



UK Export
Finance

UKEF'S IMPACT FRAMEWORK

Our approach to impact

Each year, UKEF provides billions of pounds of financial support, helping businesses across the whole of the UK to export. This support is crucial, allowing UK firms – large and small – to grow by tapping into the vast opportunities global markets offer. This is at the core of our mandate, but the real-world impact of our work is much wider: from supporting local communities and driving growth, to financing renewable energy projects needed for the global low carbon transition. UKEF's financing also helps build essential infrastructure in developing markets, ensuring that export credit aligns with international development priorities where possible.

Impact has always been at the heart of what we do. UKEF is known for having a deep understanding of UK businesses and their needs – and going the extra mile to support them. We have a long and proud history of innovation and flexibility in driving impact for our customers and their communities. This includes the unprecedented action we took to support UK firms and sectors during the pandemic. For example, we flexed our mandate to help Ukraine defend itself against Russia's illegal war. That's why 'making a difference' is one of UKEF's core values; this is also reflected in our Mission Statement, which places prosperity and sustainability at the heart of everything we do.

UKEF is evolving, using the language of real-world impact in the way we talk about our success, hold ourselves to account and set our strategic direction. This will help us better tell the story of the good work UKEF does every day. It will also allow us to look for opportunities where we can maximise our impact, while ensuring that we align with government priorities for growth, clean energy and industrial strategy. This means we can deliver our mandate in a way that makes our taxpayer-backed support go as far as possible to deliver on the Government's objectives.

Figure 1: Our Impact



UKEF’s Impact Framework

UKEF’s Impact Framework is primarily an information and communication tool to help the department measure and articulate its impact. It is not designed to be used at transaction level, but rather as a series of quantitative and qualitative indicators – allowing us to look at our overall performance and impact. These indicators are grouped into three thematic areas:

- Prosperity
- Public policy
- Sustainability

These three areas capture the full scope of the outcomes our support delivers, while also aligning with our strategic direction. This encompasses UKEF’s priorities around customers, growth, people and impact, as well as our mission statement and public commitments. We will report yearly on these indicators in our Annual Report and Accounts.

Table 1: UKEF’s primary impact indicators

	Indicator	Definition
PROSPERITY	Support for exports through UKEF finance and insurance	Value of export contracts won by UK firms
	Supporting UK exporters’ capability	Value of financing to build UK export growth
	UK economic growth	Contribution to Gross Domestic Product (GDP); a measure of value added to the UK economy associated with UKEF’s financial support UK firms
	Jobs supported	The employment impact of UKEF’s financial support for UK firms
	SMEs supported	The number of small, medium, and micro-sized businesses UKEF has financed
PUBLIC POLICY	Economic impacts across the UK	The proportion of SMEs supported by UKEF outside of London
	Women and ethnic minority-led businesses supported	The number of women and ethnic minority-led businesses UKEF has supported
SUSTAINABILITY	Net Zero 2050	Progress against decarbonisation targets in the oil and gas (2030), power (2030) and aviation (2035) sectors
	Clean growth support	The value of Clean Growth categorised transactions financed by UKEF
	International development	The value of private finance mobilised in low- and middle-income countries

Measurement of these indicators provides a wide-ranging view of the impact we are delivering. Many of them are already captured and reported on but have not yet been brought together systematically, or been consistently embedded within our wider performance products. Where UKEF does not currently hold data against these indicators, we are committed to building out our insights as needed. These indicators will show us the impact of our support, and we'll complement this with existing primary project-level data that we capture (including in relation to existing social and environmental safeguards, external insights, case studies, and targeted ex-ante and ex-post evaluation). We remain customer-focused and will ensure user experience is at the forefront of our decision-making.

UKEF's ability to drive impact in these key areas is underpinned by our fiscal responsibility. UKEF tracks a number of fiscal metrics, including the ratio of its reserves to its portfolio losses, the premium it charges to cover its risk and administrative costs, and the income it earns through premium to cover its risk and operating costs. These measures demonstrate UKEF's adherence to the Treasury's financial objectives set out within the Consent, as well as the importance of our robust risk management processes, which are at the heart of everything we deliver as a department. They capture UKEF's commitment to operate at no net cost to the taxpayer over the economic cycle, along with our ability to deliver our wider mandate.

Applying the Impact Framework

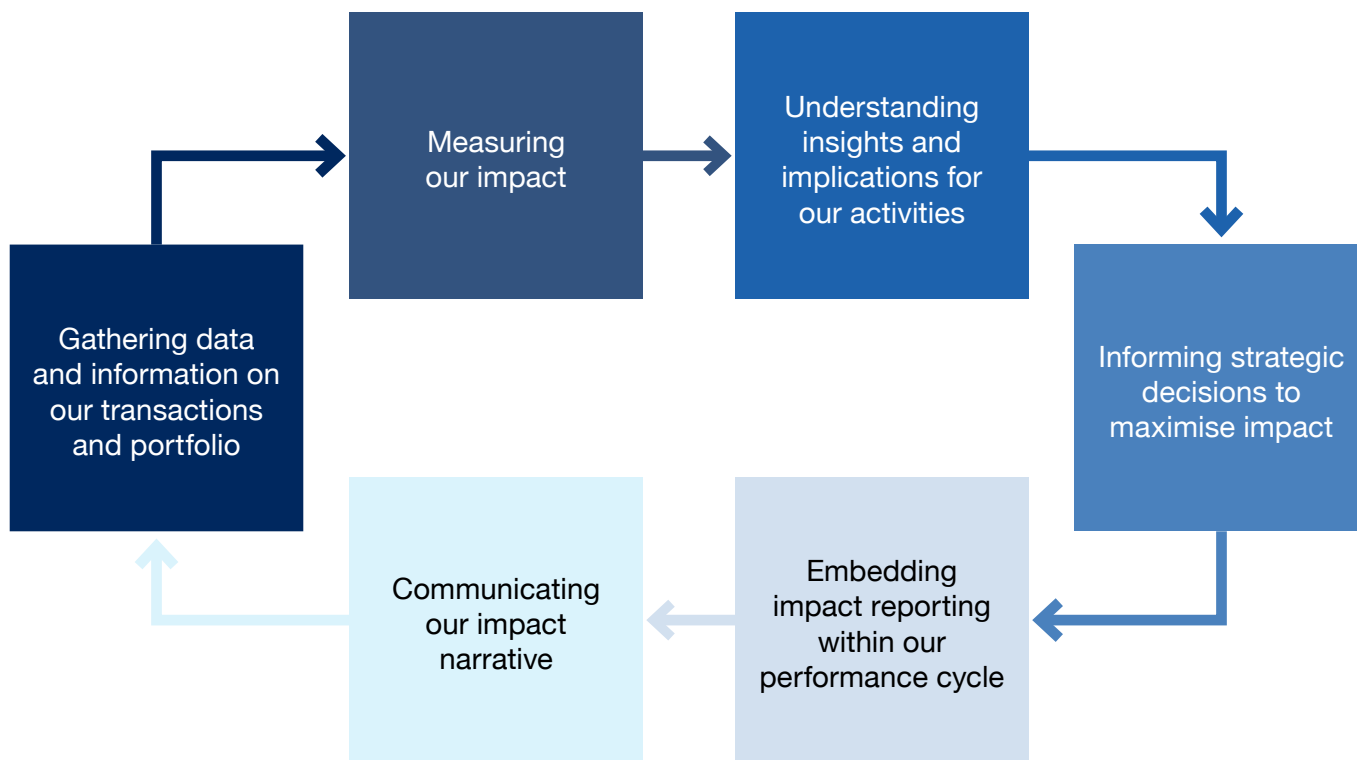
We have designed the Impact Framework to be easily accessible, data-driven and focused on the Government's priorities, while allowing flexibility to iterate and evolve over time as our approach matures. We are already using this framework at the strategic level to help us set UKEF's direction. This includes:

- Informing the way we design and deliver our product strategy
- Our approach to originating deals
- Shaping the objectives set out in UKEF's 2024-29 Business Plan

In addition, the framework will help ensure we have the data and insight to continually shape our services across the whole customer lifecycle – from business origination to post-issue management.

Our ambition is to use these insights to help us make evidence-based decisions about the ongoing and future direction of the department. By improving our data collection and evaluation, we'll be able to better tell the story of our support, ensuring that ministers, civil society and ultimately UK taxpayers are confident in the benefits UKEF brings to the UK and abroad. This is important against a backdrop of increasing scrutiny of our performance from key stakeholders and the fact that our portfolio continues to grow, creating a more complex operational environment for teams across the department.

Figure 2: How we use our framework



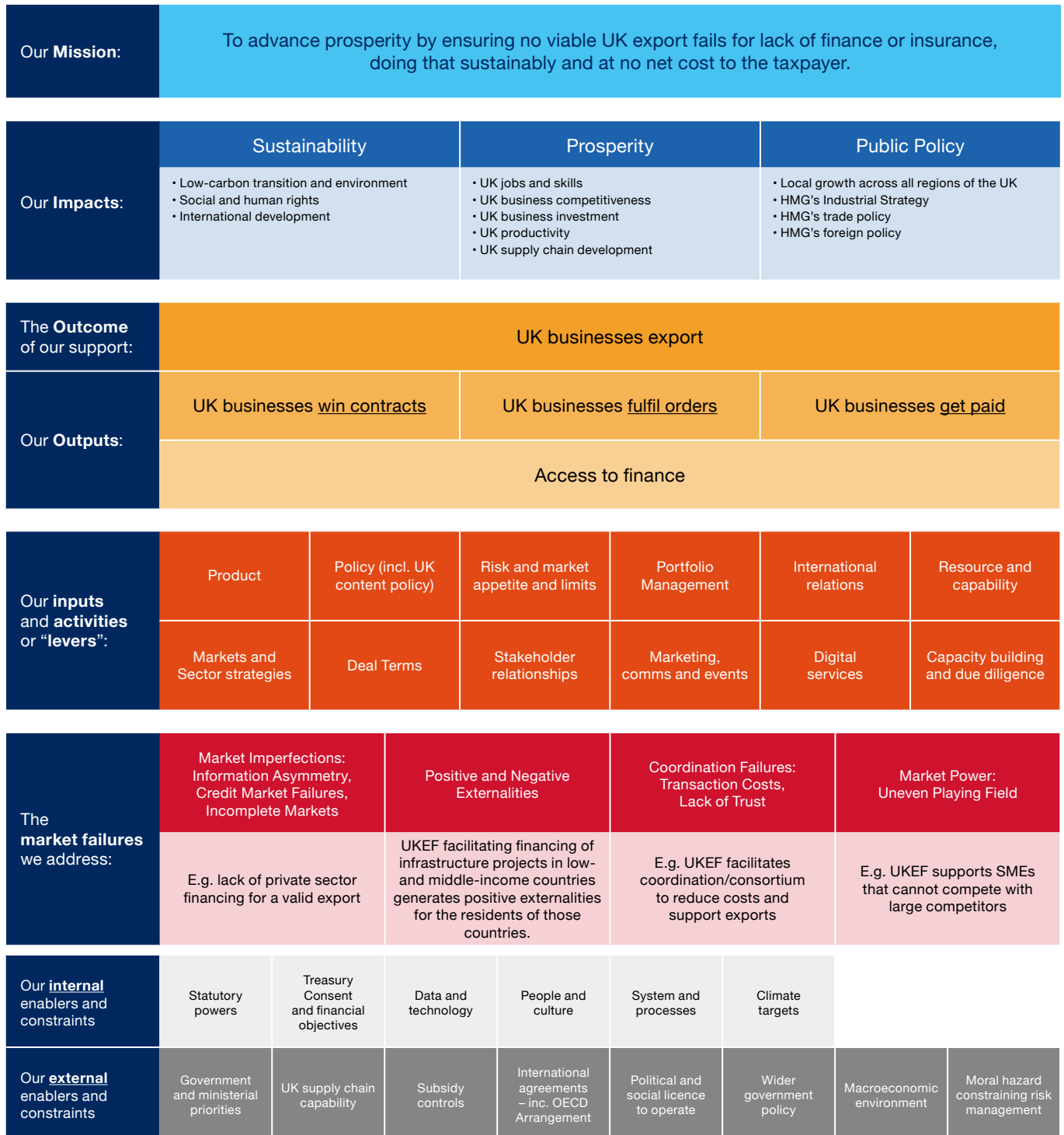
How UKEF decisions deliver real-life impact

To help translate the framework into something that can inform UKEF’s future direction, the below Theory of Change model maps out how UKEF staff perform day-to-day tasks that lead to the real-world outcomes described above. It shows:

- The “inputs” – the resources and activities that we can control like our product suite
- The “outputs” – what’s delivered or produced by those resources and activities
- The “outcomes” – the short or medium-term results
- The “impacts” – the long-term results for the economy, society, and the environment

It’s designed to help stakeholders understand the outcomes of UKEF’s activities, enabling them to make more informed decisions about service and organisational design, implementation and evaluation. This, in turn, helps guide our business decisions while developing a long-term, strategic overview of how our products and policies make a difference.

Figure 3: UKEF's Theory of Change



One practical way to use this model is through developing an ‘impact pathway’, which maps out how specific actions bring about real-world benefits. Developing an impact pathway can help the department determine how to allocate scarce resource to drive specific impacts, and enable a systemic and evidence-based approach to strategy and policymaking. An illustrative impact pathway, using one of UKEF’s priority work areas – increasing the number of SMEs we work with – is presented in Figure 4 below.

Figure 4: An illustrative impact pathway; how UKEF could drive SME-associated impact

