

MINUTES OF EXECUTIVE COMMITTEE MEETING

17 January 2022

Present: Louis Taylor (Chair)
Gordon Welsh
Cameron Fox
Shane Lynch
Esi Eshun
Davinder Mann
Samir Parkash
[REDACTED]

Apologies: None

Secretary: [REDACTED]

1 Review of Minutes & Actions, and DIT, HMT, x-WH and General Updates

- 1.1 The minutes for the EC meeting on 20 December were reviewed and approved, with some minor amendments suggested and incorporated.
- 1.2 The Chair mentioned that he had a recent meeting with Minister Freer, who stated that he would like to be sighted more on UKEF communications activity.
- 1.3 The Chair also commented on an upcoming DIT Away Day and EC members discussed recent political news.
- 1.4 The Director of Business Group enquired about UKEF's responses to the International Trade Committee (ITC) enquiry

2 2022/23 Operational Plan Initiation

- 2.1 [REDACTED] and [REDACTED] outlined the process for developing and launching the UKEF Operational Plan for the 22-23 financial year, noting that the team had taken on board feedback from last year's exercise.
- 2.2 This plan will also be presented to the Board Away Day on 27 January.

- 2.3 The Chair agreed the annual priorities before Christmas, but commented that the plan currently does not reference the Memorandum of Understanding that UKEF has with the Department for International Trade.
- 2.4 The Director of Business Development, Communications and Marketing commented that the “Net Zero” agenda is not front and centre in this plan, although the Chair commented that this is referenced as a sub-objective.
- 2.5 EC approved the timetable, roles and responsibilities, stakeholder engagement and communications plan as well as ongoing monitoring.

3 Strategic Risk Register

- 3.1 [REDACTED], [REDACTED], [REDACTED] and [REDACTED] led on this agenda item which highlights the progress made since the UKEF Board Away Day in September in refreshing the Strategic Risk Register.
- 3.2 The strategy team discussed the operational and commercial risks that UKEF faces as both a financial institution and government department. It is hoped that EC will review the Strategic Risk Register on a 6 monthly basis, and the Board will review on an annual basis.
- 3.3 The Director of Business Development, Communications and Marketing commented that the risk register does not adequately address supply chains and UKEFs role in liaising with them. [REDACTED] agreed to take this feedback on board.
- 3.4 EC members discussed some cross over between some risks, and queried whether geopolitics, debt levels and net zero should be their own risks.
- 3.5 The Strategy Team agreed to work on mitigations after the Board Away Day on 27 January.

4 RAD Project Financing

- 4.1 [REDACTED] delivered a presentation which highlighted the difficulties with recruitment and retention of Project Financing staff, as well as approving the extension of contracts for three contractors.

4.2 All parties acknowledged that the contractor extension requests will require both Cabinet Office and Ministerial approval, and EC approved these extension request from an internal perspective.

4.3 The Chair asked the Director of Resources to lead on a paper to be sent to HMT that sets out the costs of outsourcing this requirement versus increasing salary bands in UKEF for this specialism. It was deemed that UKEF's band rates are currently uncompetitive with both the private sector and other areas of Government for this specialism.

ACTION – Director of Resources to draft paper to HMT concerning Project Finance staff pay.

5 Disability and Carers Network

5.1 [REDACTED] and [REDACTED] delivered a presentation which requested the establishment of a Disability and Carers Network. Both presenters noted that there had been previous attempts to set up a similar network and gave an overview of the vision and initial areas of focus for this network.

5.2 The Director of Legal would be the primary sponsor for this network, and she mentioned that a network of this nature would represent a broad spectrum of staff across UKEF.

5.3 The Chair was keen for this to succeed. The Director of Resources highlighted that a new structure will be put in place to differentiate between networks spend and learning and development spend.

5.4 EC approved the establishment of the network and the budget request in the paper.

6 Any other business

6.1 The Director of Legal gave a brief update concerning the Mozambique LNG case

6.2 The Chair closed the meeting.

[REDACTED]

Strategy, Policy and Climate Change Division

MINUTES OF EXECUTIVE COMMITTEE MEETING

31 January 2022

Present: Louis Taylor (Chair)
Gordon Welsh
Cameron Fox
Shane Lynch
Esi Eshun
Davinder Mann
Samir Parkash
[REDACTED]

Apologies: None

Secretary: [REDACTED]

2 Review of Minutes & Actions, and DIT, HMT, x-WH and General Updates

- 6.3 The minutes for the EC meeting on 17 January were reviewed and approved, with some minor amendments suggested and incorporated.
- 6.4 The Director of Resources mentioned that furniture in storage will be restored to UKEF's office space in 1 Horse Guards Road (1HGR) in February, along with the installation of Carbon Dioxide monitors across the building. Restaurants in 1HGR will open to capacity when an average of 1200 staff return to the 1HGR on a daily basis.
- 6.5 The Director of Finance provided an overview of the financial timetable for the remainder of the 21/22 financial year, and mentioned that some preliminary activities for the Annual Report and Accounts have commenced.
- 6.6 The Director of SPoCC provided an overview of recent strategic engagement with the UK Infrastructure Bank and mentioned that there will be some engagement with the Development Finance Institution (CDC Group) in respect of Clean Technologies.

7 Financed Emissions

- 7.1 [REDACTED] and [REDACTED], along with consultants from PwC presented this paper, which sought a steer from EC on the approach to attributing financed emissions from guarantee products.
- 7.2 There is no common emissions baseline at this moment in time, and many ECA's were lagging behind mainstream banks and financial institutions in developing one. However, UKEF are currently ahead of the curve in this respect.
- 7.3 All parties discussed the options within Annex A, recognising that neither offered the precise solution and each approach offered a variety of risks and merits. Everyone recognised that data quality was a significant issue at present.
- 7.4 [REDACTED] joined the meeting and all parties agreed that the current Partnership for Carbon Accounting Financials (PCAF) approach could be discounted.
- 7.5 The Head of Business Group stated that capturing accurate emissions data first was a priority and queried who UKEF would need to report to. [REDACTED] confirmed that although there was a lot of information already in the public domain, UKEF will be required to publish further information under TCFD.
- 7.6 The Director of Business Development & Marketing & Comms raised the issue about communications surrounding this, especially as UKEF's methodology is unlikely to be an industry or ECA standard.
- 7.7 At the conclusion of this agenda item, all parties felt that greater internal and external stakeholder engagement would be required, but felt that the discussion offered enough of a steer to establish a direction of travel.
- 7.8 An update will be presented to EC later in the calendar year.

8 Annual Update of Financial Crime Compliance Policies

- 8.1 [REDACTED] and [REDACTED] presented the annual update of the headline Financial Crime Compliance (FCC) policies. These relate to Anti Money Laundering, Anti- Bribery and Corruption, Sanctions, Export Control, Fraud and Business Conduct Concerns.

8.2 These were presented in a new format and will be accompanied by Guidance notes, training and assessments once issued to staff.

8.3 The policies were last approved in March 2021. Future updates will be submitted for approval each January.

8.4 The Chair thought that the tone in some policy documents could be less alarming, the Director of Legal commented on the need to make the potential consequences clear to those reading the policies, it was agreed that Compliance Division would review the language and make any appropriate changes.

8.5 The presenters confirmed that they would be engaging with the Learning and Development team to establish which of these policies need to be treated as mandatory e-learning modules for staff. EC members were supportive of this.

8.6 EC members approved these updated policies.

9 Any other business

9.1 No items of AoB were tabled and the Chair closed the meeting.

[REDACTED]

Strategy, Policy and Climate Change Division