



Export Credit & Guarantee Department

Chief Executive: Patrick Crawford

SDC Assessment



Checklist

Sustainable Development Action Plan

1	Does the plan specify the period of time it will cover?	✓	Plan sets out the actions that will be undertaken in 2006.
2	Does the plan specify which organisations it covers?	n/a	
3	Has the organisation articulated what SD means for them?	✓	
4	Does the plan describe the benefits of having an SD approach to the organisation?	✓	
5	Does the plan acknowledge the Government's sustainable development goal?	✓	
6	Does the plan acknowledge the priorities of <i>Securing the Future</i> ? Does the plan mention one or more of the priorities of <i>Securing the Future</i> ?	✗ ✗	International priorities mentioned & acknowledged but no reference to the four priorities for immediate action.
7	Does the plan identify links to the priorities of <i>Securing the Future</i> ?	✗	Plan identifies links to the International priorities only.
8	Does the plan acknowledge the principles of <i>Securing the Future</i> ? Does the plan mention one or more of the principles of <i>Securing the Future</i> ?	✓ ✓	The plan acknowledges and lists the five principles.
9	Does the plan identify links to the principles of <i>Securing the Future</i> ?	✓	The plan highlights the links between the principles and departmental work.
10	Have the organisation's relevant executive agencies produced their own plan?	n/a	
11	Does the action plan contain a work programme?	✓	Work programme sets out ECGD's action schedule for 2006.
12	Does the plan include actions relating to commitments from the SD strategy?	✓	Plan commits to tackling international priorities of <i>Securing the Future</i> .
13	Does the action plan cover government policy?	✓	
14	Does the action plan cover operations?	✓	
15	Was the plan publicly available by 13th January 2006?	✓	
16	Does the plan outline any arrangements for strengthening SD capacity in the organisation?	✓	The plan acknowledges the need to raise staff awareness & SD knowledge.

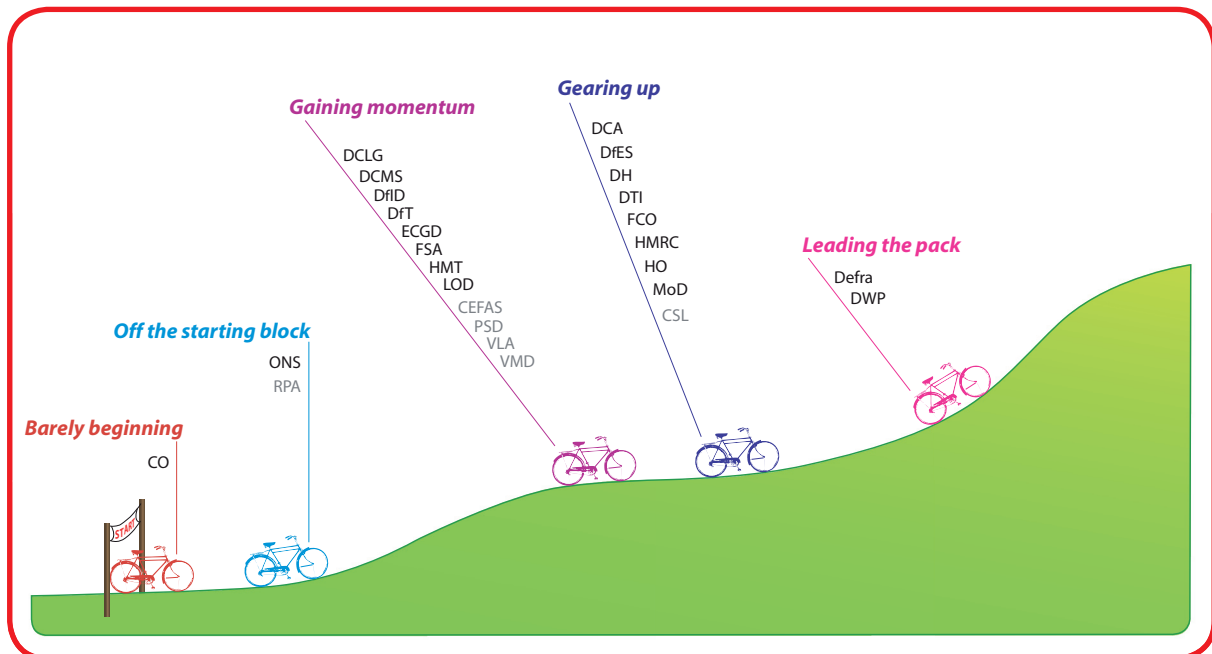
17	Does the plan describe the infrastructure in place to deliver the plan?	✓	
18	Does the plan make it clear who signed it off?	✓	Plan explains that ECGD's approach was endorsed by the Management Board.
19	Does the plan designate who is accountable for the delivery of the overall plan?	✓	The Chief Executive is accountable for the delivery of the plan.
20	Does the plan explain how the organisation will monitor progress against the plan?	✗	Plan explains that appropriate measure of ECGD's contribution to sustainable development will need to be identified but does not explain if these measures will be targeted at monitoring progress against the SDAP.
21	Does the plan describe how the organisation will report against the plan?	✓	
22	Does the plan describe how it links in to other reporting mechanisms within the organisation? E.g. the annual report	✓	Will report on progress in their Annual Report.
23	Does the plan commit to reporting against the plan on a defined regular basis?	✗	ECGD explained in bilateral discussions that it intends to report on progress on an annual basis. However, this was not made clear in the SDAP.

Senior Accountable Officer: Patrick Crawford, *Chief Executive*

Status of Plan: Published 31.03.06

Please note that the SDC rating is based on a competency framework and not straight addition of the scores in the table above. Please see main report for full explanation of the methodology.

How is ECGD doing?



Background

ECGD is the UK's official Export Credit Agency. It is a separate Government Department that reports to the Secretary of State for Trade and Industry and derives its powers from the Export and Investment Guarantees Act 1991. ECGD works closely with exporters, project sponsors, banks and buyers to help UK exporters of capital equipment and project-related goods and services to win business and invest overseas. In the financial year 2004-05, ECGD supported some £2 billion worth of new business.

Context

Due to major restructuring of the department throughout summer and autumn 2005, ECGD's plan is primarily a scene-setting document that sets out the actions, and an associated time schedule, that will be undertaken in 2006 to produce a comprehensive SDAP before the end of 2006. This approach has been endorsed by ECGD's Management Board. The SDC accepted this approach, acknowledging the difficulties resulting from the restructuring, as described in the plan.

Coverage

Coverage: ECGD has no associated delivery agencies.

Departmental view of Sustainable Development

ECGD's SDAP recognises the contribution the department can make to sustainable development through its international work, which supports UK exports to international civil projects, of which the largest sectors are oil and gas extraction and transportation. The plan explains that these projects often entail more significant environmental, social and economic impacts than those of ECGD's own domestic operations and therefore the department focuses its attention on these impacts as its contribution to sustainable development. Whilst ECGD's leverage is often limited due to the small percentage contribution to large scale projects alongside those of other Export Credit

Agencies (ECAs), ECGD seeks to pursue the Government's sustainable development goal on the basis of multilateral action to influence the policy and practice of other ECAs on sustainable development and the implementation of projects.

ECGD's SDAP explains that the departmental link and commitment to sustainable development is rooted in the department's mission statement which aims to 'ensure the Agency's activities accord with other government objectives, including those on sustainable development.' This commitment is reflected in ECGD's Business Principles which guide its practice and policies.

Benefits of taking a sustainable development approach

The plan explains that having a sustainable development commitment helps ECGD 'gain knowledge and experience from other organisations and will help to inform the Agency's policies and practices in support of projects.' The department believes that a sustainable development approach will

benefit buyer countries as they will be able to screen projects to help improve project adherence to international environmental and social standards. The SDC would highlight that this would in turn also reduce financial and reputational risks for both buyers and ECGD.

Link to *Securing the Future*

Guiding Principles

The SDAP sets out the links between the department's core business and the five guiding principles of sustainable development. For example, the department contributes to:

- Achieving a Sustainable Economy: by supporting exports to heavily indebted poor countries
- Promoting Good Governance: by deterring the occurrence of corrupt practices by applicants
- Using Sound Science Responsibly: by assessing the environmental, social and human rights impacts of overseas projects

Shared priorities for UK action

ECGD's SDAP acknowledges the international priorities of *Securing the Future* and lists those that are of particular relevance to the department. These include ensuring as far as possible that debt financing is sustainable, using sustainability impact assessments and strengthening international environmental governance. The policy priorities identified in the plan are aimed at addressing these. It was explained in the bilateral that the department's 2006 SDAP will address the international commitments making clear what contribution ECGD can make to them.

The SDAP also sets out the challenges that ECGD faces in pursuing sustainable development goals, namely facilitating overseas

investments and exports whilst supporting the Government's social and environmental policies and remaining competitive with other ECAs. These are just the type of integrated challenges that require a sustainable development approach to maximise social, environmental and economic outcomes as far as possible.

Policy priorities

Bilateral discussions revealed that the policy priorities included in ECGD's scene setting plan were compiled by the Management Board and ECGD's Executive Council. The suggested policy priorities are based around the international commitments of *Securing the Future* and include priorities on:

- appraising civil project impacts and the development of performance indicators, as well as
- encouraging other ECAs to adopt a sustainable development approach to project appraisals.

Leading by example

ECGD's plan explains that its domestic operation is small and its impacts are generally confined to travel and the use of electricity and office supplies. The department makes a commitment in the plan to work towards the Framework for Sustainable Development in the Government Estate (SDiG) targets. However, the plan explains that as the department is a tenant in a centrally managed building, it does not have complete

Whilst the SDC accepts that the focus of ECGD's plan will be based on the international priorities as set out in *Securing the Future*, future iterations of the plan also need to acknowledge the four priorities for immediate action in the UK and include actions contributing to these where appropriate.

It should be noted that ECGD explained in the bilateral that these are still suggested priorities. ECGD will be working throughout 2006 to identify specific priorities on which the department would like to focus in its SDAP. The department will be encouraging staff to generate ideas on future policy commitments. Staff will contribute through the project teams which will have representation from across the department. The SDC would agree that these are key areas of influence for ECGD on sustainable development.

control over the way the estate is run.

As this is a scene setting document, no specific operational targets have been included.

The SDC welcomes the commitment to work towards the SDiG targets. The Commission would expect to see specific operational targets set out in the Agency's 2006/07 SDAP.

Securing the Future commitments

Departmental commitment

Securing the Future does not specify any commitments for which ECGD has the lead across government. However, the plan acknowledges

the international commitments set out in *Securing the Future* and the department plans to address and contribute to these in its 2006 action plan.

Cross-government commitments

ECGD acknowledges the *Securing the Future* commitment on becoming a leader in the public sector on sustainable procurement in the EU by 2009, and as such commit to developing procurement policies which are consistent with this Government objective.

Target setting

As this is a scene-setting document it only sets out a draft programme of action and associated time schedule for 2006. As policy priorities have not yet been fully developed, ECGD has not included SMART actions in its plan. The SDC would expect to see these developed for the 2006/07 plan, with clearly specified indicators of success.

Policy making

Sustainable development 'proofing'

ECGD explained in bilateral discussions that through the application of ECGD's Business Principles, the department aims, when considering support of projects, to look not only at the payment risks but also at the underlying quality of the project, including its environmental, social and human rights impacts.

A key component of ECGD's plan is centred around developing and improving current project assessments. As this is still in development stage, there are no specific targets addressing project assessments in this plan. However, this will be a key area for ECGD and one where it receives many stakeholder critiques.¹

The plan however does not address integrating the five principles of sustainable development into ECGD's project assessments and ECGD confirmed that the Business Principles have not been updated in light of the

publication of *Securing the Future* and the five principles. The SDC would have liked to see the relationship between the Business Principles and *Securing the Future's* guiding principles explored in the plan.

Sustainable development Skills

The plan recognises the need to increase staff knowledge of sustainable development but does not explore what steps ECGD will take to achieve this. It was explained in the bilateral that all new staff are trained to use ECGD's Business Principles, which include a sustainable development element, as part of their induction package.

The Commission would expect to see future plans set out clear actions to develop staff awareness and capacity so that staff can fully reflect *Securing the Future's* priorities and principles in their work, particularly civil project assessment.

Achieving Sustainable Development outcomes

Infrastructure

ECGD plan explains that the department will set up a project team which will examine detailed proposals for the SDAP through a series of focus groups. The project team will be overseen by the Director of Human Resources and will consist of staff from the Business Group, the Business Principles Unit, Communications,

Facilities Management, Human Resources and International Relations and Purchasing. The focus groups will brainstorm and develop ideas for each of the policy areas identified by the Management Board, who will approve the final plan.

The SDC welcomes this cross-organisation involvement in preparing the plan which will encourage ownership of the plan across ECGD.

Engagement

The plan acknowledges the need to raise awareness of sustainable development issues. It was explained in the bilateral that ECGD is establishing a group of environmental

champions to help raise awareness as well as developing a sustainable development communications strategy. The department explained in the bilateral that it is also seeking to increase its engagement with the wider stakeholder community.

Monitoring and reporting

As the plan is primarily a scene setting document with no specific targets, monitoring mechanisms for future SDAPs have not been set out. The plan acknowledges that ECGD will need to develop general measures to monitor

its contribution to sustainable development through its business operations.

Progress against the outline schedule highlighted in the plan will be reported on in ECGD's Annual Report.

¹ For example, Flying Low: The UK Export Credit Guarantee Department and Climate Change, WWF UK, November 2006, Export Credit Guarantee Department and Sustainable Development, Seventh Report of session 2002-03, House of commons Environmental Audit Committee (HC 689), July 2003

Strengths to build upon



Build on work to engage with staff and stakeholders over the production of the plan and prioritisation of key commitments and ensure that their input is clearly reflected and acknowledged in its 2006/07 SDAP.

Challenges for 2007



Explore the relationship between ECGD's Business Principles and *Securing the Future's* guiding principles and address any gaps.



Set SMART policy and operations targets for the 2006/07 SDAP, providing clear indicators of success.



Set out specific actions aimed at raising staff awareness and understanding of sustainable development and how it relates to their work – particularly civil project assessment.



Develop set of clear sustainable development key messages to be promoted by the sustainable development communications plan and ensure that these fit with the priorities identified in the action plan.



Explore the contribution that ECGD can make to the four priorities for immediate action in the UK and include actions contributing to these where applicable.



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