

MINUTES OF MEETING HELD 19/02/2007

Present: Mr John Elkington (Chairman)
Mr Robert Barrington
Dr Jonathan Kydd
Professor Glen Plant
Mr Anthony Shepherd
Mr Paul Talbot
Dr Raj Thamotheram
Mr Andrew Wiseman
Mr Peter Haslehurst (observer)

Apologies: Mr Martin Roberts

In Attendance: Mr Graham Pimlott
Mr Patrick Crawford
Mr David Allwood
Mr John Snowdon
Mr Ian Cox

Mr Steve Head (Secretary)

1 APOLOGIES FOR ABSENCE

1.1 Apologies were received from Mr Roberts.

1.2 Mr Elkington welcomed Mr Barrington and Professor Plant on the occasion of their first EGAC meeting.

2 MINUTES OF THE PREVIOUS MEETING

2.1 The minutes of the meeting held on 4 December were agreed.

3 CEO'S REPORT

3.1 The Council noted Mr Crawford's update on news and developments at ECGD.

4 OECD COMMON APPROACHES ON THE ENVIRONMENT

- 4.1 Mr Allwood reported that ECGD was awaiting the latest draft of a possible revision to the existing Common Approaches, noting that this should be received shortly ahead of further negotiations in late-March.
- 4.2 EGAC requested and received clarification on some of the ongoing issues under discussion.

5 POST-ISSUE PROJECT MONITORING REVIEW (BTC)

- 5.1 Mr Allwood provided EGAC with an overview of the Baku-Tbilisi-Ceyhan (BTC) project, noting that the case had been the first very large project financed on the basis of limited recourse supported by ECGD since its Business Principles had been published.
- 5.2 EGAC thanked Mr Allwood for his overview, and expressed the view that the procedures that had been put in place to monitor compliance with the environmental conditions were sufficient.

6 SUSTAINABLE DEVELOPMENT ACTION PLAN (SDAP) – UPDATE

- 6.1 EGAC discussed the latest version of ECGD's SDAP, noting that this was due to be reviewed by Management Board (MB) later in the week.
- 6.2 EGAC requested reassurance that comments received by stakeholders had been considered within the revised draft. Mr Allwood described the responses received and advised EGAC that these had all been considered during the revision process.
- 6.3 EGAC discussed ECGD's position in light of the Government's wider policies on climate change. It was acknowledged that, in the absence of definitive HMG policies on specific issues that impacted on ECGD support for certain classes of business, ECGD could find itself in a position where it was open to criticism while fulfilling its statutory obligations. EGAC noted the

complexity of the situation and the difficulties ECGD faced. It was noted that the issue would be considered at a forthcoming MB meeting.

7 ECGD AND DEFENCE EXPORTS

7.1 EGAC thanked ECGD for its update, noting that, in light of the information provided, it was seeking clarity on its role as regards defence exports and, specifically, whether they fell under its remit.

7.2 It was noted that EGAC had historically provided views only on those cases that had been reviewed by the Business Principles Unit (BPU), given the role of the DTI's Export Control Organisation in undertaking the export licensing process in respect of defence exports. However, following discussion, it was agreed that the EGAC's remit should include an advisory role in respect of the Defence sector whereby EGAC would provide advice on best practice in respect of the application of Business Principles matters in such cases.

7.3 It was agreed that ECGD would further consider how EGAC could potentially operate this advisory role, and provide EGAC with options.

- **Action: Mr Dodgson to take forward.**

8 PROJECT ASSESSMENT – CASES DEFINED AS MEDIUM RISK

8.1 EGAC thanked Mr Allwood for his update. EGAC considered that, in light of the information provided, the assessments had been correctly made and that the associated processes were appropriate for the purpose.

- **Action: Mr Thamotheram to forward details of additional online tools that may be of use within the project assessment process.**

9 GUARANTEES ISSUED

9.1 There had been one new Guarantee issued since the last meeting (December 2006).

10 ANY OTHER BUSINESS

10.1 There was none.

STEPHEN HEAD
EGAC Secretariat