.

The Advisory Council is an Advisory Non-Departmental Public Body. Members of the Council are appointed by the Secretary of State for Foreign & Commonwealth Affairs.

(L-R back row)  
Neil Kenward,  
Philippe Sands,  
Stephen Wall,  
Robert Skidelsky,  
Myles Wickstead,  
Michael Leigh,  
Ray Cunningham,  
Jolyon Welsh,  
David Bryer,  
(L-R seated)  
Donald Lamont,  
Farhan Nizami,  
Michael Quinlan

Dr Farhan Nizami (Chair)	Director, Oxford Centre for Islamic Studies
Sir Rodric Braithwaite GCMG	Chairman, Moscow School of Political Studies
Ms Rachel Briggs	Head of Identity Programme, Demos
Dr David Bryer CMG	Chair of Oxfam International and Trustee of Save the Children
Professor Victor Bulmer-Thomas OBE	Director of Royal Institute of International Affairs, Chatham House
Sir Patrick Cormack FSA MP	Conservative Party parliamentary representative
Dr Ray Cunningham	Director, Anglo-German Foundation for the Study of Industrial Society
Nik Gowing	Journalist and Broadcaster
Sir David Green KCMG	Director-General of the British Council
Mr David Heath CBE MP	Liberal Democrat parliamentary representative
Mr Janusz Heath	Managing Director and Head of Asset Management, Capital Dynamics
Ms Mary Jo Jacobi	Civil Service Commissioner
Mr Reijo Kemppinen	Head of the Representation in the UK, European Commission
Mr Michael Leigh	Director General, Enlargement, European Commission
Professor Anand Menon	Director European Research Institute, University of Birmingham
Rt Hon Baroness Quin	Former Minister of State at Home Office, FCO and MAFF and Labour Party representative
Sir Michael Quinlan GCB	Former Director, The Ditchley Foundation
Mr Rupert Robson	Former Global Head, Financial Institutions, HSBC
Professor Shamit Sagar	Professor of Political Science, University of Sussex
Professor Philippe Sands QC	Professor of Law, University College London
Lord Skidelsky	Chairman, Centre for Global Studies
Mr Andrew Vickerman	Head of Communication & Sustainable Development, Rio Tinto plc
Sir Stephen Wall GCMG LVO	Chairman (Public Affairs EMEA), Hill & Knowlton
Professor Myles Wickstead CBE	Visiting Professor (International Relations), Open University

Advisory Council meetings are held twice a year. Minutes from these meetings, together with other information on the running and membership of the Advisory Council, are published on the Wilton Park website.

### ***Wilton Park International Council***

The role of the International Council is to evaluate the international relevance of Wilton Park's planned conferences.

The Council comprises the Ambassadors and High Commissioners to the Court of St James of the member states of the Organisation for Economic Co-operation and Development:

Australia	Japan
Austria	Republic of Korea
Belgium	Luxembourg
Canada	Mexico
Czech Republic	The Netherlands
Denmark	New Zealand
Finland	Norway, Poland
France	Portugal
Germany	Slovakia
Greece	Spain
Hungary	Sweden
Iceland	Switzerland
Ireland	Turkey
Italy	United States of America

The FCO is represented by the Head of Public Diplomacy Group

# Review of Performance

## *Wilton Park's Core Conference Work*

Wilton Park conferences are our key business and contribute to the achievement of the UK government's international policy priorities. The greater part of our resources is devoted to planning, running and following up on conferences. The Agency generates 75-80% of its annual income from the overall conference programme. Our quality targets reflect this.

A full schedule of Wilton Park's conferences is included in this report, and there are highlights of a number of particularly influential conferences held during the year. This report includes summary statistical information about Wilton Park conferences. More detailed statistical information, on a conference-by-conference basis, is available on request.

The Departmental Board targets for 2006/07 include:

- **Target 2 - The impact of Wilton Park conferences on policy and opinion should receive the positive endorsement of the Academic Council and the FCO.**  
The target was successfully achieved.

## *Wilton Park Conference Participation*

One further measure of the overall success of our conferences is the level of participation. As can be seen, the demand for our conferences remains consistently strong.

Financial Year	Total Number of Participants	No of Conferences	Average Participation
2006/07	3,502	52	67.3
2005/06	3,637	58	62.7
2004/05	3,704	59	62.8
2003/04	3,110	49	63.5
2002/03	3,158	47	67.2

\* We held 52 conferences in 2006/07.

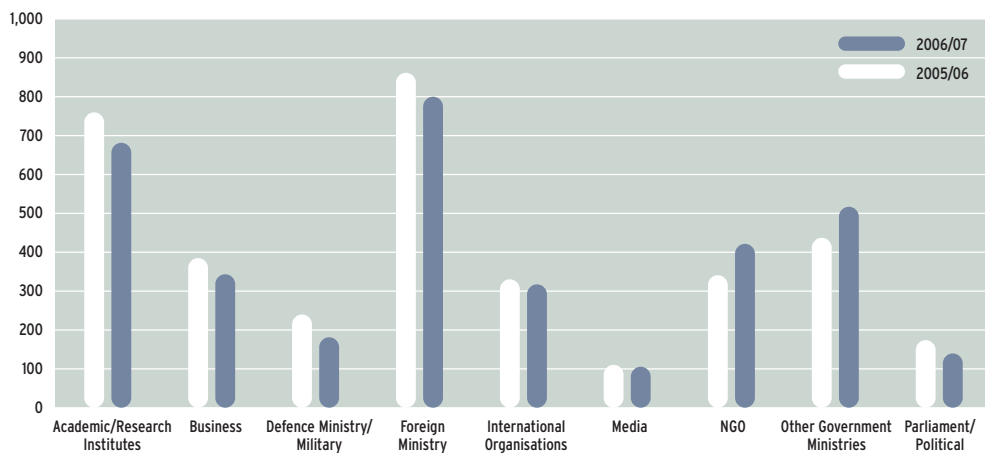
We held 48 conferences at Wiston House in both 2005/06 and 2006/07. There were 9 overseas conferences in 2005/06, and 4 overseas conferences in 2006/07.

### Interaction Between Policy Makers And Opinion Formers

In planning our conferences, Programme Directors take great care to ensure that we have as good a mix as possible of professions, and where appropriate, nationalities to ensure that discussion is as wide-ranging and stimulating as possible. The following tables illustrate the range of professions and nationalities of Wilton Park conference participants during 2006/07.

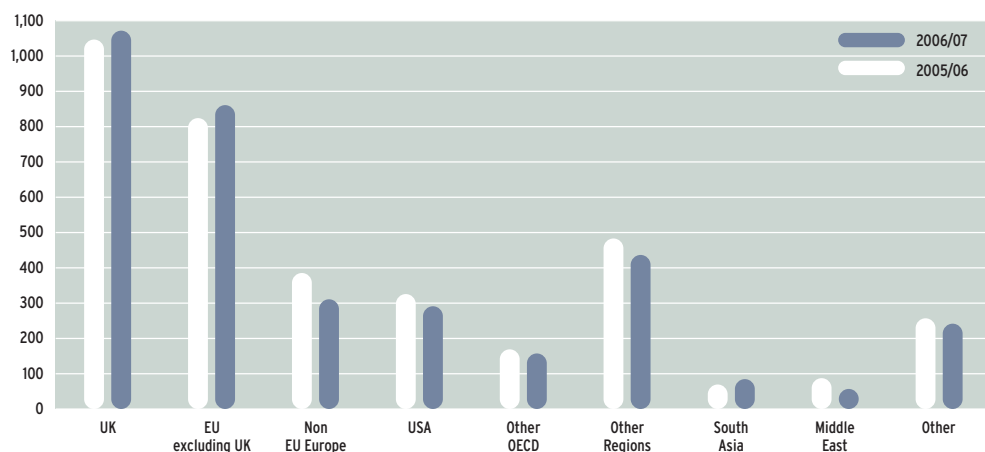
### Participation By Profession

During 2006/07, we achieved the continuing strong mix of professional occupations of those participating, broadly similar to the composition in 2005/06. There was welcome growth in the participation by NGOs and ministries other than Foreign Ministries.



### Participation By Nationality

Wilton Park's conferences remain truly international. Just under 70% of participants in 2006/07 came from outside of the UK.



### Duration Of Conferences

The number of days occupied by Wilton Park conferences during 2006/07 remained fairly consistent with previous years (120 days in 2006/07, compared to 123 days in 2005/06), albeit continuing the downward average trend for average duration of our conferences. Only 9 of the conferences held at Wiston House were of fullest length. Increasingly time pressures dictate the viable length of a conference and we aim to develop and tailor our conference programme to match the needs of its intended participants. The length of our conferences is an important aspect in judging the level of participation charges we have to apply.

Programme Directors exercise careful judgment in order to ensure the optimum balance between collective and individual discussion, attracting influential speakers and participants, and allowing enough time to develop personal contacts.

This last aspect encompasses both formal dialogue, and equally or perhaps more importantly the opportunity for informal dialogue. The secluded and discreet nature of the facilities at Wiston House provides an ideal setting for continuing discussion of sensitive issues.

### Overseas Conferences

The Wilton Park conference brand is closely associated with Wiston House. However, as part of wider brand recognition and promotion of our overall public diplomacy work, we organize a limited number of conferences overseas where there are clear reasons to do so.

We held 4 overseas conferences in 2006/07, a reduced number from the 9 held in the previous year, reflecting the in-year reduction in Programme Director resources. The overseas conferences were as follows:

- **WP814 - How Best To Promote Growth, Employment & Competitiveness In The European Union?**  
Eltville, near Frankfurt am Main, Germany
- **WP819 - The EU's Policy Towards Its Eastern Neighbours: What Kind Of Future Relationship?**  
European Centre - Natolin (ECN),  
Warsaw, Poland
- **WPS06/31 - South Caucasus: Perceptions And Challenges Of The Region**  
Yerevan, Armenia
- **WP846 - Competitiveness In New Member States: Lessons For EU Members, Candidates And Neighbours**  
Margit Island, Budapest, Hungary



**The conference created an excellent opportunity for deep and open debate on Eastern policy of the EU. The Wilton Park Conferences are famous for their marvellous atmosphere, which results in success. The conference in Natolin confirmed this opinion.**

Jaroslav Starzyk, Director, European Union  
Department, Ministry of Foreign Affairs, Poland

## Schedule Of Wilton Park Conferences 2006/07

Conference	Conference Title	Dates	Participants
WP813	Africa - Drivers Of Change	24-27 Apr	80
WPS06/27	Challenging Stereotypes In Europe And The Islamic World: Working Together For Constructive Policies And Partnerships	2-4 May	79
WPS06/25	European Policy For Preparing for Pandemics	7-10 May	45
WP814	How Best To Promote Growth, Employment And Competitiveness In The European Union? ( <i>In Germany</i> )	8-10 May	53
WP815	Concluding The Doha Development Agenda Trade Negotiations	22-25 May	67
WP816	Peace And Security: Implementing UN Security Council Resolution 1325	30 May-2 Jun	75
WP817	Reducing Poverty: The Roles Of Parliaments, Government And Non-State Actors	5-8 Jun	42
WPS06/10	Strengthening Democratic Governance: The Role Of Civil Society	12-15 Jun	63
WP823	Political Change In Latin America: Implications For The Region, US, EU And Asia-Pacific	15-17 Jun	73
WPS06/23	What Is The Future Of EU Enlargement? Analysing The Public Debates. What Are The Implications For The Western Balkans?	19-21 Jun	56
WP819	The EU's Policy Towards Its Eastern Neighbours: What Kind Of Future Relationship?	3-6 Jul	85
WPS06/13	Sustainable Development: Managing The Transition Experience Of Emerging Markets	9 Jul	73
WP820	The British-German Forum	10-14 Jul	85
WPS06/18	Energy Efficiency, Energy Security, Renewable Energy: Taking Forward The Gleneagles Dialogue And The G8 St Petersburg Conclusions	24-28 Jul	70
WP822	The Atlantic Youth Forum 2006	31 Jul-4 Aug	53
WP818	Ukraine: A Euro-Atlantic Vocation?	7-10 Sep	68
WPS06/16	Travelling Child Sex Offenders	25-27 Sep	77
WPS06/7	Chemical And Biological Weapons: Facing Future Challenges	29 Sep-1 Oct	54
WP829	Counter-Insurgency And Post-Conflict Reconstruction: Recent Experiences And Best Practice	2-4 Oct	72
WPS06/4	Managing Reform In Arab Countries	6-8 Oct	26
WP828	Agriculture In Europe: What Is The Future	9-11 Oct	94
WP827	The Future Of Nuclear Deterrence In The North Atlantic Alliance	12-15 Oct	75
WP821	Scaling Up & Absorbing Resources: Challenges For Poverty Eradication	25-28 Oct	56
WP826	Engaging With Muslim Youth In Europe And North America	30 Oct-1 Nov	77
WPS06/3	How Should The International Community Respond To Burma's Needs?	2-4 Nov	60
WPS06/31	South Caucasus: Perceptions And Challenges In The Region ( <i>In Armenia</i> )	6-10 Nov	107
WPS06/28	Strengthening Labour Standards In The Global Economy	8-10 Nov	44
WP830	Capital Flows And The Safety of Markets	10-11 Nov	62
WP831	China: Towards An Innovative Society - The Risks, The Opportunities	13 -17 Nov	95
WPS06/15	Third Wilton Park International Association Annual Dinner And Conference	17-18 Nov	79
WP832	Global Migration: Facing The Challenges	30 Nov-2 Dec	59
WPS06/11	Innovations In Health And Development Finance: Lessons Learned And The Way Forward	7-9 Dec	44
WPS06/26	European Pensions Policy	11-14 Dec	48
WP833	Nuclear Non-Proliferation: Responding To Strategic Challenges	18-22 Dec	88
WP848	Investing In Peace: Spurring Private Involvement In Post-Conflict Peace Building	11-13 Jan	47
WP834	NATO Partners And Future Members: Aiming For Global Reach?	16-19 Jan	58
WP835	Encouraging Implementation Of Human Rights Standards	19-21 Jan	64
WP836	Energy Security In Europe	22-25 Jan	79
WPS07/2	Kosovo's Economic Development	26-29 Jan	58
WP837	Responding To Disasters: The Use Of Military Assets In Disaster Relief	29 Jan-1 Feb	82
WP838	How Can International Drugs Policies Succeed?	1-3 Feb	74
WP839	Russia: Internal Developments And Future Governance	15-18 Feb	94
WP868	Promoting Common Ground Between Muslim And Western Countries And Communities To Tackle Extremist Discourse	21-23 Feb	76
WP841	Countering Terrorism In Europe And North America: How Can A Community-Based Approach Be Developed?	26-28 Feb	69
WP842	The Future Of Public Diplomacy	1-3 Mar	71
WP825	Turkey's Accession Negotiations With The European Union: Towards A Renewed Impetus?	3-5 Mar	68
WP849	Afghanistan Compact - One Year On	6-8 Mar	74
WP843	China's Growing International Security And Diplomatic Role	15-19 Mar	67
WP840	Protection Of Children In Conflict Situations	19-23 Mar	74
WP846	Competitiveness In New Member States: A Model For EU Candidates And Neighbours? ( <i>In Hungary</i> )	19-21 Mar	64
WPS07/5	Managing Risk Through Policy Making: Sensible Precaution Or Fear Of Trying?	26-29 Mar	40
WPS07/4	The European Approach To Democracy Building	30 Mar-1 Apr	58
<b>52</b>	<b>Total Conferences</b>	<b>Total 06/07</b>	<b>3,502</b>
		<b>Average</b>	<b>67.3</b>
59	Total Conferences	Total 05/06	3637
		Average	62.7

### Conference Quality

We aim to provide high quality conferences and conference facilities.

Our targets for 2006/07 included:

- **Target 1 - Wilton Park conferences should achieve an average "excellent" rating for their programmes higher than the previous year's rating of 55.5%. The target was exceeded.**

The following table shows the three measurements for quality of Wilton Park conferences. The key quality measure is programme excellence. The 2006/07 excellence rating of 59.3% marks a high point for the Agency. It reflects the efforts and abilities of Programme Directors to ensure that our conferences address the most pressing issues at the right time, and are structured in such a way to promote effective outcomes.

### Conference Quality Results

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
<b>PROGRAMME</b>						
2006/07	1,201 59.3%	731 36.1%	89 4.4%	3 0.2%	0 0	2,024 [58.4%]
2005/06	1,115 55.5%	786 39.2%	92 4.6%	12 0.6%	2 0.1%	2,007 [55.2%]
<b>DISCUSSION</b>						
2006/07	1,121 55.9%	783 39.0%	94 4.7%	8 0.4%	0 0	2,006 [57.9%]
2005/06	1,064 53.1%	815 40.7%	115 5.7%	10 0.5%	0 0.0%	2,004 [55.1%]
<b>ADMINISTRATION</b>						
2006/07	1,805 88.9%	207 10.2%	16 0.8%	1 0.1%	0 0.0%	2,029 [58.6]
2005/06	1,693 87.0%	225 11.5%	28 1.4%	1 0.1%	0 0.0%	1,947 [53.5%]

The overall number of questionnaires completed, as a percentage of the total participants at our conferences, is shown above. Returns at 58% in 2006/07 represent the highest level that the Agency has so far achieved.

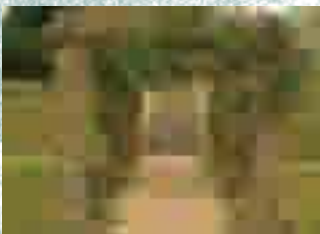
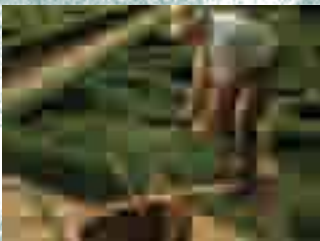
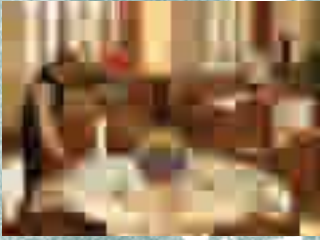
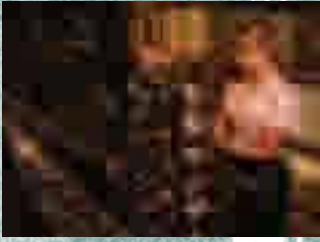


Feedback from visitors enables the Agency to identify opportunities for improvement, and to prioritise resources accordingly. As part of the Wilton Park conference questionnaire, we ask participants to also rate our services and facilities for the events held at Wiston House. Results for 2006/07 are shown in the following table.

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
<b>MEALS</b>						
2006/07	1,169 61.7%	576 30.4%	142 7.4%	7 0.4%	1 0.1%	1,895
2005/06	1,114 64.5%	489 28.4%	118 6.8%	5 0.3%	0 0.0%	1,726
<b>SERVICE</b>						
2006/07	1,606 84.9%	247 13.0%	37 2.0%	1 0.1%	0 0.0%	1,891
2005/06	1,451 83.7%	247 14.2%	33 1.9%	1 0.1%	1 0.1%	1,733
<b>ACCOMMODATION</b>						
2006/07	883 55.0%	444 27.7%	253 15.7%	22 1.4%	3 0.2%	1,605
2005/06	800 51.4%	463 29.7%	256 16.5%	36 2.3%	2 0.1%	1,557

We did not quite manage to keep pace with the 2005/06 high point for meals excellence. Excellence ratings for the first 9 conferences of the year averaged 56%, and thereafter 63%. The final result of 61.7% excellence is none-the-less commendable and marginally higher than we achieved in 2004/05. Finding the right balance of menu and food offering in order to appeal to the wide variety of tastes of our international visitors remains a constant challenge for our experienced brigade of chefs.

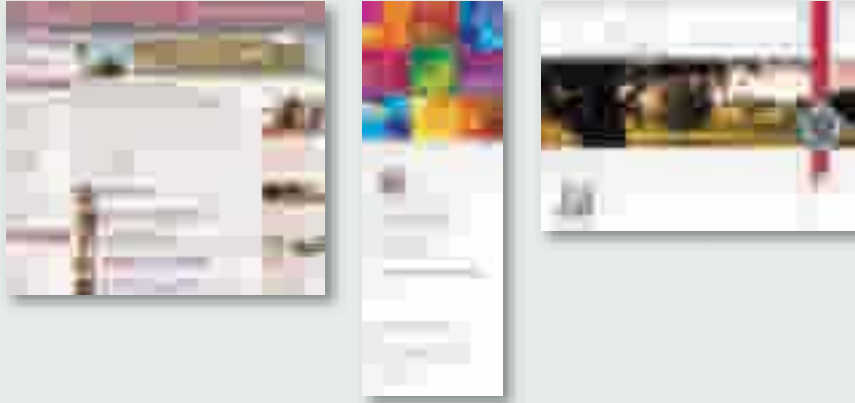
At no stage during the year did the quality of our service fall below 80% excellence. The improvement on 2005/06 signals another high point. Room ratings significantly improved on the previous year, perhaps reflecting the upgrading of a number of main public rooms and bedrooms, including further efforts to ensure high standards of decoration. The very high level of annual visitors to Wilton Park poses a number of logistical issues in this respect. High results demonstrate a flexibility of approach from all staff involved in the planning and organizing of conference and commercial events, and especially those who undertake decorative improvements within usually very tight turn-round times.



“

Wilton Park is one of the most professionally run conference centres we have ever encountered. We felt very well looked after from start to finish. The staff, the setting, the services... were tremendous.

The Aspen Institute



### **Promotion Of Wilton Park's Conferences**

The majority of Wilton Park's conferences are planned some 12 to 18 months in advance, and are published in our annual Calendar of Events.

The Calendar is distributed widely, including to regular networks of contacts within government entities in the UK and overseas, to existing contacts within a wide range of international and UK organizations, and to previous conference participants.

Details of forthcoming conferences are very much at the heart of the Wilton Park website [www.wiltonpark.org.uk](http://www.wiltonpark.org.uk). We continue to develop the website as a key tool for spreading information about Wilton Park conferences and for encouraging interaction with the international policy community. The site shows our conferences in nine policy themes and provides clear information on the full scope of our policy work. The site also contains background information about the Agency and its location, information on how to contact its staff and means of applying to participate in conferences.

As part of the wider dissemination of information on Wilton Park's conference activities, the site also provides a comprehensive range of reports on past conferences.

Information is provided about the Wilton Park International Association and Corporate Membership schemes.

### **Commercial Activities**

When Wilton Park conferences are not being held, the facilities at Wiston House are used by a wide range of entities for a wide range of activities. The Agency generates approximately 15% of its income through commercial use, predominantly through three different streams of business:

- As a training and development venue
- For conferencing and business meetings
- Weddings and other celebrations

During 2006/07, with a planned reduction in the number of Wilton Park conferences for the year, the extent of commercial events and revenues increased to an unprecedented level. Revenue from commercial food and accommodation charges was just short of £755,000, surpassing the previous highest level of £597,000 in 2004/05 (£562,000 in 2005/06).

A large element of this improvement came from the significant efforts made to plan our core Wilton Park conference programme further in advance, and thereby allow the opportunity for longer and higher value commercial events with a range of long-standing customers. The comparison with both 2004/05 and 2005/06 is telling, given that we have held the same number of Wilton Park conferences (49) at Wiston House in each of these last three years.

Our financial improvement for commercial events also stemmed from maintaining high levels of commercial activity through the financial year. Demand for use of the facilities at Wiston House remains strong, and we regrettably cannot accommodate a fairly large volume of requests to hire the facilities due to calendar conflicts and space limitations.

During 2006/07 we held a number of events with a range of entities running their own conferences, but where Wilton Park also provided input on either handling or administering the logistical aspects. These 'hybrid' events, neither a full Wilton Park conference nor organized solely by an external entity, provide an excellent supplement for our core business, often taking forward aspects of discussions arising directly in our conferences or on subject matters directly related to our core public diplomacy goals. One of these events, held in conjunction with Forest Research, is highlighted later in this report describing our Sustainable Development activities.

The Agency continues to play a proactive role within Conference Centres of Excellence ([www.cceonline.gov.uk](http://www.cceonline.gov.uk)), a UK consortium of leading conference and training venues. The consortium provides marketing opportunities, as well as a means of regular assessment of the quality standards offered by consortium members to their visitors.

The main Wilton Park website provides links to on-line information available on hiring the facilities at Wiston House. Alternatively, these can be directly accessed from our commercial website [www.wiltonpark.co.uk](http://www.wiltonpark.co.uk)

### **Support From The FCO**

The FCO plays a key role in supporting the work of the Agency. During 2006/07, the FCO sponsored a range of Wilton Park conferences in support of achieving major strategic priorities.

The total for 2006/07 at £799,000 (£686,000 in 2005/06) represented 41.1% (38.0%) of the overall value of conference sponsorship. The FCO continued to provide strategic sponsorship of £123,000 in support of Wilton Park's public diplomacy aims.

Additionally, the FCO provides Wilton Park with capital investment resources. During 2006/07, capital investments amounted to £343,000 (£293,000 in 2005/06). The total of non-cash resource costs, in part reflecting the depreciation of some assets in the last year of the old lease of Wiston House, amounted to £645,000 (£686,000 in 2005/06).

### Financial Targets And Results

The Departmental Board annually set the primary financial target for the Agency.

- **Target 3 - Wilton Park should recover all its running costs from conference and commercial income.** The running costs target excludes non-cash items as described in Note 4 to the Accounts. The Agency exceeded this target by £30,000, having fallen short of target by £202,000 in 2005/06.

Total planned income (and running costs) was £4,118,000. We achieved income of £4,091,000 (£3,884,000 in 2005/06), having adjusted our budgets in year to a revised income and expenditure level of £4,083,000.

Our Full Cost Recovery Target (reflecting full resource costs) was 86.1%. We achieved 86.9% (81.4% in 2005/06).

Informative comparison can be drawn from performance in the last three years:

	2006/07	2005/06	2004/05
Net WP Conferences	2,848	2,795	2,500
Commercial/Bar/Shop	847	628	665
Miscellaneous	106	124	154
<b>Total</b>	<b>3,801</b>	<b>3,547</b>	<b>3,315</b>
Running Costs	1,546	1,513	1,489
Permanent Pay Costs	2,077	2,057	1,784
Casual & Agency	144	179	148
<b>Total</b>	<b>3,767</b>	<b>3,749</b>	<b>3,421</b>
<b>Surplus/(Deficit)</b>	<b>34</b>	<b>(202)</b>	<b>(102)</b>

The improvement in our financial performance in 2006/07 is significant. This turn round has been achieved through:

- A better combination and stronger average contribution from both of our core conferences and commercial events, actively managing the nature of the risks involved in these two major components of our business;
- Strong improvement of average income levels generated from each Wilton Park conference, partly through higher participation levels;
- A reduction in the number of conferences held overseas;
- High levels of activity throughout the year, minimising the number of days when the facilities at Wiston House are not in conference or commercial use;
- Renegotiation of key commercial event contracts and strong income growth for commercial events;
- Renegotiation of key supplier contracts;
- Maintaining tight control of running cost expenditure.

We revised our budgets in year to take account of the departure of the Director of Conferences (Sheila Mackay), reducing accordingly expectations of the number of Wilton Park conferences we would hold from 62 to 55. We held 52 conferences, plus the Third Annual International Association Dinner and Conference.

Average revenue generated from each of the 52 conferences was more consistently strong throughout 2006/07 when compared to the year before. Results for Quarter 2, albeit anticipated as lower than the other three quarters due to the nature of the conferences held, were much better this year.

### *Quarterly Position - 2006/07*

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Results (£)	590,749	377,402	759,641	971,599	2,699,390
Conferences	11	8	15	18	52
Average (£)	53,704	47,175	50,643	53,978	51,911

### *Quarterly Position - 2005/06*

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Results (£)	562,521	467,606	751,677	850,294	2,632,098
Conferences	11	14	15	17	57
Average (£)	51,138	33,400	50,112	50,017	46,177

Last quarter conferences are usually financially the strongest, coinciding with conference charge increases which run on a calendar basis. Achieving a more even spread of conferences throughout the year will help to achieve two things: better spread the financial risks away from the final quarter, and, more importantly, reduce the severe workload impacts on staff.

Much of our management attention is rightly focussed on the extent of conference preparation; the balance of the programme (politically and financially); and the degrees of flexibility to move conferences forwards or backwards in our programme to meet stakeholder needs.

We continue to actively diversify the nature of funding sources for our conferences, spreading the associated risks. There are strong signs that conference sponsorship will become increasingly difficult to secure to the same level as we have recently achieved, especially from within UK government.

In the overall scheme of our finances, the £30,000 running cost surplus in 2006/07 is less than the income generated from a single Wilton Park conference. Our financial margins, and room for manoeuvre, remain extremely tight. Our ability to accurately predict successful financial outcomes becomes limited more than one month ahead.

### *Creditor Payment*

Our policy is to pay our creditors within the later of 30 days from invoice date or receipt of month-end statement, or within otherwise agreed trading terms. Of the 4,983 payments made to creditors (4,537 in 2005/06) 4,834 were paid on time (4,395 in 2005/06). Of the remaining 2.99% (3.13% in 2005/06), 0.64% were in dispute but paid within 30 days of the dispute being settled (0.46% in 2005/06).

### **Sustainable Development**

The White Paper "Active Diplomacy for a Changing World", launched on March 28th 2006, highlights as Priority 6: "Promoting Sustainable Development and poverty reduction underpinned by human rights, democracy, good governance and protection of the environment". The main contribution of Wilton Park to the Sustainable Development agenda is provided through Wilton Park conferences. One of Wilton Park's six core conference themes covers policies on the environment and sustainable development. Wilton Park is committed to the Government's prioritisation of sustainable development. Highlights of our Sustainable Development conferences are reflected below, in the "Conference Highlight" section of this Report.

### **Sustainable Operations**

Wilton Park continued its drive to reduce the environmental impact of its operations. We have an active working group looking at all of the Agency's operations to see where we can improve further on steps already taken, which include waste compaction, recycling of a range of waste materials, reducing consumption of resources such as bottled water, and encouraging shared transportation.

After a lengthy period of evaluation, technical study and project planning, significant progress has been made in our joint project with our landlord to implement a biomass heating system. The significant beneficial aspects of this project, primarily encompassing a significant reduction in our heating demand for carbon-emitting gas oil (and an associated large reduction in running costs given the high fuel market prices), have been widely recognized.

In order to simplify the design aspects of the project, we have opted for a pre-fabricated containerized solution. This takes into account the Grade 1 Listed nature of Wiston House.

Contracts have been awarded; foundations work has been completed; preliminary linking for the new system to integrate with our existing systems is also finished. Full-scale commissioning of the system is scheduled for July 2007, three weeks after delivery of the main biomass boiler and associated woodchip store.

The Wiston Estate, our landlord, has put its forestry management practices into place and sufficient wood is already cut, stacked and drying in the surrounding woodlands to meet quantities required for our biomass heating system in its first year of operation.

During 2006/07, we also enhanced our efforts to minimize the extent of waste going to landfill by investing in a waste composting machine. We now compost all of the cooked and raw food waste arising from our conference and events activities, and this composted material will be used in the grounds at Wiston House. As a direct result, we have been able to further reduce the amount of waste down to the equivalent of two 1100 litre waste bins per week, covering our entire operation.

### Wilton Park's Staff

The Agency's success is founded on high quality staffing at all levels and high priority is given to the management and training of staff.

We recognise that making best use of the talents and skills of all our staff makes us more effective and productive; we aim to create and sustain a culture that values and actively supports and promotes diversity. We recognise our responsibilities under the Disability Equality Duty and have formed a working group to look at how we can build on and improve our relationships with disabled employees and visitors. We continue to seek every opportunity to develop the potential of all staff at Wilton Park, and provide the necessary training for improving their performance, closing any skill gaps and for their personal development.

During the year, staffing levels increased from 72 to 75, including 29 part-time staff (the equivalent of 65 full time staff compared to 63 full time staff in the previous year).

This was a quiet year in terms of recruitment. Staff turnover decreased to 5.5%, with 4 people leaving (12 in 2005/06) and 7 recruited. Recruitment is carried out in accordance with the Civil Service Commissioners' guidance. We ensure that Civil Service standards on fair and open competition and selection on merit are observed.

The recruitment figures are shown in the table below:

	Total Recruited	% Female	% Ethnic Minority	% Disabled
SMS	2*	0	0	0
D	1	0	0	0
C	2	50	0	0
A	2	50	0	0

\* For the role of Chief Executive of Wilton Park.

During the year we experienced a high level of staff absence, which necessitated the short-term employment of 5 individuals. These 5 individuals were recruited as exceptions to selection by fair and open competition; they were required at short notice for a limited period of time ranging from one to six months. They provided cover in maintenance, administration and reception areas.

Our job-shadowing scheme has proved highly successful, as has our reward scheme, which recognises and rewards staff for outstanding achievements outside of their normal work remit. Awards were made to 19 members of staff, whether as individual nominations or working as part of a successful team effort. Most awards were made in recognition of staff members taking personal responsibility for the delivery of excellent customer services in difficult situations.

We have an active Health & Safety Committee, lead by the Personnel Manager, which meets quarterly to discuss a range of issues concerning the well-being of our staff and visitors.



### **Future Plans And Prospects**

Wilton Park has a long and proud history of shaping debate on key international issues. We aim to continue to deliver a valuable service to policy makers and opinion formers over the next decade and beyond.

Concentrating on the quality of our conferences is our key task. There need not be a conflict between that aim and the requirement to meet our running costs. Those who come to our conferences have a good experience and want to return. Of course, the environment is attractive. But busy opinion and policy-formers will not take time out to travel large distances and pay to attend a three-day conference simply because of the attractive surroundings and the excellence of our customer service. We must ensure that we maintain those high standards, but it is the quality of the debate and of the personal exchanges which are at the core of our business.

Europe has been at the centre of the Wilton Park agenda from its inception. But from that exclusive focus we have broadened our coverage of international issues to embrace all that is contained in the British Government's Strategic Priorities and we need to continue to develop that strength in depth. Some issues become "fixtures"; there, we must ensure that the agenda is regularly refreshed and that the participant lists also do not become static. We can make a difference in some areas on a short-term basis, with a conference, say, timed to fit a calendar of UN or other meetings. But we need also to be seen as a forum for debate on issues beyond the immediate horizons of ministers and politicians.

That happens. As a newcomer, it is a privilege to hear a frank debate among Africans about the policies that will support their countries' escape from poverty. It is encouraging to hear a visitor from Washington describe our plans in the Defence and Security area as "really exciting". We have drawn informed praise for the quality of our work on disaster responses, counter-terrorism and addressing

the nature of the dialogue with Islamic communities. We must continue, therefore, to listen to those who can help us innovate, to advance the agenda. That includes the Advisory Council, the International Council, UK Government Departments, a variety of intellectual partners in the UK and overseas.

### **Review of Performance**

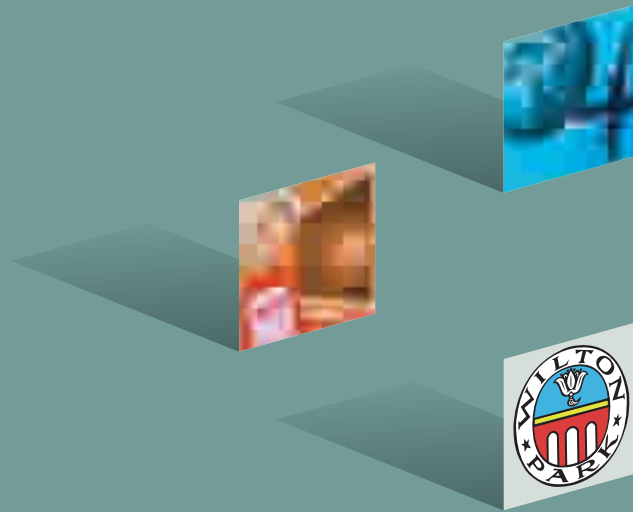
The academic independence guaranteed in the Framework Document and the need to cover our running costs mean that it must be for Wilton Park to retain ultimate responsibility for the themes we address. If we try to be bold, we will not always succeed. We therefore need to establish a financial framework which gives some assurance that we will not be a burden on the FCO Budget, and which allows more margin for experimentation. That opens up a complex debate, but as a minimum we must be better at broadcasting our success and at engaging the corporate sector in financial and intellectual support for what we do. The level of funding which we have received from overseas has been impressive, but dropped slightly last year; there too, we need to lift our effort to "market" our activities and our successes.

In looking forward, I cannot omit thanks to members of our International Association; the Friends of Wilton Park and the Sir Heinz Koeppler Trust, who play such an important supportive role, to Embassies and High Commissions in London, or to UK Missions overseas, who play such a crucial part in securing speakers or participants who can ensure our conferences are stimulating, fresh, financially successful, and relevant. They must continue to be key partners as we move from the success of 2006/07 to even greater success in the future.



Donald Lamont  
**Chief Executive**  
 26 June 2007





# Remuneration Report

## ***Service Contracts***

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. The officials covered by this report hold appointments which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Donald Lamont was appointed as Chief Executive of Wilton Park on a five year contract commencing 17 January 2007.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

### Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior officials of the Agency.

Name, Title	Salary 2006/07 (£'000)	Salary 2005/06 (£'000)
Donald Lamont, Chief Executive (from 17 January 2007)	15-20 (75-80 full year equivalent)	N/A
Adam Noble, Former Chief Executive (from 22 May until 15 September 2006)	20-25 (70-75 full year equivalent)	N/A
Nicholas Hopkinson, Director Planning	80-85	60-65
Sheila Mackay, Director Conferences (until 3 August 2006)	25-30 (55-60 full year equivalent)	25-30 (55-60 full year equivalent)
Tim Willows FCCA, Director Finance	50-55	50-55

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the Agency and thus recorded in these accounts.

Nicholas Hopkinson, Director Planning, was Interim Chief Executive from 1 February 2006 until 21 May 2006, and from 16 September 2006 until 16 January 2007.

### Civil Service Pensions

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account).

### Pension Benefits

Name, Title	Accrued pension at age 60 as at 31/3/07 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	CETV at 31/3/07 £000	CETV at 31/3/06 £000	Real increase in CETV £000
Donald Lamont (from 17 January 2007)	0 - 2.5 plus lump sum 0 - 2.5	0 - 2.5 plus lump sum 0 - 2.5	5	1	5
Adam Noble, Former Chief Executive (from 22 May until 15 September 2006)	15 - 20 plus lump sum 55 - 60	0 - 2.5 plus lump sum 0 - 2.5	314	288	2
Nicholas Hopkinson, Director Planning	15 - 20 plus lump sum 30 - 35	0 - 2.5 plus lump sum 0 - 2.5	256	222	16
Sheila Mackay, Director Conferences (until 3 August 2006)	0 - 2.5 plus lump sum N/A	0 - 2.5 plus lump sum N/A	12	8	5
Tim Willows FCCA, Director Finance	10 - 15 Plus lump sum 40 - 45	0 - 2.5 Plus lump sum 2.5 - 5	192	187	3

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60.

Further details about the CSP arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own costs. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### **Real Increase In CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Donald Lamont  
Chief Executive  
26 June 2007

# Support for Wilton Park Conferences

Many prominent organisations provided invaluable financial and other support for Wilton Park conferences in 2006/07. Nearly all such financial support is used to fund the attendance of participants from developing countries or NGOs, or to host Wilton Park conferences outside the UK. In 2006/07 the following public and private institutions from around the world supported the conferences:

## **British Government Departments and UK Agencies/Organisations**

British Council  
 Chatham House  
 Child Exploitation and Online Protection Centre  
 China Policy Institute, University of Nottingham  
 Connections For Development  
 Department for Environment Food and Rural Affairs  
 Department for International Development  
 Department of Trade & Industry  
 Department of Communities and Local Government  
 Department of Health  
 Foreign & Commonwealth Office  
 GAP Activity Projects  
 Gender Action for Peace and Security  
 Home Office  
 Metropolitan Police  
 Ministry of Defence  
 Radical Middle Way Initiative  
 Serious Organised Crime Agency  
 The Sir Heinz Koepller Trust  
 Trades Union Congress  
 Westminster Foundation For Democracy

## **International/Multinational Organisations**

Commonwealth Parliamentary Association  
 Commonwealth Secretariat  
 European Financial Forum  
 European Centre - Natolin, Warsaw  
 European Council for Foreign Relations  
 European Stability Initiative  
 Federation of European Securities Exchange (FESE)  
 GAVI Alliance  
 Global Fund to fight AIDS, TB and Malaria  
 Global Economy Group  
 Global Public Policy Institute  
 Office of the Special Representative of the Secretary-General for Children & Armed Conflict (OSRSG CAAC)  
 Organisation of the Islamic Conference  
 Parliamentary Centre, Africa Programmes, Accra  
 Paris EUROPLACE  
 Renewable Energy & Energy Efficiency Partnership (REEEP)  
 UNICEF  
 UN Office for Co-Ordination of Humanitarian Affairs (OCHA)  
 NATO  
 World Bank Institute



### ***Business Sponsors and Corporate Members***

BAE Systems  
 Barclays  
 British Sugar  
 Diageo  
 The D Group  
 DeLaRue  
 HSBC Insurance Holdings Ltd  
 Rio Tinto  
 SAB Miiller Plc  
 Science Applications International Corporation  
 Standard Chartered Bank  
 Standard & Poor's  
 Shell  
 Virgin Atlantic

### ***Other Governments and Overseas Agencies/Organisations***

Armenia Ministry of Foreign Affairs  
 Australia Federal Government  
 Canada Canadian International Development Agency  
 International Security Bureau of Foreign Affairs & International Trade  
 China CGA  
 Germany Federal Foreign Office  
 Deutsche Bundesbank  
 Deutsches Aktieninstitut  
 Heinrich Böll Foundation  
 Hungary The National Development Agency

Netherlands Ministry of Foreign Affairs  
 Institute for Multi-Party Democracy  
 Norway Royal Ministry of Foreign Affairs  
 Poland Ministry of Foreign Affairs  
 Sweden Swedish International Development Co-operation Agency  
 Switzerland Federal Department of Foreign Affairs  
 Swiss Agency for Development & Co-operation (SDC)  
 United States of America Ash Institute for Democratic Governance and Innovation, Harvard University  
 Bill and Melinda Gates Foundation  
 Carnegie Endowment for International Peace, Middle East Programme  
 Centre on Public Diplomacy, University of Southern California  
 Democracy Institute  
 Defence Threat Reduction Agency  
 Lawrence Livermore Laboratory  
 Rockefeller Brothers Foundation  
 Sandia National Laboratories  
 US Mission to NATO  
 United States Institute of Peace, Washington



# Conference Highlights

## *Defence And Security*

Our internationally respected programme addresses the decisive issues in international security, with a strong focus on defence policy. We also seek to bridge the gap between military and civilian actors by facilitating direct contacts; the absence of which so often hampers effective co-operation.

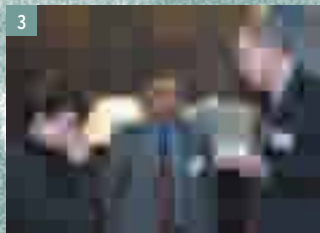
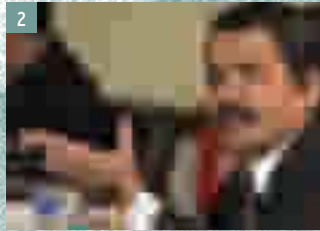
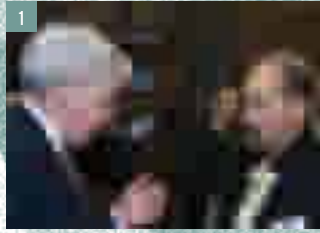
The ongoing crisis over Iran's nuclear ambitions and North Korea's nuclear test brought nuclear issues into sharp relief for our annual flagship international meeting on **Nuclear non-proliferation: Responding to strategic challenges**. This conference, the latest in a series now well into its second decade, brought together 89 experts and practitioners from 30 countries and institutions. They agreed that the non-proliferation regime faces structural and immediate challenges that are certain to test its resilience to the utmost. *Nonetheless, many insisted that the underlying strength of the regime remained robust. "The conference was excellent preparation for leading the UK Delegation at the 2007 Non Proliferation Treaty PrepCom, both in terms of the substance of the discussions and networking with colleagues and opinion-formers,"* said

one senior British official. Pursuing *"trilateral discussions on co-ordinating US-UK-France nuclear policy public affairs"* was the post-conference aim of one senior US participant. The conference was *"world class in all respects: substance, style, and service with a genuine smile,"* said another.

International action to combat the threats posed by chemical and biological weapons were the focus of our regular meeting on **Chemical and biological weapons: Facing future challenges**. Advances in science and technology, especially the life sciences, economic globalisation, and the new threat of terrorist use of such weapons, combine to create formidable challenges for future non-proliferation efforts. A number of fresh initiatives to enhance and reinforce the international network against proliferation were discussed.

The role of nuclear deterrence in the changing security environment was debated at our conference on **The future of nuclear deterrence** by experts from military, political and research centres. Advocates of deterrence have been compelled to re-assert their case, and to develop new arguments in the changing international situation since the



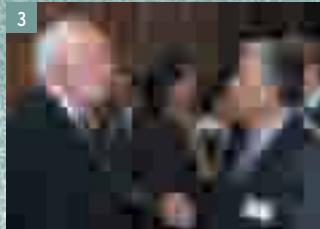
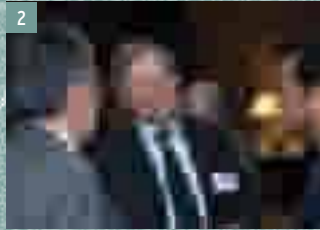
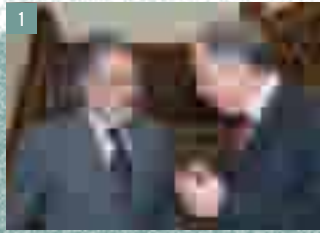


1 (L-R) Mervyn Lee, Executive Director, Mercy Corps, Edinburgh and Alan March, Humanitarian Coordinator, AusAID, Canberra

2 Bakri Beck, Deputy for Emergency Response, BAKORNAS PB Jakarta

3 (L-R) Brigitte Brenner, Chairperson, UN-OCHA Consultative Group with Arjun Katoch, Chief, Field Co-ordination, UN-OCHA, Geneva and Nick Slinger, Deputy Military Adviser, United Kingdom Mission to the UN, New York

4 Aditya Singh, General Officer Commanding Chief, HQ Southern Command, India



1 (L-R) Zalmi Rassoul, National Security Adviser, Afghan Government, Kabul and Kim Howells, Minister of State, Foreign & Commonwealth Office, London

2 (L-R) Zalmi Rassoul, Sherard Cowper-Coles, UK Ambassador to Afghanistan and Ahmad Fahim Hakim, Commissioner, Afghan Independent Human Rights Commission, Kabul

3 (L-R) Francesc Vendrell, Special Representative of the European Union for Afghanistan, Kabul with Lutfullah Latif, Editor, Afghan Stream, BBC World Service, London

4 (L-R) Safia Siddiqi and Shinkai Karokhail, Members of Parliament, Wolesi Jirga, National Assembly of Afghanistan

end of the Cold War. The conference discussions are being fed into a major think-tank study of possible arms control measures with Russia, which is being prepared for use by a new US Administration in 2009, and a report on the questions raised was made for NATO's Nuclear Policy Group.

NATO experts gathered to discuss **NATO and partners: Aiming for global reach?** NATO's operational role, its future membership, and its co-operative relations with the EU and UN are all shifting. But NATO's operational capacity to address crises; failed states, natural disasters and humanitarian emergencies will continue to determine its relevance. NATO's future will probably not be about creating a new security role, but about adapting its existing work. NATO, it was argued, needs a new strategic concept to articulate its role both to governments and to the publics of NATO member states. Afghanistan is clearly a key "make or break" test.

As the insurgencies in Afghanistan and Iraq intensified, military and civilian personnel from North America and Europe met to discuss **Tackling counter-insurgency (COIN) and post-conflict reconstruction.** The two communities often work in isolation from one

another, and they have few opportunities for informal exchange of the kind that Wilton Park provides. The participants readily agreed that a comprehensive and integrated approach to both COIN and post conflict reconstruction, weaving together military and civilian/governmental and non-governmental capacities, is critical to success. Setting realistic expectations and goals in building a comprehensive approach is also necessary. Better co-ordination to identify and address the gaps in the international effort by multiplicity of agencies and actors is essential. New ideas from the discussions were fed into the preparations for a new US Army manual on counter insurgency doctrine.

Experience gained on civilian and military field co-operation during the Asian Tsunami and earthquake in Pakistan were assessed at our conference on **Responding to disasters: The use of military assets in disaster relief.** It was suggested that the international military should work under civilian control and develop better integrated assessments and joint operating doctrine and structures with their civilian counterparts. It was also agreed that joint training and exercises engaging with civilian humanitarian agencies should be developed.

### ***The Afghanistan Compact: One year on***

Our conference on the **Afghanistan Compact**, the central strategic framework for rebuilding Afghanistan, was held one year after the Compact was agreed. It aimed to identify the obstacles to the implementation of the Compact, and examine the options for addressing these, and to identify future challenges. It engaged Afghan Government ministers, parliamentarians, governors and civil society representatives, together with officials from the UN and other international organisations, donor governments, Afghanistan's neighbours and policy analysts. The security situation was necessarily high on the agenda, in its widest sense, including the need for access to justice, human rights and governance writ large. However, while there are serious security challenges in the south of Afghanistan, this should not obscure progress made elsewhere, and success needs to be rewarded. Peaceful parts of Afghanistan risk being overlooked by government and donors. One Governor said, *"I hope in the application of the Compact the deprived regions won't be forgotten."* The Afghan Government needs to explain better the Compact and its national development strategy to the Parliament and public. The international community needs to demonstrate greater coherence in its activities, especially its counter-narcotics strategy. *"We need to work together to ensure a comprehensive approach, with international partners playing a joined-up, supportive role,"* said Dr Kim Howells MP, Foreign Office Minister. The conference helped advance a consensus towards a joint strategy among donors.

### **Justice And Home Affairs**

Wilton Park has been working to facilitate innovative ways of fostering international co-operation in addressing some of the most sensitive issues in current Justice and Home Affairs policy. Discussions on organised crime, cross border jurisdiction and migration policy have brought together specialists who traditionally work in national frameworks together with NGO experts, practitioners and researchers. Innovative approaches and the creation of effective international networks to implement new policy ideas have been at the heart of discussions.

In the lead up to the United Nations General Assembly Special Session on Narcotic Drugs, due in 2008, our sixth conference on international drugs policies, **'How can international drugs policies succeed?'** examined the impact of current policy on the streets, and the role of international bodies. Specialists from twenty-nine countries, including West Africa and the Caribbean, discussed proposals for more effective tailoring of international strategy to specific regional and country circumstances. These ideas include better ways of disrupting supply, demand reduction, the development of alternative livelihoods, and the need to strengthen judicial and law enforcement.

Compelling arguments were made for greater integration of evaluation recommendations in the development of policy, and for more innovative ways to measure success in the "war on drugs".

Our series of meetings bringing police and security services together with representatives from Muslim communities from many countries to discuss counter terrorism have continued with our conference on **'Countering terrorism in Europe and North America: How can a community-based approach be developed?'** A partnership approach is essential and can be successful, as recent UK, Canadian, Dutch and Danish experience suggests. This provided useful lessons for those concerned with preventing acts of terrorism and facilitating the development of resilient Muslim communities. *"It was very refreshing,"* one speaker said, *"to see how far many have progressed in their understanding and programmes since the last conference"*.

As an indicator that the issue of travelling sex offenders who abuse children is now a truly global problem, forty countries were represented at our conference on **Travelling child sex offenders: Online interests; offline consequences**. Participants from law enforcement agencies, the tourism industry,

### **Challenging stereotypes**

Working for the first time with the General Secretariat of the Organisation of the Islamic Conference (OIC), our conference on **Challenging stereotypes in Europe and the Islamic world: Working together for constructive policies and partnerships** discussed practical measures to combat stereotypes and prejudice. *"You cannot outlaw fear and hatred - only their expression - and even then you run the risk of trampling on basic freedoms"*, the conference was told by a British Muslim judge. At the same time, a senior Western official suggested governments could sometimes *"remind the media of their responsibilities"*. Could Europe's Muslims be the 'missing link' between Islam and the West? Or is the solution rather to be found in education, in both Western and Islamic worlds? Education was certainly seen as a key long-term response. As well as OIC officials, the event brought together senior figures from the European Union, and its Member States, the Organisation for Security and Co-operation in Europe (OSCE) and the United Nations, and also Muslim and non-Muslim academics, journalists and human-rights activists.

The opening speakers were filmed and interviewed by British Satellite News, and the extended news report was sent by satellite for use by their television station clients in the Middle East, Asia and Africa. The BSN news report was also web-streamed on our website.

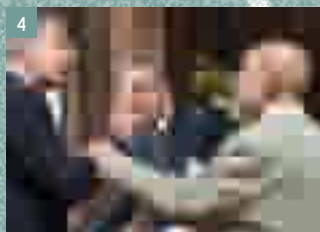
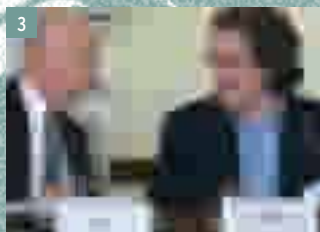
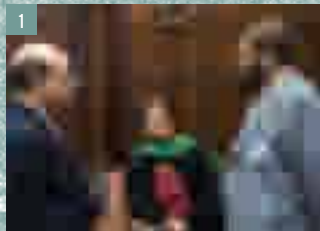
1 (L-R) Masood Khan, Permanent Representative of Pakistan to the United Nations in Geneva, Asma Jahangir, UN Special Rapporteur for Freedom of Religion and Belief, and Abdul Wahab Noorwali, Assistant Secretary-General, World Assembly for Muslim Youth, Jeddah

2 (L-R) Ibrahim Kalin, Associate Professor of Islamic Studies, College of the Holy Cross, Worcester and Ekmeleddin Ihsanoglu, Secretary General, Organisation of the Islamic Conference, Jeddah

3 (L-R) Anas Al-Shaikh-Ali, and Roger Hardy, Middle East and Islamic Affairs Analyst, BBC World Service, London

4 (L-R) Giama Bukleb, Media Adviser, Libyan People's Bureau, London, Salem El Houni, Assistant Secretary General, Organisation of the Islamic Conference, Jeddah, and Hany El Banna, President, Islamic Relief, Birmingham

5 (L-R) Kamal Ahmed Aboulmagd, Vice President, National Council for Human Rights, Cairo and Khurshid Drabu, Constitutional Adviser, Muslim Council of Britain





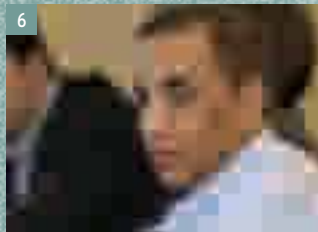
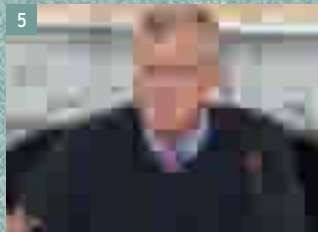
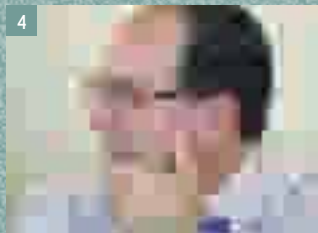
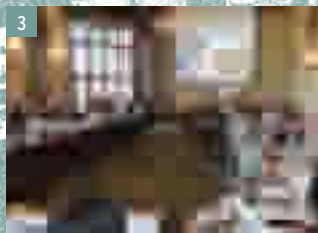
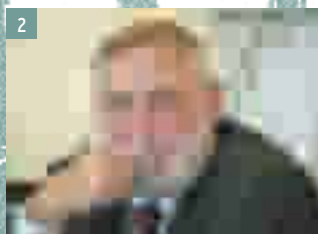
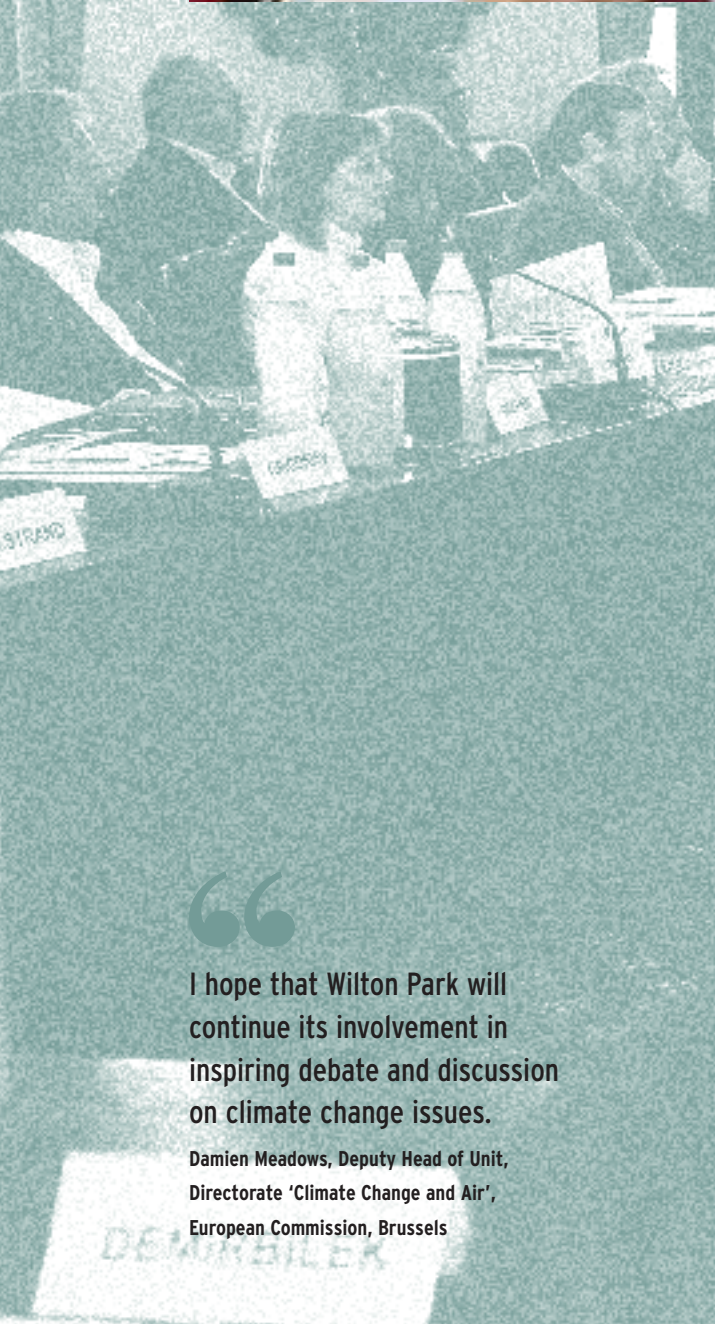
1 David Miliband, Secretary of State, Department for Environment, Food and Rural Affairs, London (since July 2007, Secretary of State for Foreign & Commonwealth Affairs)

2 Franz Fischler, former Commissioner for Agriculture, European Commission

4 Paolo de Castro, Italian Minister for Agriculture

5 John Mogg, Chairman, The Office of Gas and Electricity Markets (OFGEM), London

6 Atul Arya, Vice President, Strategic Analysis, BP plc, London



I hope that Wilton Park will continue its involvement in inspiring debate and discussion on climate change issues.

Damien Meadows, Deputy Head of Unit, Directorate 'Climate Change and Air', European Commission, Brussels



NGOs, and Internet Service Providers, discussed what more could be done at an international level to protect children. As a result of the conference, a website has been created linking NGOs working on child protection issues. There was also agreement that the international Virtual Global Task Force, an online initiative bringing together law enforcement agencies from around the world, to enable them to communicate rapidly to protect children online, now needs to be extended to protect children 'offline', so that staff can be immediately deployed to a problem areas anywhere in the world where children are at risk.

Migration continues to be one of the greatest challenges faced by the global community, and the debate is high on the political agenda in many countries. Our conference '**Global migration: Facing the challenges**' brought together specialists and practitioners from source and destination countries to consider push and pull factors and to progress discussion on the multi-lateral approach. Following the conference, all participants were invited to input to the survey of priorities, undertaken by the Belgian Government to inform the new Global Forum for Migration and Development.

### **European Union**

**European unity, in the broadest sense, lies at the very heart of Wilton Park's origins and remains a core focus for our work. The impact of the last round of EU enlargement, and the prospects for future enlargement are a key part of our EU agenda, covering issues such as enlargement fatigue, economic competitiveness, agricultural policy, the EU's growing role in South East Europe, and contentious issues such as Turkey, and the EU's new eastern borders.**

Our conference on **Turkey's prospects for accession to the EU** discussed the strategic case for Turkish accession. Turkey's political, social, juridical and economic transformation has been remarkable. The EU should take greater advantage of the influence and networks that Turkey exercises given its close involvement with Iran, Iraq, the Middle East, and South East Europe. The accession

process should improve relations with Greece, and also reinforce efforts for a Cyprus peace settlement. Turkey, an important symbol of compatibility between democracy and the Muslim religion, is now the ninth largest economy in Europe. Has the rise of enlargement fatigue reduced the prospects for Turkey and the countries of South East Europe joining the EU?

With enlargement fatigue figuring increasingly highly in the EU public opinion polls, we organised at short notice, a conference for policy-makers from South East Europe on **Combating enlargement fatigue**. It looked at how to develop effective and credible communications strategies to address the concerns of key interest groups in EU Member States. New ideas were outlined by our partners, the European Stability Initiative (ESI) in this, our seventh joint conference. Detailed follow-up was requested by officials from South East Europe. The key step for South East European Governments is to develop a detailed understanding of the debates within the EU member states, while also carrying out effective reforms at home, so that the case for EU accession is credible.

As the EU prepares to take a greater role in Kosovo, senior Ministers and officials from Kosovo, together with opposition leaders from the two main communities, came to our latest conference on **Kosovo's economic development**, also convened jointly with ESI. The Kosovo team discussed the Government's latest economic development plan with officials from the EU, the World Bank, and other donors. *"It was crucial to get all the actors round the table. This would not have been possible in any other setting,"* said one participant. He added; *"There were more original ideas in 2 days on what to do concretely about the employment crisis than in the current plan."* The next steps for improving the development plan were intensely debated. The plan has to build trust with the Serb minority. The question was raised; could Kosovo become a centre for textiles, like Macedonia and Turkey? There is also an urgent need to address rural development.

Agriculture's role as a strategic asset for Europe, providing quality food for its citizens and contributing to reduced climate change was discussed at our conference on

**Agriculture in Europe: What is the future?**

A vision for European agriculture, ahead of the 2008 CAP 'Health Check' was outlined by Rt Hon David Miliband MP, Secretary of State for Environment, Food and Rural Affairs, and his Italian counterpart, Agriculture Minister, Professor Paulo De Castro. The debate is intensifying, in particular, over the distribution of financial support to increasingly diverse models of agriculture in an enlarged Europe.

Differences of approach within the EU on improving Europe's energy security were discussed by policy-makers, oil industry specialists and policy researchers at our conference on **Energy security in Europe**. Differences between EU member states over the relative importance of climate change, as opposed to energy security objectives, need to be overcome. Continued gains in energy efficiency and the commercialisation of carbon capture and storage technology are major priorities, as is more creative thinking on the organisation of cities to reduce transport emissions.

The global economic competitiveness of the European Union was discussed at two overseas conferences. The first, held in Frankfurt, looked at **How best to promote growth, employment and competitiveness?** It was co-organised with the German Bundesbank and the British Department of Trade and Industry. Economic reforms are not necessarily effective unless they are implemented as part of wider social and economic changes, it was observed. When introducing reforms, consultation with Social Partners, and giving clear explanation to the public, are essential. A focus only on labour market flexibility can undermine social cohesion and preparedness during times of economic change. It can be a mistake to introduce reforms if governments do not set out the right macro-economic conditions for the reforms to work.

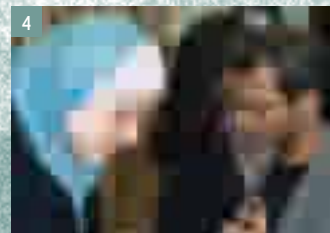
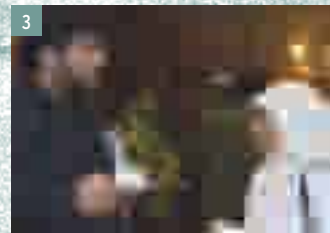
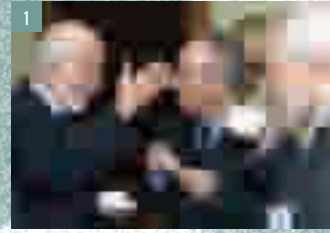
Many lessons for EU Member States emerged at our conference in Budapest on **Competitiveness in new member states**. It was clear that the Central European Member States, which have undertaken extensive economic reform in the past 18 years, can provide many useful examples. Governments in Central Europe have faced a number of challenges. Sustaining a strong fiscal position and improving the efficiency of public expenditures combined with programmes to modernise and develop infrastructures especially in transport, energy and information technology are important. Improving the business environment through better regulation and enhancing competition can enhance an economy's productivity and also mitigate labour market tensions. The conference was co-organised with the Hungarian National Development Agency, and was supported by the Global Opportunities Fund of the Foreign & Commonwealth Office.

**Engaging With The Islamic World**

**Elaborating policies towards Muslim communities in Europe and North America, as well as engaging with the Islamic world meaningfully, are a key part of our agenda.**

Strategies for engagement with young Muslims should be diverse and recognise that people are not homogenous and that dialogue at grass roots level is key. These were among the main conclusions of **'Engaging with Muslim youth in Europe and North America,'** opened by the Solicitor General, Mike O'Brien MP. Representatives from 19 countries, including Denmark, Egypt and Tunisia, discussed the need to recognise that the responsibility for tackling extremism is a two way process, that politicians should work with leaders who are truly representative of their communities and that a sudden rush to engage groups, primarily on issues of security in response to an immediate crisis, can expect to have limited success. This conference is one of a series undertaken by Wilton Park to promote more effective integration.





1 (L-R) Dr Abdallah Omar Nasseef, President, World Muslim Congress, Jeddah, Ahmed Toufiq, Morocco's Minister for Habous and Islamic Affairs and Imam Feisal Abdul Rauf, Chair, Cordoba Initiative, New York

2 (L-R) Mike O'Brien MP, Solicitor General, HM Government, London and David Gersten, Director of Civil Rights and Civil Liberties Programmes, Department of Homeland Security, Washington DC

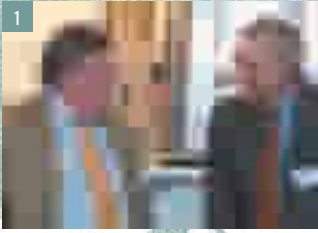
3 (L-R) Abdul Rehman Malik, Q News - The Muslim Magazine and Shareefa Fulat, Department of Communities & Local Government, London

4 (L-R) Olga Gora, aid worker and Professor Imtiaz Ahmed, University of Dhaka

5 (L-R) Dr Ali Gomaa, Grand Mufti of Egypt and Shaykh Abdullah bin Bayyah, Scholar; Professor, King Abdal Aziz University

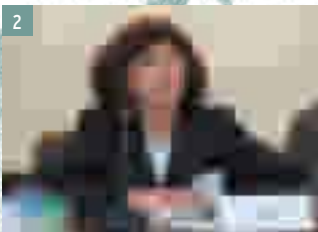
6 (L-R) Mariot Leslie, Director for Defence and Strategic Threats, Foreign & Commonwealth Office with Shaykh Hamza Yusuf, Founder, Zaytuna Institute, California and Mokhbul Ali, Islamic Issues Adviser, Engaging with the Islamic World Group, Foreign & Commonwealth Office





1

1 (L-R) Randall Gossen, Vice President, Nexen Inc, Calgary with Christian Much, Federal Foreign Office, Berlin



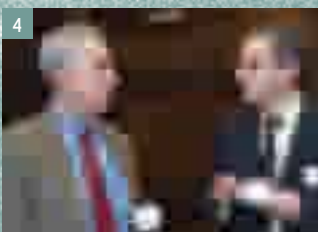
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2 Ulrike Haupt, Head of Department, German Ministry for Economic Co-operation and Development, Bonn



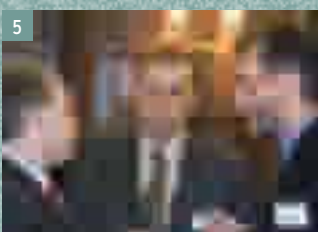
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3 (L-R) Thomas Nziratimana, Vice Governor, South Kivu Province, DRC Government with Karen Diatta, Toigo Foundation Fellow, Notre Dame University



4

4 (L-R) Oliver Williams, Director, Centre for Ethics and Religious Values in Business, University of Notre Dame, Indiana and Hans-Peter Meister, Chief Executive Officer, Institut für Organisationskommunikation GmbH, Bensheim



5

5 (L-R) Muharrem Ibrahim, Ministry of Finance and Economy, Kosovo, Sefedin Sefaj, Manager, Bank for Business, Pristina and John Bray, Consultant, Control-Risks Information Services, London



6

6 (L-R) Andrew Bearpark, Director General, British Association of Private Security Companies, London, Adela Gooch, Programme Director, Wilton Park and Peter Wittig, Director General for Global Issues, Federal Foreign Office, Berlin

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Extremist discourse is often pointed to as a likely precursor to involvement in terrorism. Our conference on **Creating common platforms between Muslim and Western societies to tackle extremist discourse** engaged influential Muslim scholars, including Dr Ali Gomaa, the Grand Mufti of Egypt, and Shaykh Abdullah bin Bayyah, Professor at King Abdul Aziz University, Jeddah, and also a member of the European Council of Legal Opinion and the Supreme Fiqh. One practical step identified was to address how the international media reports the issuing of fatwas (legal pronouncements). By describing an opinion expressed by someone who is not a trained scholar as a fatwa, international media have unintentionally supported extremism. A mainstream understanding of Islam, clarifying misconceptions, needs to be articulated and broadcast widely, using popular media, for the benefit of contemporary society, especially young Muslims in the West.

#### **Governance, Human Rights And Democracy**

**The future of democracy in established democracies, and of support for democracy and democratic politics, and mainstreaming gender equality, and the human rights agenda, are a growing part of our work.**

As democratic elites in stable or mature democracies become disengaged from their publics, can civil society counter apathy over the political process to maintain democratic governance and state accountability? To try to answer such questions, we worked with the Ash Institute for Democratic Governance and Innovation at the John F. Kennedy School of Government at Harvard University on **Strengthening democratic governance: The role of civil society**. The event was global in perspective engaging participants from some 28 countries, from a wide range of governmental and non-governmental backgrounds. Controversial issues such as the accountability and legitimacy of civil society and non-governmental organisations were intensely analysed. The diversity of civil society is arguably its greatest strength in enabling it to make a distinctive contribution to democratic governance.

Promoting democracy, has been the backdrop for some of our most intense reflections. The perspectives of ruling elites in the Middle East on political, economic and social change were considered at a special conference on **Managing reform in Arab countries**. It was convened for the Middle East Programme of the Carnegie Endowment for International Peace. The conference brought together

#### **Investing in peace**

During our conference on **Investing in peace: Spurring private involvement in post-conflict peace-building**. Participants from business, NGOs and governments agreed that responsible private sector investment in post-conflict settings has a crucial part to play in breaking the conflict trap, not only in economic terms but also by providing hope and a future perspective for war-torn societies and leaders. The conference was held in partnership with the German Foreign Ministry which has spear headed efforts in this area through the United Nations Security Council and other fora, and with intellectual input from the Berlin-based think tank, Global Public Policy Institute, gppi. According to those present, the most important role for the private sector is taking risks and undertaking its core business in a responsible way. When discussing investment in conflict zones, considering time, sequencing and pacing is crucial. Partnerships are valuable in reducing or managing risks in post-conflict settings and in passing on experience. A basic regulatory framework is a prerequisite for attracting investment. All stakeholders of post-conflict investment and peace development - home states, host states, the international community and the private sector, should recall that the cost of failure is high and could result in the re-emergence of violent conflict.

well-known advocates of reform from six Arab countries, together with Middle East analysts from Europe, the US and Arab world to consider deeply what the political and reform agenda means in practice. The discussions are being followed up by detailed research to be published in 2007 and 2008 by the Carnegie Endowment to be available in time for the next US Administration.

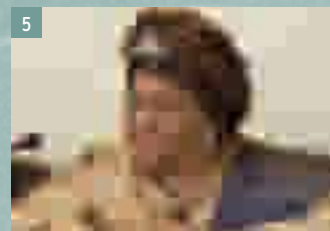
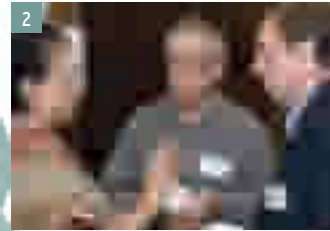
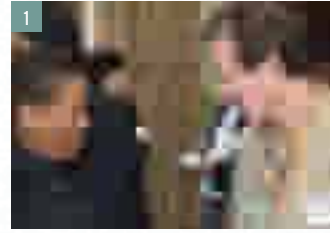
That promoting democracy is so often identified only with US policy towards Iraq, has put a shadow over decades of European work supporting democratic politics throughout the world. We worked closely with Thomas Carothers, Vice President of the Carnegie Endowment, and a leading authority on the democracy agenda, for our conference on identifying **European approaches to supporting democracy**. It highlighted the essence of what makes the European democracy approach unique; its focus on long-term developmental perspectives. The framing of a common agenda on democracy support, on which interested actors in Europe could unite, was discussed and has been followed up in the conference report. This has helped create agreement on a strategy for raising the profile of democracy support during two supportive EU Presidencies; the Swedish and Czech Presidencies in 2009.

Human rights are an integral component of the debate. The establishment of the UN Human Rights Council in 2006 was intended to herald a new era for human rights work. However, discussions on how to make the Council operational are still politically polarised. Our conference **Encouraging implementation of human rights standards** looked at fresh approaches to improve human rights monitoring and protection globally. Wilton Park's discreet and neutral residential setting, with informal discussions on an equal footing engaging governmental and non governmental participants, was felt to have helped reduce confrontational stances and inject some new perspectives into the debates.

UN efforts to reaffirm the role of women in the prevention and resolution of conflicts were addressed in our landmark conference **'Peace and security: Implementing UN Security Council resolution 1325'**. Opening the conference, the President of Liberia, Ellen Johnson Sirleaf, spoke of the ways in which women have *'transformed peace processes on every continent by organising across political, religious and ethnic affiliation'*. She described how, in 2002, the Liberia Chapter of Women in Peace Building Network mobilised a mass sit in for peace at St Peter's Lutheran Church, the scene of the first major massacre of the civil war. Further cases from countries such as Fiji and Uganda, provided other examples of ways in which women have been able to establish effective projects and networks despite limited resources.

### **Children and Armed Conflict**

Two hundred years after the abolition of slavery, the problem of children as victims of war and child soldiers is still a major issue for the United Nations. As part of the UN 10 Year Review of Graca Machel's study on children and armed conflict, the conference brought together previous and present UN Special-Representatives, field workers, and representatives of UN agencies, and policymakers from a wide range of governments. Cases of young girls and women being subjected to rape as they collected firewood in Sudan and the difficulties of developing employment-generating schemes for child soldiers as they demobilise in West Africa were outlined. The UN Review, led by Beth Verhey, who spoke at the conference, is looking at ways of capitalising on ten years of work in setting standards. With UN Security Council Resolution 1612 in place, it was agreed that the next key step was to generate political will so that harm to children in armed conflict becomes a thing of the past.



1 (L-R) Pansy Tlakula, Chief Electoral Officer, Pretoria and Manfred Nowak, United Nations Special Rapporteur on Torture

2 (L-R) Hina Jilani, Special Representative of the UN Secretary-General on the situation of human rights defenders, Chris Sidoti, Director, International Service for Human Rights, Geneva and Michael Posner, President Human Rights First, New York

3 (L-R) Anwarul Chowdhury, former President of the United Nations Security Council, Marilou McPhedran, Chair, Women's Activism and Constitutions, University of Victoria, Patricia McCullagh, Director, Policy Branch, CIDA, Gatineau and Joan Ruddock, Member of Parliament, House of Commons, London

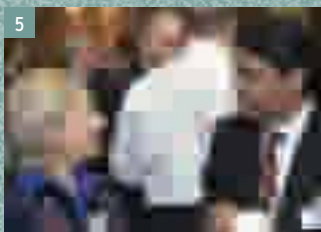
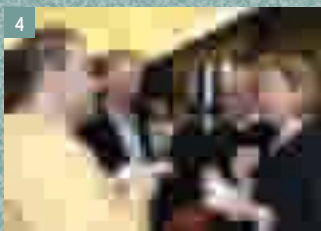
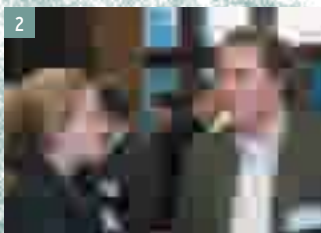
4 Foreground (L-R) Yetunde Teriba, Africa Union Commission, Grace Akello, former State Minister for Northern Uganda Rehabilitation, Elsie Onubogu, Commonwealth Secretariat, and Hodan Addou, United Nations Development Fund for Women (UNIFEM)

5 Ellen Johnson-Sirleaf, President of the Republic of Liberia



**“The Future of Public Diplomacy” conference was one of the best professional development events I have had the privilege to attend.**

**John Carman, Deputy Director, Strategic Communication, US Joint Forces Command, United States of America**



- 1 (L-R) Ali Fisher, Director, Counterpoint, British Council, London, Lucian Hudson, Director of Communication, and Jolyon Welsh, Head of Public Diplomacy, Foreign & Commonwealth Office, London
- 2 (L-R) Rachel Briggs, Head, Identity Programme, Demos, London and Hans-Peter Van Der Woude, Head of Public Diplomacy, Ministry of Foreign Affairs, The Hague
- 3 Lord Triesman, Parliamentary Under-Secretary of State, Foreign & Commonwealth Office, London
- 4 (L-R) Ivica Boceviski, Deputy Editor-in-Chief, Ministry of Foreign Affairs, Skopje, Søren Dehn, Ministry of Defence, Denmark, Victor Munteanu, British Embassy, Chisinau and Colleen Graffy, Deputy Assistant Secretary of State for Public Diplomacy, US Department of State, Washington
- 5 (L-R) Nicole McKinnon, Director, Information and Public Diplomacy, Québec Government and Arif Shahid Khan, Public Diplomacy, Ministry of External Affairs, New Delhi

### Key Regions And Countries

Russia, China, Ukraine, Burma, the Caucasus, and Latin America provided the focus of work this year. The clash between expectation and reality – both domestic and inspired from abroad, tensions between swift economic growth and sluggish reform in other areas and the role of international institutions and other external actors in transitional states were all addressed.

At a time when relations with the West are particularly prickly, Wilton Park has continued to be a forum for in-depth discussion on the future of Russia. Our conference, **Russia: Internal developments and future governance** concluded that the system of government is suspended unsustainably between past and future, dictatorship and democracy with uncertainty over President Putin's successor adding to the tension. Russia is still building a nation state and has now made its own civilisational choice. A panel on national identity, that included a representative of the Russian Orthodox Church, generated particular interest. *"We discuss issues here in a way that is virtually impossible at home,"* said one Russian participant. Russia does have a clear

foreign policy strategy: the multi-vector foreign policy. High energy prices and economic recovery have increased Russia's options. But there are risks: of renewed economic stagnation; of rising nationalism; and, even, of systemic collapse. *"Civil society and a market economy cannot be created from above,"* said a participant from the banking world. In future expectations on both sides should be more modest.

Our conference, **Ukraine: A Euro-Atlantic vocation** provided the first international forum for Western policymakers to discuss with leading figures from Ukraine the viability of a new coalition government that included pro-Western and pro-Russian factions. The terms of a new gas deal with Russia, following a crisis triggered by cutting off supplies earlier in the year, was a key issue as were adherence to a customs regime with Moldova, and, critically, progress towards accession to the World Trade Organisation. It was broadly concluded that the West should accept Ukraine abandoning plans to join NATO, and keep the door open on a potentially transformative relationship with the EU.

### Public Diplomacy and Youth

As foreign ministries seek to redefine public diplomacy and to consider how they can engage more effectively with new partners, the use of new tools was examined in depth at the conference **'The future of public diplomacy'**. Innovative sessions at the conference explored the potential of virtual 'social worlds,' and considered how to harness the creative energies of the scenario and contingency planning of the 'PDLab'. The Wilton Park format provided an ideal stage for actors from across the spectrum to explore the potential for new networks and build better understanding across states and stakeholders.

**Atlantic Youth Forum & British German Forum.** Wilton Park continues to invest in future leaders and this year held the 21<sup>st</sup> British German Forum (BGF) and the 4<sup>th</sup> Atlantic Youth Forum (AYF). These annual events involve younger people in the critical policy debates that impact on trans-national relations.

This year's BGF focused on **'Building modern societies in the 21<sup>st</sup> century: Integration, ideology and identity'**, a theme which was further explored by the 18-24 year olds at the AYF where young people of 19 nationalities met politicians, senior policy makers and opinion formers to discuss development, climate change, human rights and state security. Many of the young people who take part in these events will be in positions of influence in years to come: Wilton Park looks forward to welcoming them back.

China's aspiration to become a more innovative society, and the reality and risks involved in achieving this, was the focus of our conference, **China: Towards an innovative society**, held in partnership with the British Council. China has made its transition to a market-based economy. But the transition hasn't been even, nor is it complete. Pessimists stressed the severity of problems that China is facing such as; rising inequalities, large-scale and swift urbanisation, environmental challenges, and they in general noted that there is still a long way to reform. The optimists acknowledged the achievements made by the Chinese government in recent years and the potential for continuous growth, reform and development. Debate was lively - involving the younger Chinese women towards the end as they overcame initial hesitation. The event also formed the basis for a programme filmed and broadcast on Beijing television.

Burma faces a critical, if not deteriorating, humanitarian situation. Our conference, **How should the international community respond to Burma's needs?** addressed the dilemma of how to provide effective humanitarian and other assistance to Burma under its military government which appears increasingly insular and unlikely to engage in political compromise and economic reform? The conference sought to increase awareness

outside the country of the reality of what is happening within it, and to build links between Burmese inside and outside the country, who hold sharply differing views on whether punitive measures against the government will yield influence. It also sought to draw representatives from Burma's neighbouring countries into the debate.

Our conference on **Political change in Latin America** proved a breathing point for policy makers to address developments in the region halfway between the 4<sup>th</sup> EU-Latin American Summit, held in Vienna in May, and the meeting of the members of the G8 in St Petersburg in mid July. Poverty remained a fundamental challenge; democracy could never be unshakeably 'consolidated' so long as economic inequality, with its political concomitants of alienation or antagonism remained. Equally destabilising were forms of discrimination along racial, ethnic and gender lines; and corruption and incompetence within political and administrative structures. On the bright side, the opinion polls that showed continued but diminishing support for violence as a political method also showed overwhelming support for democratic rather than authoritarian solutions to social problems. Widespread agreement on the need for 'leadership' in Latin America generated frequent calls on Brazil to fill the role.

### *China's Growing International Security and Diplomatic Role*

Our conference on **China's Growing International Security and Diplomatic Role** assessed China's role in, and impact on, international security. Political reform, combined with rapid and sometimes extraordinary economic growth, have lent a new salience to this question. One thing can be agreed - that China's role 20 years hence will be significantly different to that pertaining now. Three possibilities stood out: China as responsible stakeholder in international politics; China as free-rider allowing other states to take responsibility for maintaining an acceptable stability; or China as freelancer pursuing its own agenda with less regard for the interests or perspectives of other states. Choosing the most likely of these was difficult; much is yet to be decided. This means that the positive trends in China's international policy are not irreversible, but it also means that negative ones are not set in stone. It was agreed that the relationship with the US remained the decisive one for China which will set the tone for all others.

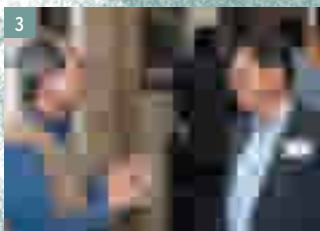
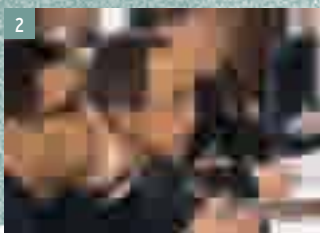
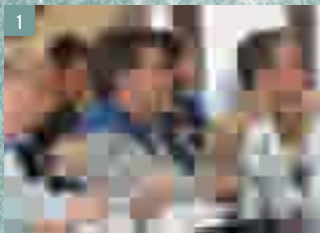


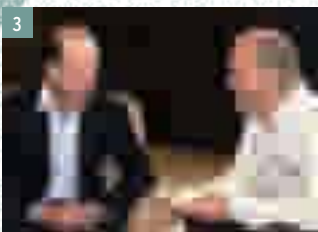
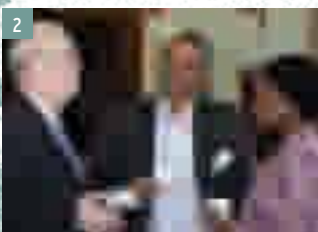
1 (L-R) Brad Roberts, Institute for Defense Analyses, Alexandria and Marco Solaini, Council of the European Union, Brussels

2 (L-R) Mohammed Syed, Senior Regional Advisor, Shell International BV, The Hague and Yu Bin, Senior Research Fellow, Shanghai Institute of American Studies

3 (L-R) Johnny Lau, Managing Director, Sinodata Consultants Limited, Hong Kong and Xia Liping, Director and Professor, Shanghai Institute for International Studies

4 (L-R) Philip Andrews-Speed, Professor of Energy Policy, University of Dundee and Sanusha Naidu, Research Fellow, University of Stellenbosch





1 (L-R) William Ejala, International Law Research and Human Rights Monitoring, Budapest, Saheleselasia Abebe, Centre for Local Capacity Building and Studies and Asha-Rose Migiro, Foreign Minister, Tanzania

2 (L-R) Kaye Whiteman, Research Associate, SOAS, London, Tony Marinho, Educare Trust, Nigeria and Nana Ama Amamoo, Connections Development

3 (L-R) Richard Morgan, Corporate Relations Adviser, Unilever, London with Myles Wickstead, former Head of Secretariat to the Commission for Africa

### **Sustainable Development**

As the environment reaches the top of the international agenda, Wilton Park's long established sustainable development and climate security programme continues to focus on the needs of the least developed countries, and of low-income countries under stress. Our aim is to contribute to international delivery of the Millennium Development Goals, and to keep advancing the recommendations of the Commission for Africa with particular attention to economic growth, good governance and promoting sound macro-economic policy in sub-Saharan Africa. We are also running a series of innovative conferences on health issues.

Our annual Africa conference on **Drivers of change** included contributions from Tanzania's then Foreign Minister Asha-Rose Migiro, now in a senior UN position, speakers from the African Union, the Bank of Uganda and the African Development Bank. They assessed prospects for reaching the 7% growth rate required for achieving the Millennium Development Goals - especially the poverty eradication target. After the euphoria of 2005, *the year of Africa*, a more sober realism has entered many discussions.

The promises of the Gleneagles G8 Summit ring rather hollow out in the villages at home, said Parliamentarians from Uganda and Ghana at our conference on **Scaling up and absorbing resources: Challenges for poverty eradication**. Grass-roots practitioners say that it is a long way from the rural clinic or village school to the capital city, or to Washington DC. They warned that fine words do not guarantee delivery of medicine or improvement of girls' education. Hard questions were asked; *"if the money pledged actually comes through, can it be used wisely and well?"* Has the challenge of the *"Make Poverty History"* campaign now shifted to the hard graft of implementation? Will increased funding bring better lives for the poor, or increased inflation, dependency and corruption?

Climate change and energy security were examined at two conferences. At **Energy efficiency, energy security and renewable energy** we heard that one building takes 2% of the national electricity supply in one of the Gulf States. We also learned of projects to address leaking water pipes in South African townships; of small dams in China, which bring energy to remote villages; of energy saving on Ghana's air-conditioners and refrigerators - all part of the challenge of better energy use. It is clear, however, that the complexity of the challenges of energy security and the urgency of development needs of the "energy poor" world provide a seemingly intractable set of problems. Closer to home, a group of participants stood in the woodland at Wilton Park discussing how our conference centre will be heated in years to come through our newly installed woodchip burning boiler.

Forests play a crucial role as the *"lungs of the planet"* in absorbing greenhouse gasses. *"This issue is as important as it gets,"* said Lord David Clark of Windermere, Chairman of the Forestry Commission, adding; *"we overlook the role of forests at our peril."* He was speaking at our conference on **Forestry: A sectoral response to climate change**. The difficulties of implementation were addressed by Ian Pearson MP, Minister of State, Climate Change and Environment, who said: *"The Stern Review clearly identified that curbing deforestation would be an effective way to reduce emissions, but we in the developed countries must recognise the difficulties in achieving this."*

On health, our partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria continues with a meeting on **Innovations in health and development finance**.

The conference also engaged two other new actors; the Global Alliance for Vaccines and Immunization (GAVI), and the Millennium Challenge Corporation (MCC) which have developed ground-breaking funding mechanisms to provide development assistance to low income countries, challenging traditional development thinking. The conference enforced how far these three organisations had realised their ambitions and the lessons learned for the wider development community. A key conclusion was the need to build sustainable health services in low-income countries, and the key contribution the private sector contribution could make, which Wilton Park will be addressing at our next conference in this series.

### ***Wilton Park International Association 60<sup>th</sup> Anniversary Conference And Business Forum***

Members of the Wilton Park International Association, business leaders, senior diplomats and policy analysts discussed the trends and themes which will impact on international affairs until 2020 at our **60<sup>th</sup> Anniversary and Business Forum conference** held in parallel. This provided excellent cross fertilisation as the conference analysed the challenges facing the international community and the British government's international priorities. The implication of the rise of China and India in shifting economic power to the East was a major issue. Care is needed, it was said, in the discourse of international diplomacy and societal interaction, both in the context of encounter between Muslim and Western societies, and between Asia and the West.

The **Business Forum** reviewed business involvement in Wilton Park and made a number of positive suggestions for developing the relationship with the private sector. The Business Forum also made extensive suggestions on the future programme of Wilton Park on issues that would be relevant and timely for business.

### ***First Wilton Park conference in the South Caucasus***

Our conference on **South Caucasus: Perceptions and challenges of the region** was held in Yerevan at the invitation of the Armenian government. Speakers from Turkey and Russia joined those from Armenia, Azerbaijan and Georgia in providing a regional perspective. Discussions centred on development of a regional identity through the resolution of outstanding conflicts and economic co-operation. The speakers included Vartan Oskanian, the Foreign Minister of Armenia, and diplomats who have had key roles in the Minsk group, which encourages a peaceful, negotiated resolution to the conflict between **Azerbaijan and Armenia** over the **Nagorno-Karabakh**; Ambassadors Valdimir Kazimirov (Russia), Carey Cavanaugh (USA) and Heikki Talvitie (EU Special Representative for the South Caucasus). Speakers from other international institutions, included Andrzej Kasprzyk, the Personal Representative of the Chairman in Office of the OSCE, who gave us the benefit of his years of engagement. The Armenian Foreign Minister told us; *"The open and sincere discussions during the Conference were yet another step towards bringing closer the communities of the South Caucasus and promoting better understanding. The stimulating input of speakers and experts gave substantial food for thought."* It is our intention to follow up with conferences in Azerbaijan and Georgia.

Park

60 YEARS  
BRIDGING DIVIDES6<sup>th</sup> to 10

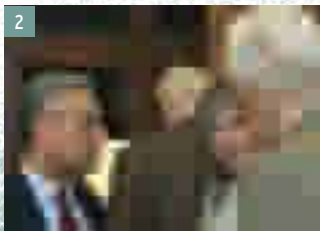
1 (L-R) Alexander Milinkevich, Leader, United Democratic Forces of Belarus with Nicholas Hopkinson, Director, Wilton Park

### *The EU And Its Eastern Neighbours*

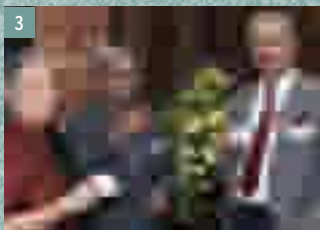
Our conference on the **EU's policy towards its Eastern neighbours** held in Warsaw, the sixth conference with the Polish Government and the European Centre-Natolin since 1994, examined the EU's European Neighbourhood Policy (ENP), the framework for the development of co-operation with the EU's eastern neighbours and with the EU's Mediterranean partners. Belarus is a particular concern. EU states would like to see a stable, democratic and prosperous Belarus fully benefiting from the ENP. The EU aims to overcome the isolation of Belarusian people imposed on them by the regime in Minsk through international pressure, and by support to civil society through more exchanges and broadcasts. Although the Presidential elections in Belarus were flawed, the opposition Presidential candidate, Alexander Milinkevich (pictured above) argued at the conference that change should be achieved through dialogue and peaceful means.



1 Robert Picciotto, Visiting Professor, King's College London



2 (L-R) Farhan Nizami, Chairman, Wilton Park Academic Council; Director, Oxford Centre for Islamic Studies with Sheila Wirz, Professor, Centre International Child Health (CIHD), London and Andrew Rowe, Member, Ministerial Group on Community Cohesion



3 (L-R) Mrs Babli Sharma, Sunil Murlidhar Shastri, Lecturer in Marine Policy, University of Hull and Kamalesh, Sharma, Indian High Commissioner in London



4 Foreground (L-R) Julia Purcell, Programme Director, Wilton Park with Megan Bastick and Hana Agil, Associate Members of the Wilton Park International Association

PICCIOTTO

# Statement of Agency's and Chief Executive's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Wilton Park to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by Wilton Park during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency, the net resource outturn, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Agency is required to comply with the requirements of the *Government Financial Reporting Manual*, and in particular to:

- observe the accounts direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis.

The Accounting Officer for the Foreign & Commonwealth Office has appointed the Chief Executive of the Wilton Park Executive Agency as the Accounting Officer for the Agency.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in "Government Accounting".



Donald Lamont  
 Chief Executive and Agency Accounting  
 Officer  
 26 June 2007

# Statement on the System of Internal Control

## **Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Wilton Park's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. I am personally responsible for overall Agency performance against Ministerial and other operating targets, reporting on progress to the Head of the Foreign & Commonwealth Office Public Diplomacy Group.

## **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wilton Park's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wilton Park for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts, and accords with Treasury Guidance.

## **Capacity to handle risk**

Wilton Park is a small entity and, as such, a small number of individuals have direct responsibility for the management of risks identified by the Wilton Park Management Board. The nature and scale of risks facing

the Agency are by and large relatively free from the complexities often faced by larger entities caused by either scale of operations or service deliverables that require working with other departments, agencies or external contractors. The majority of Wilton Park risks are managed or controlled directly by the Chief Executive, Director or by the Director Finance & Management.

## **The risk and control framework**

The Wilton Park Management Board normally meets monthly to discuss the effective running of the Agency and much of the focus revolves around the Wilton Park conference programme and associated financial performance and forecasts. Due to the financial environment in which the Agency operates, particular attention is paid to managing risks faced in income generation (particularly generation of external sponsorship). There is regular feedback on the general economic environment and discussion and decision on how the Agency can best target its efforts towards the most promising opportunities for securing sponsorship from new or existing contacts.

The Agency Risk Register is formulated from the major issues identified through: Management Board discussions; from stakeholder, customer and staff feedback; and from review by the FCO Departmental Board Audit Committee. The identified risks are weighted in line with both the collective experiences of the most senior Agency staff from past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular of the Foreign & Commonwealth Office.



The following additional processes are in place:

- Six-monthly meetings of the Wilton Park Advisory Council and an annual meeting of the Wilton Park International Council that inform the Wilton Park conference programme in forthcoming calendar years;
- Monthly review of performance against the Agency's key conference quality and participation targets;
- Monthly review of performance against the Agency's key financial targets and capital prioritisation plans;
- Regular reports from operational managers on steps they are taking to manage risks in their areas of delegated operational and financial responsibility including progress reports on key projects;
- An agreed programme of Internal Audit examinations, which is informed by an analysis to which the Agency is exposed to risk.

#### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I am advised on the effectiveness of the system of internal control by the Foreign & Commonwealth Office Internal Audit Department, and a plan to ensure continuous improvement of the system is in place.

I report twice yearly on Wilton Park's performance and plans to the Foreign & Commonwealth Office Departmental Board. Certain members of the Departmental Board form the Wilton Park Audit Committee who scrutinise the Agency risk register, in-year reports from the FCO Internal Audit Department and the annual National Audit Office Management Letter. Members of the Audit Committee include four Non-Executive Directors who provide relevant advice reflecting their respective fields of expertise.

There were two significant risks that have been successfully managed in year. Firstly, to conclude successful renegotiation of the lease on Wiston House, which expired in March 2007, including HM Treasury endorsement for remaining in our present location. Secondly, to meet our financial targets, having been unable to do so in the previous three years. Achieving this goal, despite issues of continuity in the Chief Executive's role, marks a significant and timely achievement.

We continue to develop our Business Continuity and Disaster Recovery plans, which will be tested in August 2007. We have made a number of changes to our practices and procedures in tackling some of the identifiable issues. This recognizes that any form of business interruption involving the potential loss of the facilities at Wiston House will represent a strong test to on-going and successful management of Wilton Park.



Donald Lamont  
**Chief Executive and Agency Accounting Officer**  
 26 June 2007

# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of Wilton Park Executive Agency for the year ended 31st March 2007 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report.

## ***Respective Responsibilities of Agencies, the Chief Executive and Auditor***

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in

accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Chief Executive's Overview, Review of Performance and the Remuneration Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conforms to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement On Internal Control reflects the Agency's compliance with HM Treasury guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of Opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures, and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinions**

#### **Audit Opinion**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government and Resources Act 2000 and directions made there under by HM Treasury, of the state of the Agency's affairs at 31 March 2007, and of the net operating cost, recognized gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- The information given within the Annual Report, which comprises the Chief Executive's Overview, Review of Performance and Remuneration Report, is consistent with the financial statements.

#### **Audit Opinion on Regularity**

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

#### **Report**

I have no observations to make on these financial statements.



John Bourn  
Comptroller and Auditor General  
3 July 2007

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

# Financial Statements and Notes To Financial Statements

## OPERATING COST STATEMENT

for year ended 31 March 2007

	Note	2006/07		2005/06	
		£000	£000	£000	£000
<b>Administration Costs</b>					
Staff Costs	3	2,247		2,236	
Other Administration Costs	4	1,419		1,455	
<b>Gross Administration Costs</b>		<b>3,666</b>		<b>3,691</b>	
Net Programme Costs	5	1,040		1,081	
<b>Gross Operating Costs</b>		<b>4,706</b>		<b>4,772</b>	
Operating Income	6	(4,091)		(3,884)	
<b>Net Resource Outturn</b>		<b>615</b>		<b>888</b>	

The Net Resource Outturn represents the Net Operating Cost of the Agency, and the Outturn against Resource Budget

## STATEMENT OF RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2007

	Note	2006/07	2005/06
Net Cost		615	888
Net change on revaluation of tangible fixed assets	13	(13)	(10)
		<b>602</b>	<b>878</b>

**BALANCE SHEET**  
for the year ended 31 March 2007

	Note	2006/07		2005/06	
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible Assets	7	685		890	
			685		890
<b>Current Assets</b>					
Stocks	9	61		62	
Debtors	10	576		732	
Cash at bank and in hand	11	272		313	
		909		1,107	
Creditors (due within one year)	12	(524)		(387)	
<b>Net Current Assets</b>			<b>385</b>		<b>720</b>
<b>Total Assets less Current Liabilities</b>			<b>1,070</b>		<b>1,610</b>
<b>Provisions for liabilities and charges</b>			<b>-</b>		<b>-</b>
<b>NET ASSETS</b>			<b>1,070</b>		<b>1,610</b>
<b>Taxpayers' Equity</b>					
General Fund	15		1,046		1,575
Revaluation Reserve	13		24		35
			<b>1,070</b>		<b>1,610</b>



Donald Lamont  
**Chief Executive**  
26 June 2007



## 1 STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the *Financial Reporting Manual* issued by HM Treasury. The particular accounting policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### *Accounting Convention*

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, and stocks where material, at their value to the business by reference to their current costs.

### *Tangible Fixed Assets*

Tangible fixed assets in excess of £500 are capitalised at their cost of acquisition. Individual assets purchased for less than this amount are written off.

Tangible assets have been stated at current costs using appropriate indices published by the Office for National Statistics.

### *Depreciation*

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible assets by equal instalments over their estimated useful lives. Lives are normally in the following ranges:

	<b>Estimated useful life in years</b>
Plant and Machinery	5 to 10
Fixtures and Fittings	5 to 10
Building Enhancement	10 years or to end of remaining period of current lease
Computers and Equipment	3 to 5
Motor Vehicles	4 to 10

In-year capital acquisitions and disposals are depreciated on a monthly pro-rata basis.

Website development costs are capitalised over a three year estimated life and are included within the Computers and Equipment category of fixed assets.

### *Stocks*

Stocks are valued at the lower of cost (or current replacement cost if materially different), and net realisable value.

### *Operating Income*

Operating income is income that relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided, on a full cost basis, to external customers and other government bodies, but also includes other income from other assets.

## 1 STATEMENT OF ACCOUNTING POLICIES

### *Administration and Programme Expenditure*

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the Agency as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Agency.

### *Capital Charge*

A charge, reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities. Charges are calculated monthly for cash balances and annually for all other assets less liabilities.

### *Foreign Exchange*

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Balances held at the year end are translated at the rate prevailing on 31 March.

### *Pensions*

Present and past employees are covered by the provisions of the Principal Civil Service Pension Schemes which are described at Note 3. The defined benefit elements of the schemes are un-funded and are non-contributory except in respect of dependants benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Agency recognises the contribution payable for the year.

### *Operating Leases*

Payments made under operating leases are charged to expenditure in equal amounts in accordance with the terms of the lease.

### *VAT Policy*

Output VAT is charged as appropriate on commercial activities. Input VAT in relation to academic activities, and irrecoverable input VAT on commercial activities, is included in expenditure as shown in the financial statements.

## 2 FINANCIAL TARGETS

	<b>Budget</b>	<b>Achieved</b>
Gross Income (£k)	4,118	4,091
Recovery Percentage	86.1%	86.9%



### 3 STAFF NUMBERS AND COSTS

	2006/07	2005/06
The average number of employees during the period, including directors, was made up as follows:		
Academic	8	10
Administrative	35	36
House Team	22	21
	<b>65</b>	<b>67</b>

	£000	£000
The payroll costs of these employees were as follows:		
Salaries and wages	1,707	1,695
Social Security	126	131
Others - Superannuation	297	277
- Employee Related Costs	117	133
	<b>2,247</b>	<b>2,236</b>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Wilton Park is unable to identify its share of the underlying assets and liabilities.

The scheme Actuary valued the scheme as at 31 March 2003. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2006/07 employer's contributions of £297k were payable to the PCSPS (2005/06 £277k) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2005/06 were between 16.2% and 24.6%).

The scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2007/08, the salary bands will be revised but the rates remain the same.

The contribution rates are set to meet the cost of benefits accruing during 2006/07 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The Chief Executive is provided with a rent free furnished cottage in the grounds of Wiston House in order to contribute to the successful fulfilment of this role.

**4 OTHER ADMINISTRATION COSTS**

	2006/07		2005/06	
	£000	£000	£000	£000
<b>Rentals under operating leases</b>				
Hire of Office Equipment	39		40	
Property Rentals	98		95	
		137		135
<b>Non cash items</b>				
Depreciation	484		565	
Impairment	7		4	
Loss on Disposal of Fixed Assets	57		12	
Assets Under Construction Written Off	12		-	
Interest on Capital Employed	53		72	
External Auditors Fees	20		20	
Internal Auditors Fees	8		8	
Pay Section Charge	4		5	
		645		686
<b>Other expenditure</b>				
Rates	41		40	
Maintenance, Cleaning, Heating & Lighting	254		238	
Administrative Expenses	342		356	
		637		634
		<b>1,419</b>		<b>1,455</b>

**5 NET PROGRAMME COSTS**

	2006/07	2005/06
	£000	£000
<b>Other current expenditure</b>		
Purchases	281	266
Housekeeping	233	230
Conference Costs	526	585
	<b>1,040</b>	<b>1,081</b>

## 6 OPERATING INCOME

	2006/07 £000	2005/06 £000
Operating income for 2006/07 is as follows:		
Rent received from external tenants	3	3
Bank Interest received	19	16
Other fees and charges	4,069	3,865
	<b>4,091</b>	<b>3,884</b>

An analysis of income from services provided to external and public sector customers is as follows:

WP Conferences	3,140	3,132
Commercial Operations	755	562
Bar Sales	88	61
Shop Sales	5	5
Miscellaneous	81	105
	<b>4,069</b>	<b>3,865</b>

## 7 TANGIBLE FIXED ASSETS

	Building Enhancement £000	Computer & Office Equipment £000	Fixture & Fittings £000	Motor Vehicles £000	Plant & Machinery £000	Under Construction £000	TOTAL £000
<b>Cost or Valuation</b>							
at 1st April 2006	2,460	322	749	23	269	12	3,835
Additions	42	28	130	6	57	80	343
Re-classification	-	-	-	-	-	-	-
Disposals	(2,550)	(69)	(399)	(7)	-	(12)	(3,037)
Revaluation	48	(14)	6	-	8	-	48
<b>Cost at 31/3/2007</b>	<b>-</b>	<b>267</b>	<b>486</b>	<b>22</b>	<b>334</b>	<b>80</b>	<b>1,189</b>
less:							
Depreciation							
at 1st April 2006	2,075	222	540	15	93	-	2,945
Re-classification	-	-	-	-	-	-	-
Provided in year	392	31	22	4	35	-	484
Eliminated in respect of Disposals	(2,510)	(68)	(381)	(8)	-	-	(2,967)
Revaluation	43	(7)	3	-	3	-	42
<b>Depreciation at 31/3/2007</b>	<b>-</b>	<b>178</b>	<b>184</b>	<b>11</b>	<b>131</b>	<b>-</b>	<b>504</b>
<b>Net Book Value</b>							
<b>at 31/3/2007</b>	<b>-</b>	<b>89</b>	<b>302</b>	<b>11</b>	<b>203</b>	<b>80</b>	<b>685</b>
at 31/3/2006	385	100	209	8	176	12	890

All building enhancements are disposed as at 31 March 2007 on expiry of the former lease on Wiston House

**8 MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH**

	2006/07 £000	2005/06 £000
(Decrease)/Increase in Stocks	(1)	3
(Decrease)/Increase in Debtors	(156)	159
Decrease/(Increase) in Creditors	(138)	(27)
	<b>(295)</b>	<b>135</b>

**9 STOCKS**

	2006/07 £000	2005/06 £000
Liquor and Food	18	17
Shop	6	4
Wilton Park Books	11	14
Wilton Park Conference Folders	8	5
Wedding Brochures	10	14
Commercial Brochures	8	8
	<b>61</b>	<b>62</b>

**10 DEBTORS**

	2006/07 £000	2005/06 £000
Amounts falling due within one year		
Trade Debtors	482	687
Other Debtors	-	9
Prepayments and Accrued Income	94	36
	<b>576</b>	<b>732</b>

An analysis of debtors is as follows:

Balances with other central government bodies	195	332
Balances with bodies external to government	381	400
	<b>576</b>	<b>732</b>

**11 CASH AT BANK AND IN HAND**

	2006/07 £000	2005/06 £000
Balance at 1 April 2006	313	231
Net (Outflow)/Inflow	(41)	82
<b>Balance at 31 March 2007</b>	<b>272</b>	<b>313</b>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006/07 £000	2005/06 £000
Trade Creditors	234	204
Payments Received on Account	212	137
Other Creditors	2	1
Accruals and Deferred Income	28	40
VAT	48	5
	<b>524</b>	<b>387</b>

An analysis of creditors is as follows:

Balances with other central government bodies	68	14
Balances with bodies external to government	456	373
	<b>524</b>	<b>387</b>

**13 RESERVES**

	Revaluation Reserve £000
Balance at April 2006	35
Arising on revaluation during the year (net)	13
Transferred to General Fund in respect of realised element on Revaluation Reserve	(24)
Other transfers to General Fund	-
<b>Balance at 31 March 2007</b>	<b>24</b>

## 14 COMMITMENTS UNDER OPERATING LEASES

	2006/07 £000	2005/06 £000
At 31 March 2007 Wilton Park had annual commitments under non-cancellable operating leases which expire:		
<b>Land and Buildings</b>		
Within one year	-	97
Within two to five years	172	-
More than five years	-	-

The new lease on Wiston House extends to the year 2027 with 5 yearly break clauses.

### Other Operating Leases

Within one year	-	-
Within two to five years	25	27
More than five years	-	-

## 15 RECONCILIATION OF NET OPERATING COST TO CHANGES IN GENERAL FUND

	2006/07 £000	2005/06 £000
<b>Net Operating Cost for the year</b>	<b>(615)</b>	<b>(888)</b>
Net Parliamentary Funding	(23)	713
Transfer to General Fund in respect of realised element of Revaluation Reserve	24	17
Non-cash charges:		
Cost of Capital	53	72
Pay Section Costs	4	5
External Auditors Fees	20	20
Internal Auditors Fees	8	8
<b>Net Increase in General Fund</b>	<b>(529)</b>	<b>(53)</b>
General Fund at 1 April 2006	1,575	1,628
<b>General Fund at 31 March 2007</b>	<b>1,046</b>	<b>1,575</b>

## 16 RELATED PARTY TRANSACTIONS

Wilton Park is an Executive Agency of the Foreign & Commonwealth Office. The Foreign & Commonwealth Office is regarded as a related party. During the year, Wilton Park has had a significant number of transactions with the Foreign & Commonwealth Office. In addition, Wilton Park has had various transactions with other government departments. Most of these transactions have been with DFID, Ministry of Defence and DTI.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with Wilton Park during the year.

## 17 INTEREST ON CAPITAL EMPLOYED

	31 March 2007 £000	31 March 2006 £000
Interest is charged at 3.5% per annum on the annual average capital employed as follows:		
Fixed Assets	685	890
Current Assets (less cash at bank)	637	794
Current Liabilities	(524)	(387)
	<b>798</b>	<b>1,297</b>
Interest on average annual capital employed for non-cash assets	37	48
Interest on average monthly capital employed for cash assets	16	24
<b>Interest on total capital employed</b>	<b>53</b>	<b>72</b>

## 18 SEGMENTAL REPORTING

	Academic Activities £000	Commercial Activities £000	Total £000
Expenditure	3,643	1,063	4,706
Income	3,222	869	4,091
Deficit	421	194	615
% Cost Recovery	88.5%	81.7%	86.9%
% Cost Recovery Target			86.1%

The information above relates to the Fees and Charges Guide issued by H M Treasury and is not disclosed for the purposes of SSAP25

## 19 RECONCILIATION TO FOREIGN & COMMONWEALTH OFFICE

	2006/07	2005/06
Net expenditure shown in the Foreign & Commonwealth Office Resource Account is -£23,375.52		
This reconciles as follows:		
FCO Expenditure	(23)	713
<b>Net Parliamentary Funding</b>	<b>(23)</b>	<b>713</b>

## 20 CAPITAL COMMITMENTS

	2006/07	2005/06
Contracted capital commitments at 31 March 2007 for which no provision has been made	110	9

## 21 FINANCIAL INSTRUMENTS

FRS13, Derivative and other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking activities. Due to the largely non trading nature of its activities and the way in which government agencies are financed, the Agency is not exposed to the degree of financial risk faced by many private sector business entities.

Financial assets and liabilities generated by day-to-day operational activities are not held to change the risks facing the Agency in undertaking its activities, or for trading.

Interest Rate Risk - Wilton Park has no financial assets and liabilities on which interest, other than notional interest on capital, is earned or paid, and is therefore not exposed to interest rate risk.

Currency Risk - Wilton Park has negligible assets or liabilities in foreign currency, and is therefore not exposed to significant currency risk.

Liquidity Risk - Wilton Park is not exposed to significant liquidity risk, as the liquidity requirements are met by financing from the Foreign & Commonwealth Office, and it has no borrowing facilities. FCO resource requirements are voted annually by Parliament.

For partially sighted people a pdf version of this Annual Report is available on the Wilton Park Website: [www.wiltonpark.org.uk](http://www.wiltonpark.org.uk)  
Please call 01 903 817772 for further information.