

MINUTES OF MEETING HELD 03/12/2007

Present: Mr John Elkington (Chairman)
Professor Glen Plant
Mr Martin Roberts
Mr Paul Talbot
Mr Andrew Wiseman
Mr Peter Haslehurst (Observer)

Apologies: Dr Robert Barrington
Professor Jonathan Kydd
Mr Anthony Shepherd
Dr Raj Thamotheram

In Attendance: Mr Graham Pimlott
Mr Patrick Crawford
Mr Steve Dodgson
Mr David Allwood
Mr Ian Cox (Item 3)
Ms Philippa Breitmeyer (Item 7)

Mr Steve Head (Secretary)

Mr Chris Parish – Export Control Organisation (Item 3)

1 APOLOGIES FOR ABSENCE

1.1 Apologies were received from Dr Barrington, Mr Shepherd, Professor Kydd and Dr Thamotheram.

2 MINUTES OF THE PREVIOUS MEETING

2.1 The minutes of the meeting held on 14 May were agreed.

3 EXPORT CONTROL ORGANISATION PRESENTATION ON EXPORT LICENSING

3.1 Mr Chris Parish, a Deputy Director of the Export Control Organisation (ECO), which issues licences to export arms and other goods controlled for strategic reasons on behalf of the Secretary of State for Business, Enterprise and Regulatory Reform (BERR), had been invited by the Council to explain the Government's export licensing policy, criterion and processes. The

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purpose was to assist the Council's knowledge in order to help inform its role in the oversight of ECGD's Business Principles in regards to their application to Defence Exports.

- 3.2 The Council noted the involvement of the Ministry of Defence, the Foreign and Commonwealth Office, and the Department for International Development in the licences approval process. However, the Council noted that the export license system did not address certain of ECGD's Business Principles, notably bribery and corruption and environmental issues. ECGD still had to make its own inquiries on each transaction which it was asked to support to satisfy itself that it was not tainted by bribery and corruption. With regard to environmental matters, Mr Allwood commented that in many cases the proposed transactions did not lend themselves to environmental screening because of the nature of defence exports involved.
- 3.3 The Council decided that at its next meeting it should examine non-live Defence Export cases that ECGD had supported to examine how the Business Principles had been applied.

Action: Mr Dodgson to brief the Council on Defence Export business supported at its next meeting.

4 CHIEF EXECUTIVE'S REPORT

- 4.1 The Council noted Mr Crawford's update on developments at ECGD.
- 4.2 Mr Crawford advised the Council on the recent meeting between the OECD and Civil Society Groups. Mr Crawford drew the Council's attention to correspondence by ECA Watch to the OECD before and after the meeting. Mr Talbot, who had attended the meeting as a representative of the Trade Union Advisory Committee to the OECD (TUAC), also provided feedback.
- 4.3 Mr Crawford stated that, at the Committee's request, ECGD had recently met with the Woolf Committee. This had been established by BAE Systems to recommend corporate standards in its business operations looking to the future. The main purpose of the meeting was to explain to the Committee ECGD's role and responsibilities and, in particular, its anti-bribery policies and rules. It was understood that the Committee would publish a report in

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the spring. Mr Crawford agreed to keep the Council informed of developments.

Action: Mr Crawford to report back to the Council in due course.

5 FEEDBACK FROM ECGD/NGO MEETING – EGAC 2008 AGENDA PLANNING

5.1 Although some disappointment was expressed at the number of NGOs represented at the EGAC/NGO meeting in October, the Council considered that the meeting had been useful, serving both to provide an insight into current areas of NGO interest, as well as helping NGOs to gain a better understanding of the Council's work. The Council approved the draft minutes of the meeting.

5.2 The Council discussed the issues that emerged from the meeting. The Council also agreed its programme of meetings and the topics that it would consider during 2008. This would also include a meeting with NGOs in the autumn. The Council also noted the possibility of a meeting during 2008 with exporter/banking representative groups on its role and remit in regard to ECGD's Business Principles.

6 BRIBERY AND CORRUPTION UPDATE

6.1 The Council was briefed on ECGD's experience of its revised anti-bribery and corruption rules, covering the first year of their implementation, i.e. 1 July 2006 to 30 June 2007.

6.2 The Council noted that there had been a decline in the number of applications compared to the previous year; this was largely attributable to one regular exporter who had not submitted any applications during this period. The Council discussed the due diligence processes that ECGD followed to make its inquiries. It was noted the Special Handling Arrangements had been little used. The Council noted that a number of proposed transactions had involved consortium or joint ventures partners and that there had been full disclosure to ECGD of the arrangements in each case.

6.3 The Council requested ECGD consider making public a summary report and doing so each year. The Council noted that the Trade and Industry

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Committee of the House of Commons planned to review ECGD's experience in 2009: the information that ECGD collated in the meantime would help assist this review.

Action: Mr Dodgson to consider publishing a summary report.

7 FREEDOM OF INFORMATION UPDATE

7.1 The Council was briefed on ECGD's experience of the operation of Freedom of Information Act (FoIA). The Council was also briefed about the experience of the FOIA more generally across government.

7.2 The Council acknowledged that ECGD was continuing to gain experience, taking account of practice that was beginning to be established in the light of the adjudication of disputed cases by the Information Commissioner and the Information Tribunal. As 'precedent' became established, it might lead to ECGD releasing information that hitherto had been withheld. The Council noted that the Government intended to appeal a case to the High Court in regards to the status of inter-Departmental communications. The Council further noted that, in a number of cases, ECGD had exceeded the time allowed for a response, and was informed that the timeliness of responses to requests had often been adversely affected by the need to consult interested parties, so that ECGD could take into account any comments received in reaching its decision on whether to release information or apply an exemption.

8 GUARANTEES ISSUED

8.1 Thirteen new guarantees had been issued since the report provided at the Council's last meeting (May 2007). None of these cases was classified as 'High' impact.

9 ANY OTHER BUSINESS

9.1 The Council noted the recent Westminster Hall debate about ECGD, initiated by Mr Nick Hurd MP, which covered sustainability issues.

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- 9.2 On the occasion of Mr Elkington's final EGAC meeting, Mr Pimlott thanked him for his contribution to the work of the Council, both as a member, and more latterly in his position as Chair.
- 9.3 Members noted that, following Mr Elkington's unexpected resignation in order to pursue a new business initiative, a new interim Chairman was expected to be appointed by Ministers in January. Subsequently, arrangements would be put in place to recruit a permanent Chair under the rules of the Office of the Commissioner for Public Appointments (OCPA).

STEPHEN HEAD
EGAC Secretariat