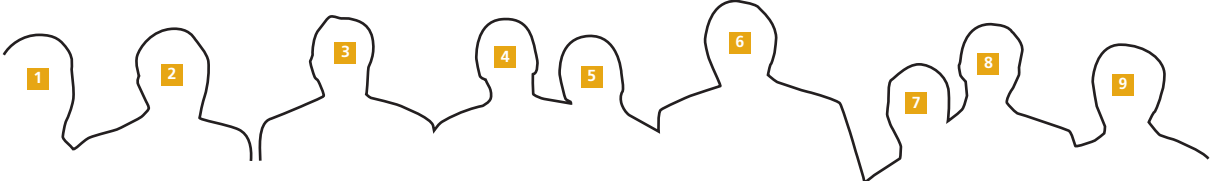


# Export Guarantees Advisory Council Annual Report 2006-07



- 1. Andrew Wiseman (Partner, Blake Laphorn Tarlo Lyons)
- 2. Anthony Shepherd (Chairman, The Alderley Group)
- 3. Professor Jonathan Kydd (Dean of the External System, University of London)
- 4. John Elkington Chair (Founder & Chief Entrepreneur, SustainAbility Ltd)
- 5. Paul Talbot (Assistant General Secretary, Unite-Amicus Section)
- 6. Peter Haslehurst – observer (Non-Executive Director)
- 7. Dr Robert Barrington (Director of Governance & Socially Responsible Investment, F&C Asset Management Plc)
- 8. Professor Glen Plant (Barrister)
- 9. Dr Raj Thamotheram (Director, Responsible Management, AXA Investment Managers Ltd)
- 10. Not pictured – Martin Roberts (Senior Consultant, Beachcroft Wansbroughs Regulatory Consulting)

We aim to advise Ministers on how ECGD can support UK industry, whilst at the same time contributing to sustainable development in emerging markets, and complying with Government policies on transparency and on combatting bribery and corruption, as set out in ECGD’s Business Principles. We noted in last year’s report our aim of focusing during 2006-07 on the latter aspects of our Terms of Reference (particularly items 5.5 and 5.6), an intention which we fulfilled.

The remit of the Council is defined by the Export and Investment Guarantees Act, 1991. Its Terms of Reference, along with the minutes of each EGAC meeting, and a Register of Member’s interests, are available on the ECGD website.

During the year, we welcomed three new members to the Council: Dr Robert Barrington, Professor Glen Plant, and Andrew Wiseman, all of whom began their terms towards the end of 2006, and who each bring with them considerable expertise in areas related to ECGD's Business Principles. We also welcomed Peter Haslehurst, ECGD Non-Executive Director, acting as an observer. His role is to provide a link and closer understanding between the Council and ECGD's Management Board. Both new and existing members benefited from an informative induction session, covering ECGD's background, products, and Business Principles.

According to a pre-agreed schedule of fewer, longer meetings, the Council met four times in 2006-07 and considered a range of issues, providing advice to Ministers as appropriate. We met once with the then Minister for Trade, Investment and Foreign Affairs during the year, having the opportunity to discuss a number of topics. The Council considers that during this period ECGD operated in accordance with its existing Mission Statement and Business Principles.

The year saw the Council focus more particularly on policies stemming from ECGD's Business Principles, and their application to ECGD's activities. In October 2006, a highly informative meeting was held between the Council and representatives of NGO groups, at which ECGD-related issues of particular interest to the NGO community were discussed, with a view to helping inform the Council in the planning of its own forward agenda. The meeting was well attended, with a significant number of NGO groups represented, and it was agreed that a similar meeting would be held in 2007-08. The Council would like to express its appreciation for the NGO inputs.

During the year, the Council reviewed ECGD's policies relating to post-issue project monitoring and its case impact assessment procedures, and concluded that ECGD's policies in each area were both robust and appropriate. The Council also confirmed the extent to which its remit should cover exports in the defence sector, provoking useful debate. It is expected that the issue will form part of the Council's agenda for the forthcoming year.

At each meeting, the Council receives information from ECGD on the guarantees and insurance support issued in the course of the financial year, and how these comply with ECGD's Business Principles. The Council asked to review one case in detail during the year, and, in May 2007, it reviewed the activities of the Business Principles Unit of ECGD over the past twelve months.

The Council also examined the results of ECGD's public consultation on its rules for supporting Foreign Content, and was involved with the development of ECGD's Sustainable Development Action Plan. This latter relates both to ECGD's external policies on sustainable development and to internal issues, such as recycling. The Council continues to receive regular updates on ECGD's experience since the implementation of the Freedom of Information Act in January 2005. The Council noted the Sustainable Development Commission's assessment of ECGD's sustainable development performance and, while there are complexities that make some of the Commission's recommendations hard to implement, we will monitor this closely.

Patrick Crawford, ECGD Chief Executive, provides a briefing at each of our meetings on ECGD's financial position and risk management policies and processes, as well as the current issues facing ECGD. This year, a specific focus was ECGD's work internationally, particularly in areas relating to the Berne Union of Credit and Investment Insurers, the Aircraft Sector Understanding under the OECD Arrangement, and the OECD Common Approaches on the Environment.

Over the coming year, the Council aims to continue its focus on how the Business Principles relate to the day-to-day work of ECGD, as well as continuing what it is now expected to be an annual meeting with NGOs to hear their views – and to report back on progress. As a result, the Council will be able to provide better-informed advice to ECGD and its Ministers, as they consider the UK's response to current issues.

John Elkington  
Chair