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From:  
Date: 14 October 2003  
Extn:  
Room:

CHIEF SECRETARY

cc: Nick Macpherson  
Jonathan Stephens  
Mark Bowman  
John Dodds

Ed Balls

## FCO RESERVE CLAIM FOR IRAQ MEDIA STRATEGY COSTS

Issue:

The Foreign Secretary has written to you seeking a claim against the Reserve for £13.9m to cover the costs in 2003/04 of the UK contribution to the new CPA media strategy. The Prime Minister is keen that the UK makes a contribution to the media strategy.

The FCO are also using this claim to hold up agreeing their contribution to the Madrid pledge.

Recommendation:

You should write along the lines of the attached draft letter rejecting this claim in its entirety and suggesting that FCO officials look harder at the strategy and alternative sources of funding.

Timing:

Immediate, the FCO are using this claim to hold up agreement on the Madrid pledge (the conference is on 23/24 October).

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Introduction:

1. The Iraq Media Network (IMN) is the CPA's television and radio network and its performance so far is viewed as disappointing. IMN has an audience share of 12%, compared to 18% for al-Jazeera and 16% for al-Arabiya (figures from a Radio Cairo survey). Al-Jazeera and al-Arabiya can only be received through satellite dishes whereas IMN broadcasts terrestrially and theoretically can reach 81% of the population. The poor performance of IMN is put down to unappealing programming.

2. The new CPA Director of Communications (Gary Thatcher, a US broadcaster) has developed a strategy to improve IMN's output and boost its audience. Thatcher is confident of US funding for the bulk of the strategy, but not for all of it (the US has already contributed \$100m to IMN and may contribute a further \$20 or 30m). It is to meet the costs of the remaining elements of the strategy that the Foreign Secretary is seeking a Reserve Claim of £13.9.

Breakdown of the claim:

**Perceived problem: dull, boring, out-of-date IMN TV and radio programmes**

UK CONTRIBUTION	COST £
Consultant to reshape radio programmes	120k
Train broadcast research department	456k
Package of Premiership and international football	6m

3. Whilst there may be a need for this training to be done, our discussions with FCO officials revealed that they had made little effort to engage alternative sources of training or funding. For example, they had not even approached the British Council.

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4. There is a belief that Premiership football will attract large audiences for the CPA's news bulletins and Public Service Announcements. However, there has been no actual research carried out to justify this belief. This is perhaps understandable given the situation in Iraq but what is not is the fact that the FCO do not know exactly what they will get for their £6m. When pressed on whether the kind of package they want could cost more or less than £6m, they simply said that in any event they would spend 'no more than £6m', which was a ballpark figure from BBC Worldwide.

**Perceived problem: News programmes are often amateur and poorly produced**

UK CONTRIBUTION	COST £
Consultant to over oversee production of nightly new bulletin	120k
Satellite newsgathering truck	840k

5. We have no reason to believe that these activities would not be worthwhile. However, we were not convinced by the FCO's claim that it was impossible to lease rather than buy a satellite truck.

**Perceived problem: IMN news staff does not possess modern Western journalism and technical skills**

UK CONTRIBUTION	COST £
Six consultants to train IMN technicians	540k

6. Again this may be a worthwhile activity but the FCO had not thought about whether other organisations (e.g. the British Council) could be involved in providing this training.

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**Perceived problem: Iranian broadcast in southern Iraq overpowers IMN transmissions, potentially inciting disaffection**

UK CONTRIBUTION	COST £
Consultant to reshape local programming in Basrah	120k
New TV and Radio studio in Basrah	3.5m
Temporary transmitters	2.2m

7. Again this may be worthwhile activity but we are aware that DFID have allocated over £6m towards the re-establishment of radio and television broadcasting in the four southern Governorates of CPA South. DFID's intention is for its broadcaster to be less aligned with the CPA than IMN. Yet they also intend to establish a station in Basrah and provide training there. The FCO have made no real attempt to reconcile their proposal with DFID's project (which is further on in development). We cannot accept that there are no possible mutual efficiencies between the two projects.

Discussion:

8. The FCO have not considered any other means to fund this strategy other than a claim on the Reserve. They have not considered even a partial contribution from their own DEL (when we would expect them to look at the Global Opportunities Fund and their wider programme spend of £100m), they have not engaged the British Council, they have not looked to the Global Conflict Prevention Pool (GCPP) and have not sought to reconcile their media work with DFID's. At no time have they sought to link existing resources within HMG to their proposal.

9. The Prime Minister views an effective CPA media strategy as vital, therefore the FCO believe we cannot resist a Reserve Claim and have abdicated responsibility for ensuring that this package represents VFM. Out of the £13.9m, £6m is for an unspecified

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football package lacking robust costing and £5.7m may overlap with what DFID are doing in the south.

10. This claim also has to be viewed in the context of the FCO's unhelpfulness over the Madrid Conference pledge. We are looking for £5 million of the Global Opportunity Fund to be committed to Iraq reconstruction across the two years 04-05 & 05-06 and £2.5 million from GCPP, on top of £15 million that was agreed from GCPP earlier last week. FCO officials were willing to agree £4 million from GOF and £2.5 million from GCPP, subject to the Foreign Secretary's approval, and said they would put to him the possibility of an extra £1 million from GOF. (Total GOF budget for 04-05 and 05-06 is £100 million with the Islamic world, economic reform, human rights, good governance, and promoting political pluralism as key priorities, so this shouldn't be a particularly difficult request).

11. However, the message from FCO officials today is that the FCO cannot confirm the availability of the £5m from the GOF until they have agreement that their total contribution from their DEL to the media strategy and the Madrid pledge will be capped at £5m. It is totally unacceptable that the FCO should attempt to use this issue to hold up agreement on the Madrid pledge, particularly given the efforts made in reprioritisation by DFID and the fact that Iraq is HMG's number one international priority.

12. We therefore recommend that you write to the Foreign Secretary rejecting this claim and suggesting that his officials look again at the strategy and at alternative source of funding. This may mean that FCO continue to be difficult over the remaining £5m of the Madrid pledge but we will be able to continue negotiations with the issue of the media claim removed.

, DDI

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