

EXPORT GUARANTEES ADVISORY COUNCIL

MINUTES OF MEETING HELD ON 20 FEBRUARY 2023

**Present:** Ms Vanessa Havard-Williams (Chair)  
Dr Ben Caldecott, EGAC  
Mr Harold Freeman, EGAC  
Mr John Morrison, EGAC  
Dr Roseline Wanjiru, EGAC  
Ms Sarah Steele, EGAC  
Mr Stephen Prior, EGAC  
Mr Tim Reid, UKEF CEO  
Ms Esi Eshun, UKEF Director  
Ms Julia Beck, UKEF Director  
Ms Jayne Whymark, UKEF Director  
[Redacted]  
[Redacted]

**Presenters:** Mr Tim Reid  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

**Observers:** [redacted]

**Apologies:** None

**Secretary:** [redacted]

1. **Minutes of previous meeting and matters arising**

1.1. Members discussed the October 2022 minutes and actions log. The minutes were approved by the Council subject to a minor change. No agenda specific conflicts of interest declared.

1.2. The Council discussed its scope of operation, including the current terms of reference. Members expressed interest in understanding the approach to risk management and due diligence on projects in particularly complex jurisdictions as well as projects with particularly high positive impacts.

2. **Welcome and CEO update**

- 2.1. The UKEF CEO, Mr Tim Reid, expressed his thanks to the Council for their introductory meetings further to his appointment as CEO. Mr Reid provided an overview of business activity and outlined key achievements, live issues, and plans for growth. He presented the statistics of customers supported and upcoming plans to increase the numbers. He explained the geographically diverse outlook across a range of sectors, including climate positive activities.
- 2.2. The Council discussed the wider variety of customers resulting from the introduction of new UKEF products, including the additional focus to support smaller businesses.
- 2.3. The Council discussed recent ministerial and machinery of government changes.

### 3. **Impact framework**

- 3.1. [Redacted], presented on the developing impact framework that is designed to help better understand, measure, and consider the impact of UKEF activities.
- 3.2. [Redacted], talked about the sustainability aspect of the impact framework.
- 3.3. The Council advised comparing with other ECAs as well as UK public financial institutions, and considering ex-ante and ex-post evaluation. The Council suggested using existing metrics for jobs supported and discussed how they could be used strategically.
- 3.4. The Council discussed the value of collecting these metrics, including the level of detail that would be useful. Members suggested exploring the FCA's sustainable disclosure requirements and investment labels that measure sustainability, improvement and impact. The Climate Change Committee's monitoring framework was also recommended for reference.
- 3.5. Members discussed the need and utility of quantitative measures and qualitative data. Members suggested identifying systems of capturing longer term feedback that can be linked to the projects supported.
- 3.6. The Council recommended theories of change, as well as consideration of repeatability of metrics, data infrastructure systems and about the risk of perverse incentives.
- 3.7. The Council suggested reviewing the World Metrics Alliance. Members discussed the process for seeking feedback from exporters after finance has been arranged by creating legal obligations for exporters to provide data.
- 3.8. The Council discussed that it is not yet a developed framework, rather it is currently a set of proposed metrics. Members recognised that this exercise is designed to improve metrics and indicates a strong management level commitment to improve and discussed potential risks arising from this framework.

4. **Aviation decarbonisation targets**

- 4.1. [Redacted] presented UKEF's aviation sector decarbonisation target. The Council heard the timelines and TCFD disclosure commitments and were informed that UKEF joined The Partnership for Carbon Accounting Financials (PCAF).
- 4.2. Members discussed the context behind the aviation target as well as the current impact on UKEF's portfolio. Members compared the different options that were presented.
- 4.3. The Council discussed their concerns about a 2030 target and recommended that the commitment to the aviation target should be clear and robust.
- 4.4. The Council discussed the use of different fuel scenarios in modelling targets.
- 4.5. Members discussed the use of decarbonisation targets as a financial institution. The Council discussed tensions and trade-offs of a decarbonisation strategy. They noted the need to be consistent with net zero targets.
- 4.6. Members discussed the next steps and agreed the next iteration should update the analysis underlying the target setting to consider:

[Redacted]

- 4.7. It was also agreed that a further update would be provided to the Board/EGAC session on the 26th April.

5. **COP27 and UKEF approach to COP28**

- 5.1. [Redacted] reflected on the objectives and deliverables of COP27 and outlined the themes and priorities likely to be included in COP28.
- 5.2. Members discussed engagement with Just Energy Transition Partnerships, engagement with other ECA colleagues and sovereign wealth funds, and consideration of opportunities for multilateral collaboration on substantive commitments.

6. **Climate Change and Sustainability (CC&S) priorities for FY23/24**

- 6.1. [Redacted], updated the Council on activity around the CC&S priorities.
- 6.2. The Council recommended seeking views from the stakeholders. Members discussed the breadth of issues and suggested a variety of approaches to prioritising activity. They suggested further consideration of the net zero supply chain, adaptation, reshoring, and debt sustainability.

**REDACTED**

**EGAC (2023) 1<sup>st</sup> MEETING**

7. **AOB**

7.1. Members discussed possible future agenda items and logistical plans for future meetings.

**[redacted]**

**EGAC Secretariat**