

Patrick Crawford
Chief Executive



22 December 2008

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Dear Mr Hildyard,

BTC Pipeline: Resurgence of Regional Conflicts – Concerns over ECGD Due Diligence and Implications for Human Rights of Affected Communities

Thank you for your email of 23 November 2008 regarding your letter of 26 August and ours of 23 September.

In your email of 23 November, you complain that you have yet to receive a reply “to the substantive issues raised”. Your letter of 26 August sets out your description of various matters under the heading “Recent Events” and then continues, in the light of your beliefs about those recent events, to express “concerns over ECGD’s due diligence”. Your approach is that events which have occurred after ECGD’s consideration of the project prove that the “due diligence” carried out earlier was flawed. The culmination of your expressions of concern about ECGD’s “due diligence” is that: “In the light of the above, we believe that there is an urgent need for ECGD to reassure the public that the risks of conflict were adequately assessed prior to support for the BTC project being approved and the taxpayer’s money was not put at unjustified risk. **We are therefore writing to the National Audit Office to request that it assesses whether or not the premiums charged to the BTC Co realistically reflect the risks of conflict in the region.**” [Your emphasis]

We had, therefore, taken it that, in your view, the “substantive issues raised” were the quality of ECGD’s consideration of the project before its decision to support it, as viewed through the prism of later events; and your method of addressing those concerns was to request an assessment by the NAO.



INVESTOR IN PEOPLE

But we can say that, for our own part, we have no doubt that all material risks were adequately assessed prior to support for the BTC project being approved by ECGD.

We would also direct your attention to the views of the Select Committee on Trade and Industry, which were: "Having reviewed the material supplied to us in confidence by ECGD, we are satisfied that the Department did take full account of the concerns expressed by those who contributed to its consultation exercise and that, in deciding to support the BTC pipeline, it acted in a manner consistent with its business principles". (Ninth Report – Conclusions – paragraph 3).

Yours sincerely,

Patrick Crawford

PATRICK CRAWFORD