

MINUTES OF MEETING HELD 16/11/2005

Present: Mr John Elkington (Chairman)
Mr Tony Shepherd
Sir Stephen Brown
Ms Liz Airey (Observer)

In Attendance: Mr Graham Pimlott
Mr Patrick Crawford (Item 4
onwards)
Mr David Allwood
Mr Victor Lunn-Rockliffe

Ms Helen Richman (Secretary)

1 APOLOGIES FOR ABSENCE

1.1 Apologies were received from Mr Paul Talbot, Professor Jonathan Kydd, Mr Martin Roberts and Dr Raj Thamotheram.

2 MINUTES OF THE PREVIOUS MEETING

2.1 The minutes of the meetings held on 25 August and 21 September were agreed.

3 MATTERS ARISING

3.1 Council Membership

- The Chairman noted that four members, who had stepped down from the Council since 2002/03 at the end of their tenure, had not been replaced. It was agreed that, before the Council's next meeting, ECGD should issue an advertisement to attract new members to the Council.

3.2 Forward Agenda

- It was suggested that the number of meetings in each year should be reduced to four, with topics covered in greater depth. Members felt that part of one meeting should be set aside to allow the Council to review its past activities in the year. It was also agreed that Council members should have a regular meeting with the Minister for Trade, NGOs and customers (the latter, potentially, at ECGD's customer seminar) in the year. Mr Elkington agreed to produce, for consideration by members, a draft forward agenda for EGAC meetings.

3.3 Terms of Reference for EGAC

- It was agreed that EGAC would, as usual, report its proceedings under its existing Terms of Reference in ECGD's Annual Report 2005/06.
- Proposals for revisions to the EGAC Terms of Reference had been discussed by members at a number of meetings in the year. It was suggested by members that these should now be put forward by ECGD to Ministers, with conditions that ECGD should appoint a new non-executive director with exporting experience who could sit on both the Management Board and EGAC, and that ECGD should agree with the Council an appropriate process by which it would continue to engage with small businesses.

4 REPORT FROM THE CHIEF EXECUTIVE

4.1 Mr Crawford updated the Council on news and developments at ECGD, making the following key points:

4.1.1 Statutory Trading Fund:

- An outline of ECGD's progress in relation to the proposed move to Statutory Trading Fund in Spring 2007 was discussed. A detailed project plan had now been drawn up, to be reviewed by Management Board at its December meeting.

4.1.2 Internal Cost and Efficiency Plan:

- Progress in relation to ECGD's cost and efficiency plans was outlined to the Council, including details of the move of ECGD's finance function from Cardiff to London.

4.1.3 Data Management:

- The installation of ECGD's new data systems had been completed at the end of August. The systems were now bedding down. Completion of this process was on track for the end of the calendar year, after which ECGD would be seeking to maximise efficiencies to be gained from the new systems.

4.1.4 Anti-Bribery and Corruption Procedures:

- A provisional response to the consultation on ECGD's anti-bribery and corruption procedures had been published by the Government on 21 October. Consultees had now been given a further period to submit representations in respect of this response. This period would end on 18 November, after which any further submissions would be taken into account before the Government issued its Final Response to the consultation.

4.1.5 Freedom of Information:

- There had been a further seven requests for information since the Council was last updated, bringing the requests received by ECGD since January to 54. The new requests related to the project impacts.

5 ECGD AND SUSTAINABLE DEVELOPMENT

5.1 Mr Allwood updated the Council on ECGD's approach to sustainable development. He described how the project impact assessment process had developed at ECGD. It was noted that, when ECGD launched its project impact assessment procedures in 2001, some commentators had feared this would reduce applications. However, this had not been the case. During the first six months of 2001, more applications were received than during the corresponding period in the previous year.

5.2 It was noted that ECGD had supported the establishment of a common approach for project impact assessments by ECAs and worked internationally to lobby other ECAs in this respect. The approaches of other ECAs on sustainable development were outlined to the Council. Members commented that good progress had been made in standardising approaches to sustainable development and by incorporating reference to World Bank Group standards.

5.3 However, in discussion, it was noted that the International Finance Corporation was proposing a move from general standards towards identifying standards for projects on a 'case-by-case' basis. ECGD confirmed that it was liaising with other Government Departments on this issue.

5.3 Council members expressed the view that moving away from use of a single set of standards could potentially make consideration of sustainable development issues more difficult. It was agreed that clear and consistent guidance was desirable

from both a sustainable development and a customer perspective. It was agreed that ECGD should seek to encourage other ECAs to make submissions to the IFC on the subject of common standards.

6 SUSTAINABLE DEVELOPMENT ACTION PLAN

6.1 Mr Allwood updated the Committee on progress in relation to the new HMG Sustainable Development Strategy, published in March 2005. The Strategy required all Government departments and agencies to produce, by December 2005, a Sustainable Development Action Plan (SDAP). ECGD's Plan would relate both to external policy issues (such as ECGD's environmental impact assessment procedures) and internal matters (such as paper re-cycling).

6.2 The Council provided detailed comments to ECGD on the draft SDAP.

6.3 In discussion, Council members commented that the SDAP should highlight both the costs and benefits of ECGD's sustainable development activities. It should mention that ECGD liaised with other government departments on sustainable development issues and should describe its efforts to establish common approaches internationally on sustainable development. It was suggested that ECGD should seek to exchange knowledge with other government departments who were also developing their SDAPs.

6.4 It was agreed that the Council would provide further written comments on the plan after it had been reviewed by Management Board.

7 GUARANTEES ISSUED

7.1 There had been seven new cases issued since the last meeting. The Council asked to see the Business Principles Unit report on one case.

8 ANY OTHER BUSINESS

8.1 It was reported that it had been agreed that Professor Kydd should sit on the Advisory Council for a further two years. Mr Elkington thanked both Sir Stephen Brown, who was attending his last meeting prior to his retirement as Chief Executive of UK Trade and Investment, and Liz Airey, who was stepping down from the Council at the end of her tenure, for their diligence and significant contributions to the work of EGAC throughout their tenure.

HELEN RICHMAN
EGAC Secretariat