



Export Credits Guarantee Department



ECGD's Business Principles



Foreword

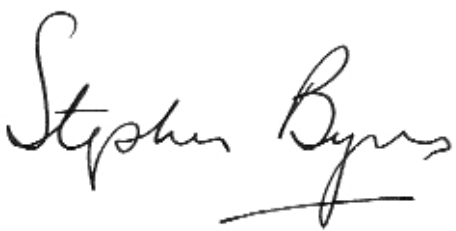
Secretary of State's Foreword

One of the key conclusions of ECGD's Mission and Status Review was that it should develop and publish, before the end of 2000, a statement of Business Principles.

Given the experience of others who have already adopted similar ethical codes this was an ambitious timescale but one which, I am pleased to say, has now been met.

We are indebted to those who have contributed views and ideas. The statement of principles, objectives and policies remains a 'living document' which will be developed and modified in the light of experience or changes in circumstances.

It is true to say that actions speak louder than words but I am confident that ECGD will rise to the challenge of implementation by ensuring that its assessment processes are both robust and efficient, so that UK exporters are not put at a competitive disadvantage, and thereby confirm its place amongst the leading export credit agencies of the world.

A handwritten signature in black ink, reading "Stephen Byers". The signature is written in a cursive style with a long horizontal stroke at the end.

Rt Hon Stephen Byers MP
Secretary of State for Trade and Industry

December 2000

Statement of ECGD's Business Principles

In order to set out clearly and publicly our approach to achieving the Aims and Objectives in our Mission,¹ we are publishing this statement of the Business Principles that will guide our practice and policies.

Our performance against these Principles and other strategic goals will be reviewed in our Annual Report laid before Parliament. The following Business Principles set out our approach to achieving our goals:

- We will promote a responsible approach to business and will ensure our activities take into account the Government's international policies, including those on sustainable development, environment, human rights, good governance and trade.
- We will provide a customer oriented, efficient and professional service and we are committed to continuous improvement.
- We will be open and honest in all our dealings and will expect the same from others.
- We will, in developing our services, consult widely and take account of the legitimate requirements and expectations of our customers and other interested parties.

¹ Full Mission Statement to be found at <http://www.ecgd.gov.uk/graphic/whoisecgd/mission.asp>

We will apply these Business Principles through policies which have been grouped under the following headings:

ECGD in Business

Sustainable Development & Human Rights

Developing Countries

Business Integrity

Transparency

These Business Principles will be applied through the following activities:

- We will further develop our existing guidelines and working procedures to assist detailed implementation of our policies at a practical level. These will be kept under review and updated to take account of international developments and operational experience.
- We will actively promote and communicate our principles and policies to all our customers, our overseas counterparts and other interested parties. We will prepare and support our staff to implement and apply the policies and procedures in an effective way.
- We will develop appropriate performance indicators to enable us to monitor and report on the implementation of the policies and procedures. The Export Guarantees Advisory Council (EGAC)² will keep our Business Principles under review and suggest any necessary modifications.

²EGAC Terms of Reference and membership details to be found at <http://www.ecgd.gov.uk/graphic/whoisecgd/advenc.asp>

ECGD in Business

■ Objectives

- ECGD will, within overall financial constraints, provide an efficient, flexible and internationally competitive service for customers, which focuses on solutions and innovation.
- ECGD's facilities will be made available to the widest possible range of markets and customers, including smaller firms, whilst complementing, rather than competing with, the private sector.
- ECGD will press for multilateral harmonisation of areas of export credit practice where significant differences between export credit agencies can cause distortion of competition.
- ECGD will foster co-operation with export credit agencies and international finance institutions in order to help secure overseas investment and exports for UK based companies.
- ECGD will encourage development of the private sector credit insurance market for the benefit of UK exporters.

■ Policies

ECGD will:

- conform to the service standards set out in its Customer Charter³ and, over time, seek to develop and improve those standards;
- take a leading role in progressing the multilateral elimination of factors distorting competition in export credits;
- actively seek ways to broaden its customer base;
- maintain and develop its relationships with other export credit agencies, international finance institutions and the private insurance market to explore opportunities for greater co-operation.

³<http://www.ecgd.gov.uk/graphic/geninfo/customerchart.asp>

Sustainable Development & Human Rights

■ Objectives

- ECGD will, when considering support, look not only at the payment risks but also at the underlying quality of the project, including its environmental, social and human rights impacts.
- ECGD's approach in determining whether to support a project will be one of constructive engagement with a view to achieving necessary improvements in the project's impacts.
- ECGD will press for reform on sustainable development and human rights issues in relation to export credits.

■ Policies

ECGD will:

- not support any exports (including those involving defence sales) which require an export licence, unless such a licence has been granted by the relevant authority;⁴
- increase its awareness and understanding of project impacts, including environmental, social and human rights issues;
- screen applications for cover to identify, and then analyse, any adverse or beneficial environmental, social or human rights aspects of relevant projects;
- determine the acceptability of applications for cover, taking account of appropriate external standards, using its in-house expertise after consultation, where necessary, with other specialists;
- establish a mechanism for consulting other interested government departments on cases with significant project impacts;
- press for the establishment of a multilateral framework of common guidelines for assessing environmental and social issues related to project implementation.

⁴ UK export licences will not be issued if the arguments for doing so are outweighed by the need to comply with the government's international obligations and commitments or other considerations as described in the published criteria – refer to Official Report, 26 October 2000, columns 199W–203W. All such licence applications are circulated for comment to those government departments with appropriate policy responsibilities. ECGD plays no part in this process.

Developing Countries

■ Objectives

- ECGD will encourage responsible trade with, and investment in, developing countries.
- ECGD will ensure that debt sustainability will be a prime determinant of the provision of its support for exports.
- ECGD will play its part in promoting the Government's policy of integrating the poorest countries⁵ into the global economy.

■ Policies

ECGD will:

- seek to persuade other developed countries to adopt similar objectives;
- actively seek ways to support worthwhile projects even where the sovereign risk is problematic;
- consider debt sustainability when deciding its cover policy for developing countries and seek to promote investment as an alternative to credit;
- restrict cover for the poorest countries to transactions which pass a productive expenditure test;
- implement debt reduction for Heavily Indebted Poor Countries⁶ (HIPCs) as quickly as possible.

⁵In this context 'the poorest countries' means those defined as IDA-only countries and includes HIPCs. IDA-only is a World Bank classification of countries eligible to borrow from the World Bank only on highly concessional terms.

⁶<http://www.worldbank.org/hipc>

Business Integrity

■ Objectives

- ECGD will be objective, consistent, fair and honest in all dealings.
- ECGD will combat corrupt practices.
- ECGD will manage its affairs prudently with due skill, care and diligence, having regard to best corporate governance practice.

■ Policies

ECGD will:

- operate according to the standards of probity and propriety set out in the Civil Service Code;
- operate within clearly defined responsibilities, comply with government accounting rules and apply control procedures which conform with relevant principles of best practice;
- ensure, as far as is practicable, that its support for projects is predicated on compliance with applicable laws and regulations by parties benefiting from that support;
- promote the full implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;⁷
- comply with the terms of international agreements which regulate the provision of export credits and investment insurance, such as the OECD Consensus⁸ and Berne Union⁹ Understanding.

⁷ <http://www.oecd.org/daf/nocorruption/20nov1e.htm>

⁸ <http://www.oecd.org/ech/pub/arrangement-98-en.pdf>

⁹ <http://www.berneunion.org.uk>

Transparency

■ Objectives

- ECGD will consult, listen to and respond to relevant stakeholders¹⁰ on major issues.
- ECGD will be as open as possible, whilst respecting legitimate commercial and personal confidentiality.

■ Policies

ECGD will:

- engage with all stakeholders to discuss ECGD's policies, products and practice;
- routinely seek more information about the business it supports with a view to publication;
- expand the information it publishes regarding its financial performance, business activities and the application of its Business Principles.

¹⁰In this context 'stakeholders' means parties with a legitimate interest in ECGD's operations.

ECGD is committed to protecting the environment.

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