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EXPORT GUARANTEES ADVISORY COUNCIL EGAC (2005) 2nd MEETING

MINUTES OF MEETING HELD 16/3/05

Present: **Ms Liz Airey (Chairman)**
 Professor Jonathan Kydd
 Mr Tony Shepherd
 Sir Stephen Brown
 Mr Paul Talbot
 Mr Graham Rowcroft (observer)

In Attendance: **Mr Patrick Crawford**
 Mr Graham Pimlott
 Mr John Weiss
 Mr Victor Lunn-Rockliffe
 Mr Peter Doyle
 Mr Paul Lamy
 Mr David Allwood
 Ms Helen Richman (Secretary)

Mr Gareth Waterhouse

1 APOLOGIES FOR ABSENCE

Apologies were received from Mr Elkington, Mr Roberts and Mr Thamotheram.

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 19 January 2005 were approved and signed.

3 MATTERS ARISING

3.1 Pilot Trading Fund Progress

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- Following final negotiations with HMT and Shareholder Executive, ECGD expected to move to Pilot Trading Fund status, with new Consent arrangements, during April.

3.2 Chairmanship of EGAC

- Ms Airey's chairmanship of the Council had been extended to allow time for a formal recruitment process for a new Chairman. The post had been published on the Cabinet Office website and two applications had been received. It was hoped that a new chair would be appointed by the end of May, in time for the Council's June meeting.
- The Council's remit and focus should be considered with the new Chairman at an appropriate time.

3.3 Trade and Industry Committee

- On 23 February, the Minister for Trade had appeared at the Trade and Industry Committee. Questions focussed on the changes to ECGD's anti-bribery and corruption procedures made during 2004. The Committee's report was expected to be published in the week following the Council meeting, and Council members would be notified when this happened. The Committee had highlighted the importance of EGAC in relation to ECGD's Business Principles.

4 CONSULTATION ON ANTI-BRIBERY AND CORRUPTION PROCEDURES – EGAC (05) 7

4.1 Mr Weiss updated the Council on developments, making the following key points:

4.1.1 The consultation document on the changes to ECGD's anti-bribery and corruption procedures introduced in December 2004 was being cleared across government in line with Cabinet Office guidelines. The consultation

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itself would begin once this process was completed and would last three months. The Council would have the opportunity to review and discuss responses prior to Ministers considering any recommendation from ECGD.

4.1.2 Council members said that they looked forward to considering the responses provided by consultees. It was hoped that these would be available during June.

5 DRAFT EXTERNAL CONTACT GUIDELINES – EGAC (05) 6

5.1 At the 19 January meeting, it was suggested that Council members would be assisted if a short note was prepared setting out guidelines for contact between EGAC and parties outside ECGD.

5.2 In discussing the draft guidelines, the following main points were raised:

5.2.1 Some form of advice on how to interact with external parties would be useful for Council members, given that there was significant external interest in some areas in which they were involved. A number of members expressed the view that guidelines should focus on broad principles rather than procedures, which might be un-necessarily restrictive.

5.2.2 On general principles, it was agreed that:

- the considered views of Council members were to be reflected in the minutes including, as relevant, any dissent from the consensus;
- to support the effectiveness of the Council, comments to external parties should reflect the views recorded in the minutes.

5.2.3 It was resolved that new Council members should be given advice on general principles of external contact when joining, and members agreed to propose to ECGD a form of guidance with which they felt comfortable, before their next meeting.

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6 SHORT-TERM REINSURANCE

6.1 Mr Weiss presented the results of the consultation on Short-Term Reinsurance and ECGD's recommendations. He addressed the following points:

6.1.1 The 'Stand-by' documentation for Short-Term reinsurance, drafted in 2000, had never been used. The responses received from consultees nevertheless indicated they would prefer that ECGD continue to provide a backstop for short-term reinsurance.

6.1.3 The Council endorsed ECGD's proposals to be put to Ministers.

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7.1 There were no questions on this paper.

8 ANY OTHER BUSINESS

8.1 Change in Secretariat

- The Council wished to record their thanks to Mr Waterhouse for his service as Secretary to EGAC. They welcomed Dr Richman as the new Secretary.

8.2 Economic Cost of Capital

- Mr Crawford advised the Council that a statement of the "economic cost of ECGD" would be published alongside the Budget. This would attempt to value the implicit benefits of the provision of government guarantees. Comments were being invited on the methodology that had been selected.

HELEN RICHMAN

EGAC SECRETARIAT