Minute of UKEF Board meeting – 15 September 2022

**Present:**

Noel Harwerth (Chair)

Alistair Clark

Andrew Mitchell (items 5-8)

Lawrence Weiss

Louis Taylor

Kim Wiehl

Jackie Keogh

Tim Frost

Candida Morley

Cameron Fox

Samir Parkash

Matt Barnes (Observer)

Julia Beck

Shane Lynch

Esi Eshun

[redacted]

Tim Reid

**Apologies:**

None

**Secretariat:**

[redacted]

**Attendees**:

Nigel Topping (UKIB – items 1-3), [redacted] (item 3 & 4), [redacted] (item 3)

1. Introduction
	1. The Chair welcomed Members and attendees to the meeting and checked whether Members had any interests to declare. There were no interests declared.
2. Business plan kick-off / overview
	1. [redacted], introduced this item. This paper outlines the project plan for developing and launching the department’s plan for the new Business Plan.
	2. The meeting noted that the current Business Plan was ending in 2024, and the Strategy Team were initiating the process for developing the next Business Plan. The meeting heard that the process would involve working closely with the Board, EC, UKGI and teams across the department and will build on the lessons learnt from previous years.
	3. The Board discussed the proposed timetable, roles and responsibilities, stakeholders and communications required, as well as the key risks and dependencies.
	4. Members commented on the links between the Business Plan and Target Operating Model (TOM), what had been learned from the last TOM, and the role of consultants in the new TOM.
3. Business plan – horizon scanning
	1. Nigel Topping, the UN High Level Climate Action Champion at COP26 gave a presentation to the Board about the trends and issues that will impact UKEF’s business and operating environment out to 2030. The meeting heard that the scientific and political consensus was that net zero had to be achieved by 2030, and the assessment of risk for not achieving this was leading to a heightening of risk each time it was assessed. Members noted that the climate issue was no longer a moral one, that the finance community was now committed and engineering breakthroughs would continue.
	2. The meeting discussed ways in which the UK could become more competitive in the green arena, and the challenges the UK needed to overcome.
	3. The Chair thanked Nigel for an excellent presentation.
4. Business plan – implications for UKEF
	1. [redacted] introduced this item on the implications of identified trends and issues for UKEF, and how they should be addressed in the next business plan.
	2. The meeting was split into three breakout groups to consider the following topics:
* geopolitical scenarios;
* sustainability scenarios; and
* economic scenarios
	1. It was agreed that the outputs of each group would be written up and circulated to the Board. Members were encouraged to identify any key issues raised where they would like more information to let the Strategy Division know via secretariat.

**ACTION: Group work to be written up by Strategy Division and shared by written procedure with the Board.**

1. Strategic risk register
	1. [redacted] introduced this paper on the startegic risk register (SRR). The meeting noted that they had agreed the SRR would be reviewed yearly by the Board in September at its strategy away day.
	2. The meeting were given a general update on the SRR and the following areas were raised specifically, with presentations given on:
* implications of the Russia-Ukraine conflict for UKEF (linked to risks #3 geopolitical and #8 black swan);
* the emerging markets sovereign debt crisis (linked to risk #5 financial exposure and #8 black swan); and
* reputational risk (cross-cutting theme).
	1. The Board considered the questions raised by the three areas noted above.
1. Strategic risk: geopolitical
	1. [redacted] and [redacted] presented a paper covering the geopolitical strategic risk. This presentation discussed the current international context, the OECD agreement; the likelihood of OECD agreement reform and how the UK should respond.
2. Ukraine: update
	1. The Interim Chief Executive Officer, Samir Parkash, and the Director of Legal and Compliance, Esi Eshun provided an update on UK Export Finance’s work on Ukraine.
	2. The Board noted the background and the various ministerial directions that had been issued in order that UKEF remain on cover in Ukraine; and that UKEF had withdrawn support for Russia and Belarus following support from the Trade Secretary and Chancellor.
	3. Members heard that to enable UKEF to offer sufficient clarity to the Ukrainian Government on the terms of support for an initial tranche of priority projects, the Chancellor had provided in-principal consent for two timebound credit facilities for the financing of military contracts as part of the UK’s renewed commitment to the Ukrainian Naval Capabilities Enhancement Projects (UNCEP) and for the financing of reconstruction-related projects.
	4. The Board discussed the huge cross-Departmental effort that had gone into work on Ukraine, with the ex-officio Member for DIT commenting how important supporting Ukraine was for the Government and the importance of UKEF within the cross-Whitehall taskforce. The Board were informed that UKEF had taken a central role and that the infrastructure projects were absolutely vital for the people of Ukraine. It was also noted that HM Government had the opportunity to deliver reconstruction as a lead partner to Ukraine in the same way that they had mobilised on defence and security and that this mattered particularly to Ukraine as early UK engagement would encourage other international partners to follow suit.
3. Any other business
	1. The Chair noted that this was the last meeting in which Louis Taylor, would attend as Chief Executive before moving on to the British Business Bank. Members thanks Louis for his exceptional service and wished him well for the future.
	2. There was no further business.