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# ECCO - European Club for Countertrade and Offset

## Social Responsibility

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Report N°2, 2015



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*Photo credit: C Sylvain*

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# Summary: ECCO SOCIAL Responsibility Report 2015

<b>Chapter 1: Introduction - Editorial</b>	<b>page 6</b>
- Editorial	
- Yearly highlights	
<b>Chapter 2: About ECCO</b>	<b>page 8</b>
- A presentation of the Association and its activities	
<b>Chapter 3: Association governance</b>	<b>page 12</b>
- Application of the law on associations of 1901	
- ECCO's Values	
- Adhesion to the United Nations Global Compact Initiative	
- ECCO's detailed strategic vision (short, medium, long term)	
- Evaluation with respect to ISO 26000 principles	
- Transparency and regular dialogue	
<b>Chapter 4: Societal engagement: pursuing excellence in offset</b>	<b>page 26</b>
- Symposiums	
- Interaction with other offset associations	
- Trainings: Offset Academy and 2 day executive offset trainings in French	
- Publication of books	
- Publication of articles	
- Social Responsibility and Ethics	
- Interaction and cooperation with international and national, governmental and non-governmental organizations	
<b>Chapter 5: Ethics and responsibility of the Association</b>	<b>page 44</b>
- Ethics committee	
- Events on Offset and Ethics	
- Publication of a first of a kind book on Offset and Ethics	

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**Chapter 6: Good business practices, prevention of corruption** **page 52**

- Good conduct permanent reminder on Ethics and competition
- Transparency and information
- Internal control procedures
- Continuous improvement
- Information

**Chapter 7: Human rights** **page 60**

- Openness of the Association
- Liberty of association
- Freedom of opinion and information

**Chapter 8: Association members and external stakeholders** **page 64**

- Profile of ECCO's members
- ECCO's External stakeholders
- Listening to ECCO's members and external stakeholders

**Chapter 9: Employees of the Association** **page 68**

- French employee status of cadre
- A complete health and life insurance policy
- A job with interest
- Training

**Chapter 10: Environment** **page 70**

- Near zero mail and use of online technologies
- Reduction of transport impacts through the use of conference calls
- Optimization of ECCO Symposium locations with public transport



## Chapter 1: Introduction - Editorial

The year 2015 is behind us and the cross-border production of goods and services has reached a new high. It is becoming untenable to protect domestic companies from international competition, whether naturally or through offset.

In the absence of international rules, offset, which is a non-tariff barrier, continues to be an obstacle to fair competition. It is inconceivable that offset, which is a non-monetary practice, be considered as the same type of transaction as the main contract which has a monetary value.

ECCO aims to set best practices, and in so doing, is seeking to narrow the gaps between various and different offset requirements imposed by proposing practices that would find favor globally.

This makes social responsibility, with the necessary precaution that it encourages, an essential consideration and it was one of the areas our Association chose to develop in 2015.

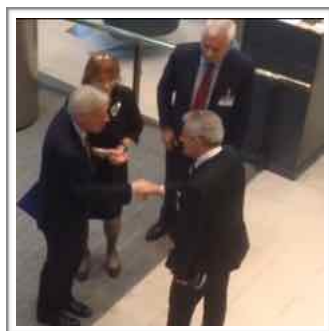
- Concerning Ethics, we issued our first Social Responsibility Report and in July we joined the Global Compact. In November we published the first-ever book on "Ethics and offset".
- Our workshop with the World Bank, which is working towards producing a model law, completed Phase 1 of the programme with honours since its analysis of international offset practices was featured on the homepage of the "Global Forum on Law, Justice and Development" website for several weeks.
- Two symposiums were held in 2015, one in Paris during the Paris Air Show and one in London attended by Lord Howe, UK Minister of State for the Ministry of Defence. Between them the symposiums attracted 200 delegates from 22 different countries.
- Our Offset Academy, organized in association with ESSEC, was once again a resounding success with the international offset community. This training programme is enriched year by year and is the only one of its kind anywhere in the world. It is the only course which, in 10 days, provides offset professionals with all the information they need to meet increasingly complex demands from governments.

At a time when some would have us believe that losing means winning, globalization is engendering a merciless economic and political war in which the most powerful and the most highly trained are coming out on top. Of course winners always have an advantage over their adversaries or competitors. Acquiring an in-depth knowledge of offsets and how to manage them is one way of obtaining that advantage.

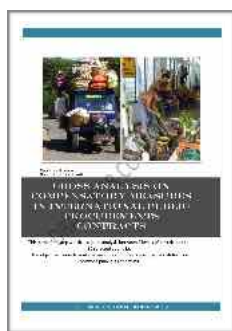
If unselfishly handing over one's national value added without asking for anything in return is the criterion for reaching the highest step of the podium, we in Europe have no lack of champions.

For companies, having a good handle on offsets represents a definite value added they cannot do without on major international government procurement markets.

Christian Sylvain, Chairman, ECCO



Clockwise from the left: Lord Howe, Baroness Simons, Sir Nigel Knowles, Christian Sylvain



ECCO's cross analysis published on the World Bank's site



ECCO's first Social Responsibility Report



ECCO' ESSEC's 3rd Offset Academy Promotion

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## Highlights 2015

- **January 2015:** ECCO publishes its first Social Responsibility report
- **February 2015:** Transparency International intervenes for the third time in the ECCO/ESSEC Countertrade and Offset Advanced Management Program
- **March 2015:** Forensic Risk Alliance, Norton Rose Fulbright and ECCO hold 2 round table events – one in Paris and a second in London – on key compliance and regulatory issues in offset deals.
- **April 2015:** 12 graduates from 5 different countries are awarded the ECCO/ESSEC Countertrade and Offset Academy Advanced Management Program diploma.
- **May 2015:** ECCO provides a presentation included in the “Risky Business” round table of the April 28th to May 2nd “Spring meeting of the American Bar Association.” ECCO puts in place its first 2-day training on offset for international business people with Formatex
- **June 2015:** ECCO’s chairman. signs and sends a letter to the UN General Secretary Ban Ki Moon requesting adhesion to the UN Global Compact. ECCO Symposium #10 takes place in Paris at BNP Paribas including an offset and SMEs workshop and a forum on offset management good practices in large organizations. ECCO launches its 2015 members survey
- **July 2015:** The ECCO Association officially becomes a participant in the UN Global Compact corporate citizenship initiative. The article “Offset in international defense trade”, co-written by Andy Irwin, Peter Jeydel and Christian Sylvain in Briefing Papers by Thomson Reuters, including a section “Compliance Issues Regarding Offsets” is available.
- **September 2015:** ECCO publishes its second book “Offset and the Economy” in the series ECHOES from ECCO
- **October 2015:** The World Bank uploads for public consultation to its website the draft cross analysis book of offset practices in 10 countries, written by ECCO's World Bank Committee (the World Bank Community of Practice on Compensatory Measures in International Government Procurement). ECCO members Christian Sylvain and Mehdi el Harrak publish “Free trade agreements and offset” in the International Business Law Journal by Thomson Reuters/Sweet & Maxwell
- **November 2015:** ECCO Publishes its third book “Offset and Ethics” in the collection ECHOES from ECCO. ECCO holds its 11th Symposium in London England, opened by Lord Howe, the Minister of State for the UK Ministry of Defense and Deputy Leader of the House of Lords, and featuring a forum on Offset in Africa, Middle-East and Asia as well as a practical case study workshop on building a successful offset proposal. ECCO invites all Offset Academy alumni to the Symposium. 10 alumni present decide during a Symposium side meeting to launch an alumni association.
- **December 2015:** ECCO publishes on Youtube a video of Lord Howe’s keynote speech at the ECCO Symposium #11. Symposium #11’s workshop case study on building a successful offset agreement, and in particular the aspect of offset and compliance, is cited in the December 2015 CTO issue. ECCO reports to the French Foreign Affaires Ministry on its participation in the World Bank Community of Practice on Compensatory Measures in International Public Procurement

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## Chapter 2: About ECCO

### A presentation of the Association and its activities

ECCO is:

- a non-profit Association
- a worldwide resource centre specialized in offset and countertrade activities
- a worldwide club with more than 1000 contacts and over 50 members.

Membership includes 11 countries, both European and non-European.

Unique expertise in offset is provided thanks to the involvement of prestigious leading companies in the energy, transport, security and defense sectors as well as offset stakeholders in the areas of operations, compliance and social responsibility.

### *ECCO's objectives and activities*

The European Club for Countertrade and Offset provides an international platform to share information and best practices in the field of offset and countertrade activities. Its activities are based on three pillars.

#### 1. Business community

ECCO organizes Symposiums which give its members the opportunity to network and exchange best practices.

ECCO holds Symposiums to bring members and non-members together to discuss offset. These are biannual events (June and November) held in a major European city. ECCO invites various speakers from all over the world to speak to an audience composed of Association members and non-members involved in offset. At the beginning of each day during the event, a permanent reminder of Ethical rules that must be respected is presented. These events last one-and-a-half days and follow a precise outline including a Forum and a Workshop.

ECCO Forums cover offset practices in a given country, through either an exchange of feedback between members, or discussions and roundtable debates with representatives of the offset authorities of the country in question.





*The ECCO Business Community*

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ECCO Workshops cover topics of general interest relating to offset, such as government procurement, international trade or economic and industrial development, insurance, compliance etc.

## 2. Expert interaction

ECCO is a reliable platform for information and discussion on offset and associated issues such as government procurement, international trade and economic and industrial development. This aspect is embodied in ECCO's "Workshops" and committees.

The committees running in 2015 are the Symposium committee, Training committee, World Bank committee, Editorial committee, and the Ethics committee which has merged with the ISO 26000 committee.

## 3. Training

Members and non members can follow an advanced offset training in order to increase their awareness of the challenges encountered by the profession, teaching them how to use such mechanisms in the goal of improving productivity, enhancing their competitiveness, and reducing risks. In partnership with ESSEC since 2012 and in association with Blenheim Capital Partners since 2015, ECCO puts in place the COUNTERTRADE AND OFFSET ACADEMY. This is the only complete training in offsets available today worldwide that delivers a diploma. It has been put in place in order to favor professionalization of offset management worldwide.

Also, in partnership with Formatex and in association with Business France, ECCO delivers a 2 day course in French on offset to business people engaged in international commerce who want to obtain a better mastery of offset.

ECCO publishes books in order to support member and non-member learning about offsets. In 2014 ECCO published its first book "100 Compensation Terms Commonly Used in International Government Procurement Contracts." In 2015 ECCO published the books "Offset and the Economy" and "Offset and Ethics."

ECCO also has an internet site that provides information about offsets and makes available to members presentations from all past Symposiums. ECCO is also present on LinkedIn and publishes videos on YouTube.



ECCO's first three books including the Association's most recent publication "Offset and Ethics"

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## Chapter 3: Association governance

### **Application of the law on associations of 1901**

In accordance with the French Law 1901 on associations and its values, ECCO has put in place for its governance the following governing bodies and instances: a General Assembly, a Board, an Executive Committee as well as a number of committees in support of the Association's missions.

### ***Membership and General Assembly***

ECCO membership is split into two categories depending on its members' involvement towards offsets:

- Obligor members are legal entities whose main activity makes them directly subject to offset obligations regarding government authorities
- Offset stakeholders are natural persons, legal entities or associations whose main activity consists in proposing and implementing projects in relation with offsets and/or services to the benefit of obligors

The General Assembly is composed of representative members (1 physical person per legal entity plus individual members). It holds a minimum of 2 ordinary meetings per year and can meet in addition during extraordinary general assemblies that can be called as required.

The General Assembly is sovereign. It can make any decision on the behalf of the Association. It votes, following debate, to approve the activity report, the financial report and strategic orientation of the Association.

### ***Board***

ECCO was founded in March 2010 and incorporated in August 2010 under the French Association law of 1901. It is currently managed by the following Board members, who were elected in June 2014 for a mandate of 3 years.

Chairman: Christian Sylvain

Vice-Chairmen: Lee D. Furter and Grant Rogan

Board members: Jean-Marie Aoust, Alain Fernandez - Thalès France, Sonia Méhaignoul - FN Herstal Belgium, Stephan Thalhammer - General Dynamics



*The ECCO Board and Executive Committee*



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European Land Systems Austria, Joost van Gemert - Rheinmetall AG Germany,  
Chantal Dagnaud - Institutions et Stratégies France

The ECCO Board can make all decisions concerning the Association with the exception of the approval of the Association's budget forecast which can only be done by the General Assembly.

### ***Executive Committee***

In accordance with the Law, the Board's activities are backed by an Executive Committee:

Chairman, Christian Sylvain – Areva France

Vice-Chairmen, Lee D. Furter – RUAG Switzerland and Grant Rogan – Blenheim Capital United Kingdom

General Secretary, Philippe Faccetti - DCNS France

Treasurer, Jean-Marie Aoust - JMA Conseil France

Deputy General Secretary, Mehdi el Harrak, PhD Student in Offset

The Executive Committee prepares decisions to be made by the Board. It also manages current affairs of the Association.

### ***The Audit committee and the Nominating Compliance Group***

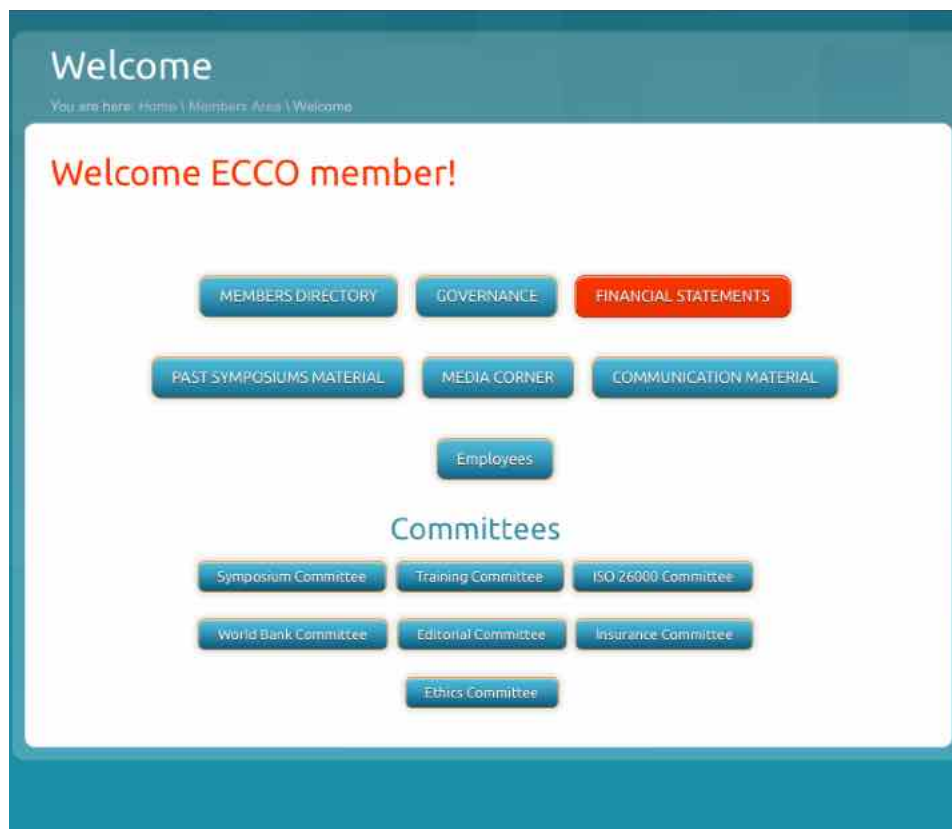
In order to further strengthen its governance system, ECCO has put into place two specific committees to facilitate compliance with ECCO values.

#### **The Audit committee**

The Audit committee assists the Board in fulfilling its oversight responsibilities relating to corporate accounting and reporting practices of the Association, as well as the quality and integrity of the financial report of the Association.

#### **Nominating Compliance Group**

This committee's primary purpose is to follow the nomination procedure, receive any candidacies, to advise the Board regarding its consent on the integration of new members and to prepare the decisions to be made by the



*The members section of the ECCO Intranet contains a wealth of information ranging from presentations from past Symposiums, minutes from committee meetings to the Association's financial statements*

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Board relating to selection criteria and appointment procedures for the Board and Executive Committee members.

### ***Operational Management***

ECCO Operations are driven by the ECCO Operations Manager.

Operations Manager: Calum Prieur

### ***Committees: expert interaction***

ECCO's expert interaction activities are implemented through its various committees within ECCO.

#### Symposium Committee

Objective: Organization of Symposiums – two 1.5 day events per year.

In 2015, two ECCO symposiums were organized:

ECCO Symposium #10 - June 18 & 19, 2015 - Paris, France

Forum - Offset management in large corporate groups

Workshop - Facing the Offset challenge as an SME: impact, management and opportunities

ECCO Symposium #11 - November 18 & 19, 2015 - London, UK

Forum - Asia, Africa and Middle East

Workshop - The new actors for successful offset

Point of Contact - Christian Sylvain: [christian.sylvain@ecco-offset.eu](mailto:christian.sylvain@ecco-offset.eu)

#### Training Committee

Objective: Conception and organization of ECCO's training program under the Countertrade & Offset Academy, i.e. "Executive training" (10 days, once/year).

The 2015 (3<sup>rd</sup>) ECCO ESSEC Countertrade and Offset Academy in association with IHS took place March 2<sup>nd</sup>-7<sup>th</sup> and March 30<sup>th</sup>-April 4<sup>th</sup> 2015 in Paris, France.

Also, in partnership with Formatex and in association with Business France, ECCO delivered the first ever 2 day course in French on offset, twice in 2015.

Point of Contact - Alain Fernandez: [alain.fernandez@thalesgroup.com](mailto:alain.fernandez@thalesgroup.com)



**ESSEC EXECUTIVE EDUCATION**



**COUNTERTRADE AND OFFSET ACADEMY**  
ADVANCED MANAGEMENT PROGRAM - 2016



*The Offset Academy's 2016 brochure*

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## World Bank Committee

Objective: Create and facilitate a World Bank Working Group in order to address issues raised by Offset at an international level, leading to the definition of a soft law standard in the area, and based on a sturdy expertise.

In November 2015, the World Bank Committee uploaded ECCO's draft cross analysis document of offset practices in 10 countries onto the Law, Justice and Development Internet site of the World Bank for public consultation. The Committee also launched its first meeting on drafting an offset model law. Four Committee meetings were held in 2015:

- Meeting 6 (Jan. 20th, 2015): follow up - offset practice analysis in selected countries
- Meeting 7 (May 19th, 2015): finalization of the inventory
- Meeting 8 (Sept. 23rd, 2015): start of phase 2 - draft of table of content for the Offset Model Law, based on UNCITRAL model law (articles 1 to 14)
- Meeting 9 (Dec. 10th, 2015): follow-up-draft of the table of content (articles 15-22)

**Reminder: the draft book is available on the World Bank website for comments until June 30th, 2016.**

Point of Contact - Chantal Dagnaud : [cdagnaud@institutions-strategies.com](mailto:cdagnaud@institutions-strategies.com)

## Editorial Committee

Objective: Prepare and/or review all the editorial contents elaborated by or through ECCO.

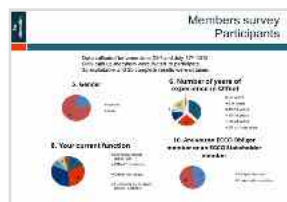
In September 2015, ECCO published its second book "Offset and the Economy" and in November 2015, its third book "Offset and Ethics" in the series ECHOES from ECCO available for purchase on ECCO's internet site [www.ecco-offset.eu](http://www.ecco-offset.eu).

Point of Contact - Dr. Lee D. Furter: [denise.furter@ruag.com](mailto:denise.furter@ruag.com)

## Ethics Committee

Objective: Prepare and/or review all tasks related to Ethics within ECCO. Preparation, review and implementation of the ISO 26000 standard within ECCO, which covers Social Responsibility. In 2015, the Ethics Committee





*Participation in ECCO's committees allows members to interact with other members and external expertise, to deepen their knowledge on offset and international commerce and to develop skills by contributing to deliverables (publication of books, development of studies etc.)*

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focused on implementation of recommendations following the Association's ISO 26000 evaluation. In January 2015, ECCO published its first Social Responsibility Report. In June and July 2015, the Ethics Committee implemented ECCO's 2nd Member Survey. In July 2015, ECCO becomes a participant in the United Nations Global Compact initiative. In November 2015, ECCO published the world's first book on Offset and Ethics. Four committee meetings were held in 2015.

Point of Contact - John Garczynski: [john.garczynski@areva.com](mailto:john.garczynski@areva.com)

## **ECCO's Values**

The values of the Association contribute to its performance in a spirit of respect of:

- human rights
- the environment as per the broad meaning of this term
- the laws that protect both

They are designed to meet the long-term expectations of all the members of the Association. Accordingly, the values of the Association are as follows:

- Satisfaction of its members
- Sense of responsibility
- Integrity
- Professional accountability
- Truthful communication
- Spirit of partnership

These values require ECCO members to act in accordance with the applicable rules and regulations in the countries in which they operate, and specifically in complying with the rules applicable to competition. The purpose of the Association is to assist its members in accomplishing offset obligations by facilitating meetings and discussions, without influencing the actions of the parties.

## Shared values

You are here: Home \ About Ecco \ Shared values

The values of the Association contribute to its performance in a spirit of respect for human rights, for the environment as per the broad meaning of this term and for the laws that protect them. They are designed to meet the long-term expectations of all the members of the Association. Accordingly, the values of the Association are as follows:

- Satisfaction of its members
- Sense of responsibility
- Integrity
- Professional accountability
- Truthful communication
- Spirit of partnership

These values require ECCO members to act in accordance with the applicable rules and regulations in the countries in which they operate, and specifically in keeping with the rules applicable to competition. The purpose of the Association is to assist its members in accomplishing Offset obligations by facilitating meetings and discussions, without influencing the actions of the parties.

*Presentation of ECCO values on ECCO's Internet site*

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## **ECCO's detailed strategic vision (short, medium, long term)**

ECCO's detailed strategic vision (short, medium, long term) is described below.

### In the next 2 years:

Extend the ECCO community, so that it includes actors of the market.

- Diversify member nationalities and specifically increase, as much as possible, membership from emerged, emerging and developing countries in order to bring a North/South balance – more than 50% of the increase in the world's GDP will be generated by emerged, emerging or developing countries during the next 20 years.

### In 5 years:

Give meaning to offsets in the reciprocity of exchanges.

- Make of ECCO's expert interaction a worldwide reference source of ideas for the major international institutions (European Community, WTO, World Bank, OECD etc.). Put compensations at the center of reciprocity.

### In the long term:

- Make of ECCO a place of intelligence, exchange and analysis to anticipate evolutions in the economic and legal environment and their implications with respect to compensations.

## **Adhesion to the United Nations Global Compact initiative**

ECCO , through a letter written in June 2015 to the United Nations General Secretary by ECCO's Chairman, has committed to respect the Global Compact's 10 principles and to report on the Global Compact's site once every 2 years on the Association's progress. Hence, ECCO's adhesion to the Global Compact provides the Association with an additional governance continuous improvement lever.



*The letter addressed to the United Nations General Secretary H.E. Ban Ki-Moon by ECCO Chairman confirming ECCO's support of the 10 principles of the UN Global Compact with respect to human rights, labor, and environment*



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## **Evaluation with respect to ISO 26000 principles**

The adoption of ISO 26000 standards aims to improve and to secure the involvement of ECCO in the field of Social Responsibility (S.R.). The perception of an organization's performances on S.R. deeply influences its reputation, how it is perceived by donors, sponsors and the financial community and its relationship with stakeholders: peers, governments, companies, and the media.

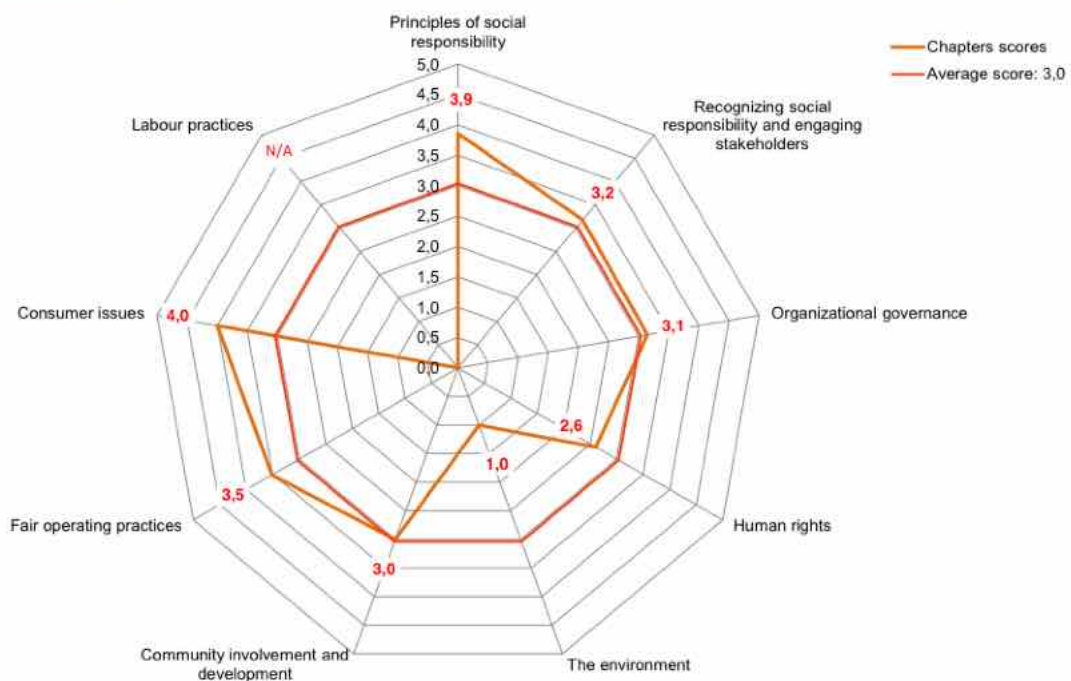
It also allows an organization to compare its management practices with industry best practices. In this way, ECCO will be able to leverage both the external viewpoint of the evaluation firm and internal discussions / preparation around the ISO 26000 framework as a means to accelerate its progress along the path toward excellence in terms of socially responsible governance and performance.

## **Transparency and regular dialogue**

Dialogue takes place during ECCO's governance instances. Key decisions are discussed by the Board and General Assembly and are approved by the vote of these bodies. Minutes from governance instances and from ECCO committee meetings are published in the member's area of the ECCO Internet site ([www.ecco-offset.eu](http://www.ecco-offset.eu)).



## SYNTHESIS



*As a central part of ECCO's governance, the Association leverages the ISO 26000 standard's 7 core subjects during its evaluations. Above are the 2014 ECCO ISO 26000 evaluation results around the standard's core subjects*

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## Chapter 4: Societal engagement - pursuing excellence in offset

The general objective to which contribute to all of ECCO's activities – Symposiums, trainings, publications and interaction / cooperation with international and national organizations – is the pursuit of excellence in offset.

A long term focus on excellence in offset makes a major societal contribution by favoring:

- economic development. Offset is an economic development tool that can be used by countries that wish to pursue industrialization in a certain area. Countries making public purchases can use offset to access means and competencies of companies from industrialized countries. In doing so, they accelerate their own industrialization in areas they have targeted. Excellence in offsets therefore supports developing countries in the design and attainment of their industrial development programs.
- international trade. Offset requirements in the context of international public procurement contracts add complexity, risks, work and time required to conclude and implement international contracts. A professional management of offsets can allow companies to better apprehend local contexts in which they wish to sell, uncover opportunities, mitigate risks, develop relationships and to make more fluid the contracting and implementation phases of current or future international public procurement contracts.

### Symposiums

Excellence in offset requires win-win alignment of diverse needs of international contractors, country governments, and local suppliers as well as in many cases additional actors within a framework of international Ethics and compliance standards. Solving on a consistent basis such multi-variable equations requires substantial knowledge, dialogue and interaction.



*ECCO Symposium#10 was hosted by BNP Paribas in the heart of Paris France*

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ECCO's Symposiums provide, at regular intervals, opportunities for formal practice sharing and problem solving exchanges between authorities, experts and actors involved at all levels.

In 2015, ECCO put into place two symposiums:

***Symposium #10 - June 18 & 19, 2015 - Paris, France***

Forum - Offset management in large corporate groups

Workshop - Facing the Offset challenge as an SME: impact, management and opportunities

A hundred people took part in ECCO Symposium #10, hosted by BNP Paribas, on 18 & 19 June 2015 in Paris, which made it a very successful event.

Speakers from all over the world shared their thoughts and views about offset management. Each of them gave a taste of how offset is managed within their companies, large groups as well as SMEs.

Attendees from 14 different countries were able to discuss with speakers at multiple coffee breaks and during the Q&A sessions.

***Symposium #11 - November 18 & 19, 2015 - London, UK***

Forum - Asia, Africa and Middle East

Workshop - The new actors for successful offset

ECCO's Symposium #11 took place in DLA Piper's London offices on 18 & 19 November 2015. The event started with a minute's silence in memory of the victims of the terrorist attacks that struck Paris only five days earlier, in the presence of Lord Howe, the Minister of State in the UK Ministry of Defence and Deputy Leader of the House of Lords, invited to keynote the symposium. Sir Nigel Knowles the Global Co-Chairman of DLA Piper also stepped on stage to welcome 114 delegates from 15 countries.





*ECCO Symposium#10 was hosted by DLA Piper in the heart of London England. ECCO was very fortunate to welcome Lord Howe, who opened the Symposium with his keynote speech, following a minute of silence after November Paris terrorist attacks. Clockwise from the left: Lord Howe, Baroness Symons, Sir Nigel Knowles, and Christian Sylvain*

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Baroness Elizabeth Symons, the former UK Minister and current Chairman of the Arab British Chamber of Commerce did an excellent job as Chairman of both days.

On the first day, representatives of offset authorities from South Africa, South Korea, Malaysia and the UAE gave a rundown on the modifications made to offset regulations in their countries. They also gave a very useful reminder of the different steps an offset application needs to go through between submission and final acceptance.

To wrap up the forum, two speakers talked about their extensive experience in Saudi Arabia and a member of the Australian MoD spoke about the Australian Defence Capability Acquisition Reform.

On Day 2, the whole room plunged into a business case involving a fictitious country seeking to acquire 100 aircraft and demanding offsets worth 100% of the total main contract amount with 50% direct and 50% indirect. Fictive multinational AIBOS, the vendor, needed help in understanding the key issues raised by offsets.

Ten offset specialists shared their expertise in various domains such as transfer of technology, localization, indirect offset, compliance, national security, training, finance, corruption and corporate law in order to bring negotiations to a successful conclusion and of course ensure effective performance of the offset obligation.

Speakers from the workshop then took part in a roundtable led by Baroness Symons where they were able to answer questions and go into each topic in more depth.

Since their launch in 2011, ECCO Symposiums have brought together more than 130 high level speakers (authorities and experts) to share insights and good practices with more than 1000 registered participants.



*Symposium#11's workshop took excellence in offset to new heights by delivering of a first of a kind live case study with real expert testimonials on preparing an offset solution linked to the sale of fictitious triple deck jumbo jets to a fictitious country (above, C Sylvain co-piloting a jumbo jet flight simulator at ECCO member SIM AERO's Roissy based training center).*

**ECCO SYMPOSIUM #11**  
November 18-19, 2015 - DLA Piper offices, London

Sponsored by  
**DLA PIPER**

**ECCO Symposium#11 Keynote Lord Howe Minister of State UK Ministry of Defense**  
64 views  
Published on Dec 10, 2015 - Keynote speech made by Lord Howe, Minister of State for the UK Ministry of Defense and Deputy Leader of the House of Lords, at the European Club for Countertrade and Offset's 11th Symposium in London England on November 18th and 19th 2015 at the offices of DLA Piper

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**European Offset Legislation**  
Ecco Offset - 167 views

**ECCO Countertrade and Offset Academy**  
Ecco Offset - 55 views

*ECCO released its 3rd YouTube video on December 10th 2015, sharing Lord Howe's insightful Symposium#11 keynote speech with the worldwide offset community*

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## **Interaction with other offset associations**

The members of ECCO participate often in the presentations made by the other associations. ECCO members also intervene frequently each year during GOCA and DKF conferences mainly.

## **Trainings: Offset Academy and 2 day executive offset trainings in French**

The Countertrade and Offset Academy is a first of a kind, 12 day (10 days, as of 2016) Advanced Management Training Program put in place by ECCO in partnership with the ESSEC Business School in Paris and in association in 2015 with IHS and in 2016 with Blenheim Capital Partners. It responds to the need for professionalization of offset managers and stakeholders. It includes fundamental courses dealing directly with offset management but also traditional business disciplines (marketing, finance, accounting, human resource management) with a specific focus on aspects of these subjects that will be most useful to offset managers and stakeholders once they are back on the job. Students have the opportunity to interact with lecturers from industry, professors from ESSEC and with representatives of international organizations such as the World Trade Organization (WTO), the World Customs Organization (WCO) or Transparency International (TI). A specific emphasis is placed on offsets and Ethics & compliance and on international business law. This allows participants to build their awareness and knowledge of risks and issues with which they can be confronted. Case studies allow students to teamwork and apply knowledge they have acquired. Since 2013, 42 participants from 12 different countries (Belgium, Brazil, France, Germany, India, Morocco, Poland, Russia, South Africa, UAE, UK, US) have benefited from this training. Also, during a Symposium side meeting in November in London, 10 alumni from three promotions and 2 professors decided to launch an alumni association.

ECCO has also teamed up with Formatex, a French training company, in association with Business France, the French business development agency, to deliver a 2-day training course on offsets and countertrade. ECCO and Formatex have signed an agreement that runs until the end of 2016 and includes four courses, two of which have already taken place this year. These courses are an extremely condensed version of the Countertrade and Offset Academy





*In November 2015, the decision was made by 10 representatives of the 3 Offset Academy promotions and 2 professors, in the presence of ECCO's Chairman, to launch an alumni association*



*In 2015, ECCO launched 2, 2 day trainings in French, in partnership with Formatex and in collaboration with Business France, aimed at providing business people outside of the offset function who are impacted by offset the means to understand offset stakes*

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focusing on offsets in public procurement contracts. They mainly provide an overview of offset practices worldwide as well as the financial, accounting, management and legal issues generated by offsets. It is the perfect way for French businessmen looking to develop internationally to quickly get acquainted with the world of offsets.

### **Publication of books**

Following the publication of its first book on offsets: "100 COMPENSATION TERMS COMMONLY USED IN INTERNATIONAL GOVERNMENT PROCUREMENT CONTRACTS," ECCO again heated up the printing press in 2015 in releasing 2 additional books: "OFFSET AND THE ECONOMY" and the world's first book on "OFFSET AND ETHICS" as announced at ECCO's November 2014 Symposium workshop "Offset and Compliance." These books can be purchased via the Association's internet site [www.ecco-offset.eu](http://www.ecco-offset.eu)

### **Publication of articles**

The article "Offset in international defense trade", co-written by Andy Irwin, Peter Jeydel and Christian Sylvain in Briefing Papers by Thomson Reuters, USA, including a section "Compliance Issues Regarding Offsets" was published in July 2015.

Also, ECCO members Christian Sylvain and Mehdi el Harrak teamed up to publish "Free trade agreements and offset" in the International Business Law Journal by Thomson Reuters EUROPE/Sweet & Maxwell in October 2015.

### **Social Responsibility and Ethics**

#### ***ISO 26000 Social Responsibility Evaluation***

ECCO's main focus is on service to the offset community and to society as a whole through the pursuit of excellence in offset. ECCO therefore put in place the ISO 26000 committee and implemented in 2014 its first ISO 26000 Social Responsibility Evaluation. This evaluation allows ECCO to compare its actions and accomplishments related to processes, practices, activities and conduct to international standards used by organizations that have achieved excellence in ensuring sustained value-add to their customers/members and stakeholders. In





*ECCO published 2 additional ground breaking books in 2015 - "Offset and Ethics" and "Offset and the Economy" - intended to equip the worldwide offset community with the knowledge and good practices they need as they pursue excellence in offset*



*ECCO also contributes to progress in academic and professional knowledge in the area of offset. ECCO actively reviews thesis papers and mentors students pursuing graduate degrees. The association also publishes articles in prestigious professional journals such as Sweet and Maxwell and Thompson Reuter in collaboration with international experts and organizations.*

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2015, the ISO 26000 committee was merged with the Ethics committee which is in charge of implementing the recommendations made following the 2014 evaluation. In response to insights from the evaluation and to the auditor's recommendations, ECCO has defined improvement actions summarized in the ECCO Social Responsibility Indicators table. This table will be discussed in detail in the following chapter.

### ***Adhesion to the UN Global Compact***

Its commitment to the Global Compact provides ECCO with yet another managerial improvement dynamic including a framework (the 10 principles of the Global Compact) that is complementary to the ISO 26000's 7 core subjects. Hence ECCO's adhesion to the Global Compact, with the 10 principles and the commitment to report on progress, provides yet another world class way for the Association to review its current situation and to fix improvement goals in its pursuit of excellence in offset.

### **Social Responsibility report**

ECCO issued its first Social Responsibility report for 2014 in 2015. The report's chapter structure reflects the core subjects of the ISO 26000 framework. It follows that this report's aim is to document and to illustrate the current status of ECCO on the path toward excellence in terms of Socially Responsible management and excellence in offset. Following its publication, the report received positive feedback from numerous stakeholders including members of other international offset associations.

### **Interaction and cooperation with international and national, governmental and non-governmental organizations**

#### ***International organizations***

The last decade has shown that offset has stepped beyond the traditional marketing mix to become an unavoidable sales tool. The number of major international government procurement contracts worth over US \$10,000,000 signed in the last 20 years with no accompanying offset agreement can be counted on one hand.

# *ECCO supports the United Nations Global Compact*



## The UN Global Compact's Ten Principles

### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



From <https://www.unglobalcompact.org/what-is-gc/mission/principles>

*In order to pursue its UN Global Compact participation, and include the "We Support" logo (above, top right) in the Association's communications, ECCO must implement Global Compact principles (above, bottom left) and communicate on its progress once every two years (above, bottom right, ECCO's 2014 Social Responsibility report).*

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Given the importance of these new requirements, creating a legal framework for Offset is becoming an increasingly significant criterion for the award of government procurement contracts. However international trade regulations fail to take this phenomenon into account. Hence, in order to ensure that this subject is solidly introduced and addressed at the highest levels, in 2015, ECCO has pursued its interaction and cooperation with international institutions and, in particular, the World Bank, the OECD (in 2014), the United Nations and the International Chamber of Commerce.

### World Bank

In 2013, ECCO launched the Stand-alone World Bank Community of Practice on "Compensatory Measures in International Government Procurement Contracts." The objective of this Community of Practice is, following in depth analysis, to prepare a model offset regulations proposal.

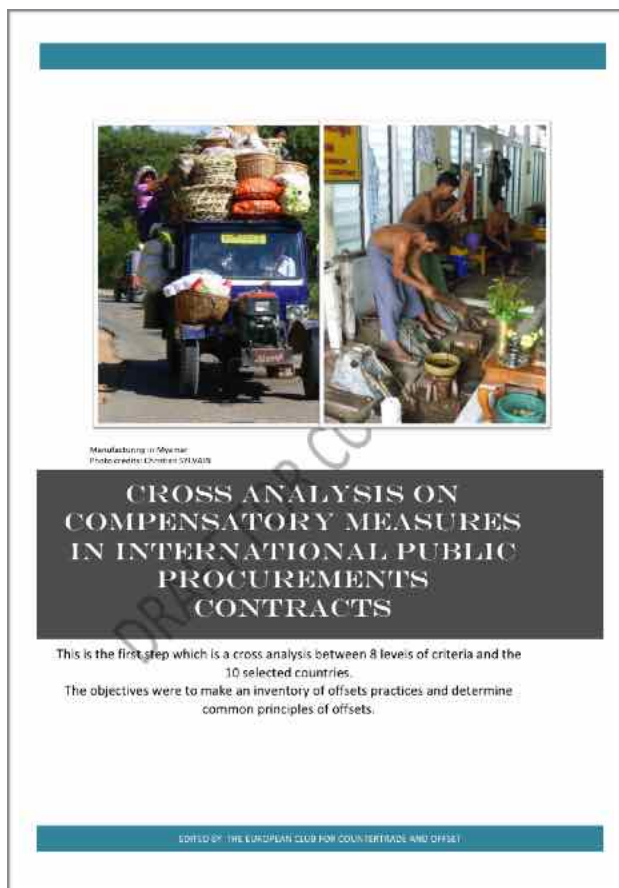
After two years of work, in 2015, the World Bank published ECCO's draft Cross-Analysis draft book of Offset Practices on its website for public consultation. This book was written by the Community of Practice on Compensatory Measures in International Government Procurement Contracts conducted by ECCO's World Bank Committee. It comprises a cross analysis of offset practices in 10 countries: Australia, Brazil, Canada, Kuwait, India, Peru, Russia, South Africa, Turkey and the UAE.

The next step will be to propose a model law to UNCITRAL (United Nations Commission on International Trade Law) to guide regulation of this aspect of public trade.

### United Nations and ECCO's adhesion to the Global Compact Initiative

In 2015 ECCO became a member of the UN Global compact initiative. This commitment helps ECCO to deepen the alignment of its actions with the guiding principles and values of the United Nations Organization.





in 2015, the World Bank published ECCO's draft Cross-Analysis book of Offset Practices (above, left) on its website for public consultation (above, right). It comprises a cross analysis of offset practices in 10 countries: Australia, Brazil, Canada, Kuwait, India, Peru, Russia, South Africa, Turkey and the UAE. *Reminder: the draft book is available on the World Bank website for comments until June 30th, 2016.*

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### International Chamber of Commerce (ICC)

On November 13th 2015, the chairman of ECCO gave a presentation on offset contracts to the International Chamber of Commerce's Commission on Commercial Law and Practice (CLP). In particular, the presentation shared ECCO's work, in the context of the World Bank's community of practice on compensatory measures in public procurement, on creating a model law on offset. Following this presentation the ICC expressed interest in exploring the creation of a joint Working Group with the ICC Public Procurement Task Force and ECCO on a subject to be further defined.

### *National organizations*

#### French Ministry of Foreign Affairs

On December 2nd 2015 during a French Ministry of Foreign Affairs audio conference review of France's participation in the World Bank's Legal Week, ECCO presented the summary of its 2015 activity as follows:

"Each year, the Law, Justice and Development (LJD) week brings together World Bank Group staff, senior officials from other international financial institutions, international development practitioners, government officials, lawyers, judges, scholars and representatives from civil society.

The LJD Week 2015 is an event co-organized by the Legal Departments of the World Bank Group and involve the collaboration and participation of international partners of the Global Forum on Law, Justice and Development (GFLJD) like ECCO as a leader of the thematic Working group "Compensatory measures in international government public procurement".

LJD Week 2015 explored the role of Governance and the Law in the social and economic advancement of nations, with a focus on the value of law in producing sustainable development outcomes, in expressing justice, and in serving as a catalyst for justice from different perspectives. It was also the occasion for ECCO to present the result of its first phase of study: the draft book on the cross analysis of offsets practices in 10 countries. The second phase





## Direction générale de la mondialisation, du développement et des partenariats

### *Sous-Direction de la Gouvernance démocratique*

*On December 2nd 2015 during a French Ministry of Foreign Affairs audio conference review of France's participation in the World Bank's Legal Week, ECCO presented the summary of its 2015 activity. It was also the occasion for ECCO to present the result of the first phase of the ECCO World Bank working group's study: the draft book on the cross analysis of offsets practices in 10 countries.*

SGS PERFORMANCE ISO 26000

THE GLOBAL COMPACT WE SUPPORT

**ECCO**   
[www.ecco-offset.eu](http://www.ecco-offset.eu)

# Offset Contracts

Christian Sylvain (ECCO Chairman)  
ICC Commission on Commercial Law and Practice (CLP)  
PARIS 13 November 2015

*On November 13th 2015, the chairman of ECCO gave a presentation to the International Chamber of Commerce (ICC)'s Commission on Commercial Law and Practice (CLP) on offset contracts.*

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will be to propose a model law on offsets based on the UNCITRAL MODEL LAW."

In doing so, ECCO underlined the quality of its relations with the World Bank and highlighted the publication on the front page of the Law, Justice and Development of its cross analysis study of offset regulations in a selection of key countries.

#### American Bar Association (ABA)

In 2015, ECCO provided a presentation that was included in the April 28-May 2 ABA Spring Meeting's round table "Risky Business."

#### Business France

In 2015, in order to provide French business executives with knowledge of offset, ECCO teamed up with Formatex, in association with Business France to deliver 2 training sessions lasting 2 days each.

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ABA-AMERICAN BAR ASSOCIATION



*In 2015, ECCO provided a presentation that was included in the April 28-May 2 ABA Spring Meeting's round table "Risky Business."*

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## Chapter 5: Ethics and responsibility of the Association

Ethics and responsibility of the Association is the common thread that links together each of ECCO's actions.

### **Ethics committee**

The Ethics committee is composed of ECCO members from the fields of management, finance, engineering, and journalism, law and academic research. It's role is to prepare and/or review all tasks related to Ethics within ECCO.

Central to this mission is the follow up on the implementation of improvement actions included in the ECCO Social Responsibility Indicators Table, defined following the 2014 ISO 26000 evaluation and presented to the General Assembly on November 19th, 2014.

Actions included in this table are:

- Design an offsets management Social Responsibility recommendations members guide
- Deliver the 2014 ECCO Social Responsibility report
- Define an offset management and Social Responsibility training program
- Train ECCO members on offset management and Social Responsibility
- Communicate to members a text of S.R. paragraphs to include in contracts
- Define a dashboard of ISO+Ethics goals and goal completion indicators
- Follow up implementation of actions defined
- Carry out an ECCO members/stakeholders survey
- Qualify the non member contacts database (function enterprise/segment)
- Define ECCO stakes and objectives with each stakeholder segment
- Define and implement a communication plan for each stakeholder segment

In 2015, the Ethics committee followed up actions in the ECCO Social Responsibility Indicators Table during four Ethics committee meetings. In doing so, it delivered the first ECCO Social Responsibility report, and carried out the 2015 ECCO members survey. The Ethics committee also contributed to the publication of the book "Offset and Ethics, which provides members with good

N°	Proposed actions	Action leader	Due date	Indicator
1	Design an Offsets Management Social Responsibility Recommendations Members Guide	Editorial committee	SRR Jan 2015 Offset and Ethics Nov. 2015	% of action complete
2	Deliver the 2014 ECCO Social responsibility report	Ethics committee	Jan 2015	% of action complete
3	Define an Offset Management and Social Responsibility training program	Training committee	Offset academy 2013, 2014, 2015 Symposium9 Nov 14	% of action complete
4	Train ECCO members on Offset Management and Social Responsibility	Training committee	Offset academy, 10 members trained 2013, 2014, 2015 Symposium9 Nov. 14	% of members trained
5	Communicate to members a draft text of CSR paragraphs to include in contracts.	Ethics committee	TBD	% of action complete
7	Define a dashboard of ISO+Ethics goals and goal completion indicators per sector for ECCO	Ethics committee	September 2014	% of action complete
8	Follow up implementation of actions defined	Ethics committee	2 times/year	% of actions in table completed
9	Carry out an ECCO members/stakeholders survey	Ethics committee	June, July 2015 Results Nov. 2015	% of action complete
10	Qualify the contacts database with respect to the function and enterprise/sector of each non-contact	Ethics committee	April 2016	% of action complete
11	Define ECCO stakes and objectives with each stakeholder segment	Ethics committee	April 2016	%of action complete
12	Define and implement a communication plan for each stakeholder segment	Ethics committee	June 2016	%of action complete

*ECCO's table of Social Responsibility Indicators*

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practices for implementing Ethics in an offset management context as discussed earlier in this chapter. Lastly, ECCO launched its qualification of the non members in its contacts database in terms of the industry and function of each contact.

In addition, the Ethics committee prepared ECCO's adhesion to the United Nations Global Compact. The committee reviewed mappings between the Global Compact's 10 principles and the ISO 26000 core subjects, identified points that were present in the guidelines of both approaches and complementary points provided by the Global Compact principles. Also, the committee identified the possibility of leveraging ECCO's Social Responsibility reports as a means to communicate on progress made toward implementing the Global Compact's 10 principles.





*ECCO's communication on ECCO and Social Responsibility in July 2015*

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## **Two events on Offset and Ethics**

In March 2015, Norton Rose Fulbright, Forensic Risk Alliance and ECCO teamed up to put two workshops in place, one in Paris, one in London on the theme of offset and ethics.

On March 19, 2015, at Norton Rose's offices in Paris, ECCO chairman, Christian Sylvain, introduced offsets to the audience, followed by Christian Dargham and Marion Marhuenda, two lawyers from Norton Rose, who listed the different risks of corruption. Toby Duthie, founding partner at Forensik Risk Alliance, also stepped on stage to give his recommendations about compliance.

After these presentations, an open round-table took place. Questions were raised by both offset obligors and compliance officers. It was noticed that one way of limiting corruption was to clearly separate the main contract from the offset contract and to have the offset contract managed by a specific team of offset experts. The audience also had the chance to discover the different ways to incorporate offset policies into a large group's compliance programmes.

## **Publication of the world's first book on Offset and Ethics**

In November 2015, a year after ECCO's groundbreaking Symposium #9 workshop on "Offset and Compliance" held in Vienna, Austria, ECCO's new book "Offset and Ethics", another world-premiere and part of the series "ECHOES FROM ECCO," has rolled off the printing press.

"Offset and Ethics" brings together input from ethics experts, lawyers and offset practitioners. It provides readers with a unique contextual overview of this subject as well as practical advice that can be leveraged when navigating through the stimulating but complex environment in which international trade and offset management take place.

## ECCO-FRA-NORTON ROSE FULBRIGHT ROUND-TABLE DISCUSSION



*In March 2015, Norton Rose Fulbright, Forensic Risk Alliance and ECCO teamed up to put two workshops in place, one in Paris, one in London on the theme of offset and ethics. In the photo, bottom left above from right to left: Christian Dargham, Toby Duthie, Christian Sylvain*

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The Chairman of ECCO, Christian Sylvain, stated, “ECCO considered that its mission to be world-class was not fulfilled after it achieved a “level 3” ISO 26000 evaluation or even after it was recognized as a supporter of the Global Compact. This is why we are proposing this volume of ECHOES FROM ECCO which will help business and offset stakeholders to establish trust and prevent their contractual relationships from being affected by corrupt practices. Offset managers can play a role in proving that offset deals are law-abiding and uncorrupt.”



*ECCO's new book "Offset and Ethics", another world-premiere and part of the series "ECHOES FROM ECCO," brings together input from ethics experts, lawyers and offset practitioners. It provides readers with a unique contextual overview of this subject as well as practical advice that can be leveraged when navigating through the stimulating but complex environment in which international trade and offset management take place.*

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## Chapter 6: Good business practices, prevention of corruption

In order to ensure that the Association's own management is Ethical, socially responsible and sound, ECCO puts into place a number of good business practices.

### - **Good conduct permanent reminder on Ethics and competition**

Before General Assemblies and before each Symposium session that gathers ECCO's members and stakeholders, the Association's behavior guidelines concerning Ethics and competition are presented to participants including:

- competition law
- Ethics between members
- risks in the event of violations
- behaviors to adopt

At each Symposium, a permanent reminder presentation is made before each session on Ethics guidelines that must be respected by ECCO members and participants when they are networking or working together.

### - **The Nominating and Compliance Group**

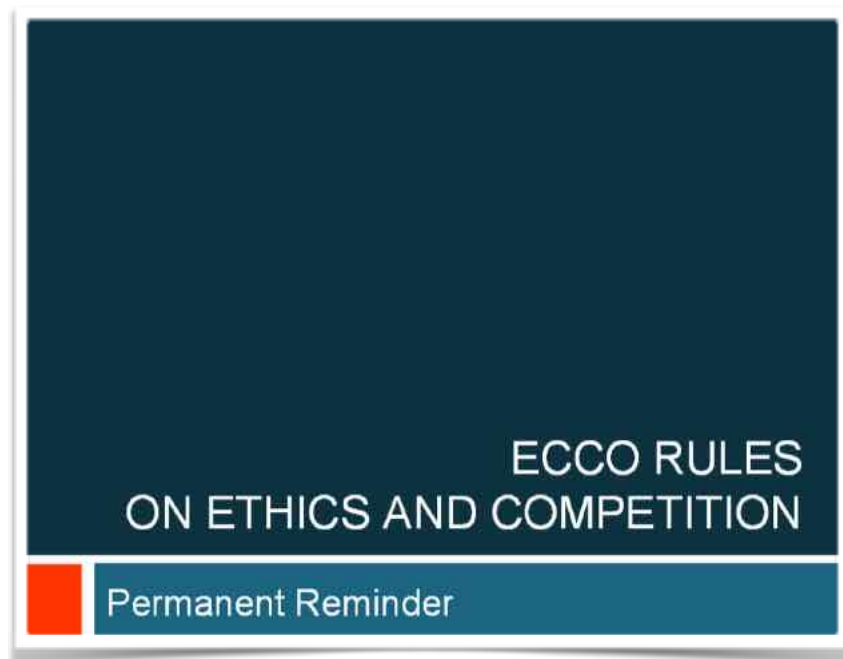
The Nominating group's purpose is to follow the nominating procedure, receive any candidacy, advise the Board upon the agreement of new members and to prepare the decisions to be made by the Board relating to selection criteria and appointment procedures for the Board and Executive Committee members.

The Nominating and Compliance Group has, following due diligence, refused the membership of a number of applicants and advised / followed up with the board on the termination of membership of existing members based on evidence of behaviors that were not in compliance with the law / ECCO Values.

### - **Internal control procedures**

In order to put in place effective internal control, ECCO Articles of Association require 2 signatures for payment of any amount of over 1000€.





*ECCO's good conduct permanent reminder presentation on Ethics and competition*



*Presentation of ECCO's permanent reminder before an ECCO Symposium session*

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The Audit Group assists the Board in fulfilling its oversight responsibilities relating to corporate accounting and reporting practices of the Association, and the quality and integrity of the financial reports of the Association.

**- Transparency and information:**

Members of ECCO are empowered to inform themselves on the management of the Association thanks to an entire password protected section of the ECCO Internet site ([www.ecco-offset.eu](http://www.ecco-offset.eu)). This site is available to all ECCO members wherever they are located worldwide. In this section of the internet site, in addition to the presentations from all 11 of ECCO's past symposiums, members are able to access all official documents including the Association's bi-laws and Articles of Association, agreements that have been signed, minutes from the Association's Board and committee meetings as well as the presentation of the Association's accounts and budgets.

ECCO's internet site also provides information on upcoming ECCO events, ECCO trainings as well as information on countertrade and offset. In addition, each month ECCO publishes and sends a short newsletter "ECCO News" to its listing of more than 1000 Association members and external stakeholders. ECCO also has a "LinkedIn" page where it regularly publishes information regarding the Association. Members who follow ECCO's LinkedIn page can share this information with their own networks by "liking" the ECCO "LinkedIn" posts.

**- Continuous improvement**

Based on the Association's vision of pursuing excellence in offset, it's commitment to Social Responsibility and its values, ECCO puts into place a continuous improvement approach. This includes the ISO 26000 evaluation and follow up on implementation of actions. It also includes a systematic measurement of satisfaction regarding the events ECCO puts in place as well as the implementation of in depth member/stakeholder surveys in order to better understand and adapt to meet constantly evolving member and external stakeholder needs. It also includes ECCO's commitment to the Global

# ECCO NEWS

ISSUE #25 - FEBRUARY 2015

It is with deep regret that we announce the death of our member and friend Marie-France Christophe-Tchakaloff in Paris on January 30, 2015. Our thoughts go to her husband, her children and her family.

Her experience and devotion were instrumental in the creation and launch of the Countertrade & Offset Academy of which she was Academic Director. Marie-France also played an active part in the creation of the World Bank Committee.

Marie-France was University professor in Public Law and Director of the Centre for Further Education at the Paris-Panthéon Sorbonne University for eight years. She was one of the founding members of ECCO. She had a PhD in Public Law.

We will remember this remarkable, cultivated and immensely kind woman at our next General Meeting.

ECCO SYMPOSIUMS

## ECCO SYMPOSIUM #10 PARIS

**Forum:** Offset management in large corporate groups  
**Workshop:** Facing the Offset challenge as an SME: impact, management and opportunities

SPONSORED BY BNP PARIBAS

JUNE 18 & 19 2015

### New format for ECCO Symposium #10 in Paris

ECCO will hold its 10th symposium in a magical, historical venue kindly provided by French bank BNP Paribas on June 18 & 19, 2015.

Exceptionally, no offset authorities from any country will be represented. Instead, the event will focus on practical issues: How do obligors face the challenges raised by offset? What tools do they use and how do they adapt to the different obligations?

To answer these questions, ECCO came up with a whole new format for its Symposium #10. The Forum will be dedicated to large corporate groups and the Workshop to SMEs. A great way to get a transvers overview of offset management worldwide.

In both the Forum and the Workshop, 25-minute presentations will be followed by round-table discussions.

Registration will open in early April but the number of participants is limited to 100 on a first come first served basis. So stay tuned to our website to make sure you secure your place.

[Read more about Symposium #10](#)

### Symposium #11 hosted by DLA Piper in London

ECCO is already preparing its winter symposium which will be hosted by the law firm DLA Piper in London on November 18 & 19, 2015. The Forum will focus on Offset in the Middle East. As for the Workshop, the topic hasn't been decided yet.

Follow us on LinkedIn!

**Key words of the month**

Symposiums  
 Round-table  
 PROTECTIONISM  
 CDS/1

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Echoes from ECCO-Volume 1  
**15 €**

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**Upcomming events**

Countertrade and Offset Academy  
 March 2 - 7, 2015  
 (Session 1)  
 ESSEC, Paris, France

ECCO - FRA - Norton Rose Fulbright round-table discussion (1)  
 March 19, 2015  
 Paris, France

Each month ECCO publishes and sends a short newsletter "ECCO News" to its listing of more than 1000 Association members and external stakeholders. In December 2015, ECCO sent its 35th ECCO News addition to its subscribers.

Tackle climate change - New flexible online MSc in Carbon Management

**European Club for Countertrade & Offset**

Coordonné de recherches  
 1-10 employés

Actualité | Réseaux sociaux | Notifications

**PURSUE EXCELLENCE IN OFFSETS**

Business Community | Expert Interaction | Training

The European Club for Countertrade and Offset (ECCO) aims to create an international platform to share information and best practices in the field of offsets and countertrade activities. Its activities are based on three pillars: which are Business Platform, Expert Interaction and Training.

ECCO's LinkedIn page

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Compact's 10 principles and to reporting on progress made in implementing them.

### ***ISO 26000 evaluation***

As discussed in previous chapters, the ISO 26000 evaluation allows ECCO to benchmark its management practices against international industry standards, to obtain feedback from an external expert firm and to lead in depth internal discussions and evaluation preparation around a framework of principles intended to put an organization on the path toward excellence in terms of socially responsible management.

Although this management practice is frequently encountered in industrial enterprises, it is rare to find it applied in the context of an association - in this sense, ECCO's will to put this approach into place represents a "first of a kind."

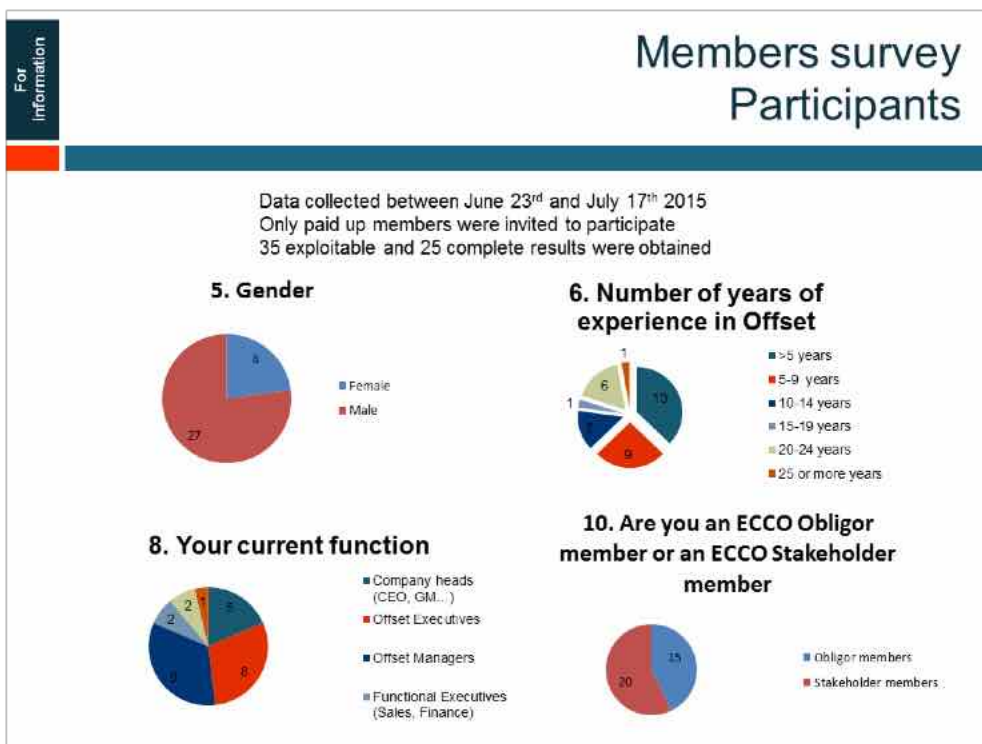
### ***Adhesion to the United Nations Global Compact initiative***

ECCO's adhesion to the United Nations Global Compact requires the Association to report on progress that it has made in implementing actions around the 10 Global Compact principles. Hence, adhesion to the Global Compact provides ECCO with a complementary management framework to that provided by the ISO26000 standard. In this way ECCO's adhesion to the Global Compact initiative provides yet another opportunity for the association to reinforce its implementation of fair business practices.

### ***Surveys to obtain feedback and continuously improve***

ECCO systematically puts in place surveys in order to obtain feedback from members and stakeholders that is then integrated into the Association's management approach.

In line with commitments made following ECCO's 2014 ISO 26000 assessment, a second ECCO Members Survey was put in place between June and July 2015 to identify evolutions in the needs and expectations of ECCO's members and to help the Association to identify actions to lead to effectively respond.



*The 2015 ECCO Members Survey results were presented at the ECCO General Assembly meeting that took place in November 2015*



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Key learnings from the 2015 ECCO Members survey were:

Companies are facing more tough / stiffening offset requirements

- world-wide
- in Europe where, for the most part, offset is prohibited between member states

Recruiting qualified offset resources remains challenging

It is necessary to educate deciders on offset stakes

It is also important to find ways to bridge defense and civil offset programs

Setting up a group strategy because of offsets is a need expressed

The participants do not all look for advice on offset challenges outside of their company but when they do, they are most open to asking for advice from other members of ECCO or from Offset Authorities.

ECCO can study Social Responsibility reports of other associations to identify good practices in terms of the environment

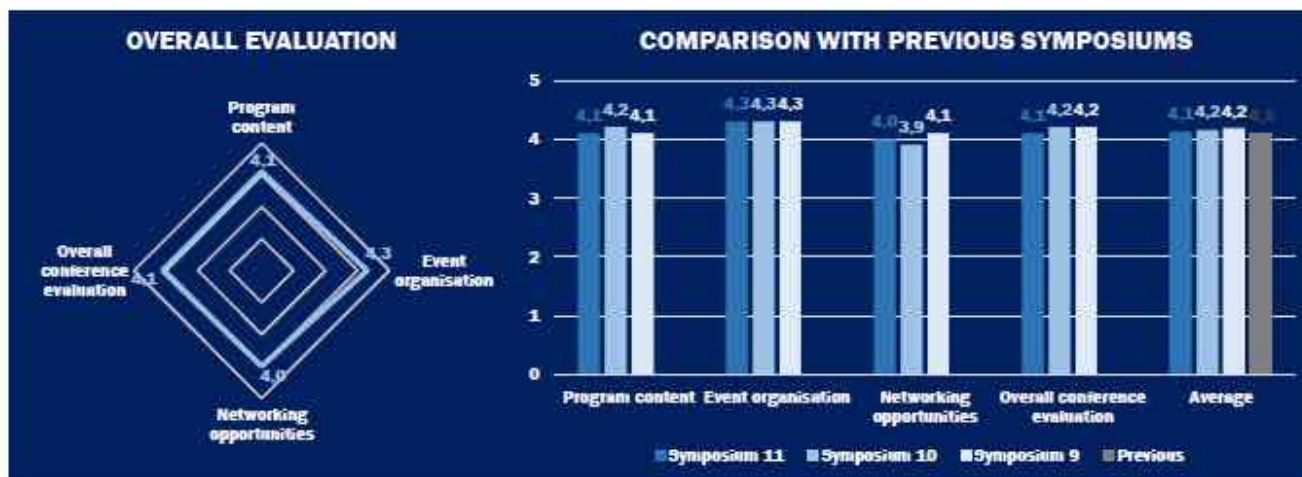
### **Post event satisfaction surveys**

In addition, following each of its Symposiums and Countertrade and Offset Academy sessions, ECCO also puts in place participant satisfaction surveys.

The results of these surveys are examined in the context of the relevant committees and necessary improvements identified are implemented in order to ensure a cycle of continuous improvement.

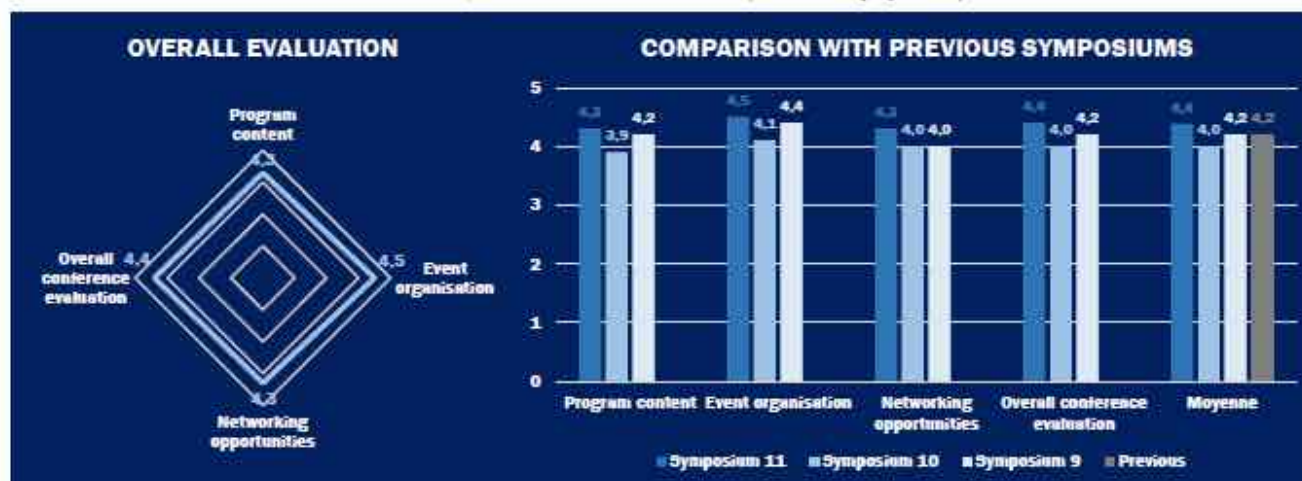
## FORUM ON AFRICA, ASIA, AUSTRALIA AND THE MIDDLE EAST

November 18, 2015 - 27 sheets handed in (22 at last symposium)



## WORKSHOP ON THE NEW ACTORS FOR SUCCESSFUL OFFSET

November 19, 2015 - 19 sheets handed in (21 at last symposium)



Participant satisfaction survey results from the November 18th and 19th 2015 Symposium held in London

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## Chapter 7: Human rights

On its Internet site, ECCO introduces its values with the following phrase: "The values of the Association contribute to its performance in a spirit of respect of human rights, the environment as per the broad meaning of this term and the laws that protect both."

This is clearly summarized in the Association's Strategic intent expressed in the context of the 2014 ISO 26000 assessment below:

### ECCO Fundamentals & Shared Vision

***In the short term:*** Diversify member nationalities and specifically increase, as much as possible, membership from emerged, emerging and developing countries in order to bring a North/South balance.

***In 5 years:*** Give meaning to offsets in the reciprocity of exchanges.

- Make of ECCO's think tank a worldwide reference source of ideas for the major international institutions (European Community, WTO, World Bank, OECD etc.). Put compensations at the center of reciprocity.

***In the long term:*** Make of ECCO a place of intelligence, exchange and analysis to anticipate evolutions in the economic and legal environment and their implications with respect to compensations.

ECCO demonstrates its spirit of respect for human rights in a number of ways.

### **Openness of the Association**

ECCO is an Association that is open to members and stakeholders regardless of their nationality, sex, race, or religious beliefs. As countertrade and offset involves actors from all parts of the world at all different levels of society, ECCO draws its strength from being the most inclusive as possible in terms of the diversity of its members and external stakeholders. Currently, ECCO gathers 11 nationalities (at the present): Austria, Belgium, Brazil, France, Germany, Lebanon, Norway, South Africa, Sweden, Switzerland, and United Kingdom.

### Nationalities

ECCO gathers 11 nationalities.



*ECCO currently welcomes members from 11 countries*

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## **Liberty of association**

Members of ECCO have the right to ask for the creation of a committee to work on any point they want study within the scope of the Association's object. The World Bank committee was created at the request of ECCO members. Also, in the Articles of Association article 15.1, a group of 1/4 of the members can convoke a General Assembly.

## **Freedom of opinion and information**

During symposiums, all participants can express themselves freely as they interact with experts and authorities participating in Workshop or Forum panels. Also, during General Assembly meetings, members are encouraged to share their feedback during the presentation of ECCO's activities as well as when debating on issues or decisions to be made. Also, points that are to be discussed during General Assembly meetings are provided to all members 21 days prior to the date that the General Assembly meeting takes place.



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*Extraction from ECCO's Articles of Association*

*on Liberty of Information*

**Article 14 – General Rules applying to General Meetings**

3. General Meetings shall be convened at the Board's initiative represented by its Chairman.  
Notification to attend shall be sent by ordinary post or any electronic means and sent to each member of the Association at least 21 days in advance.

*on Liberty of Association*

**Article 15 – Ordinary General Meetings**

1. An Ordinary General Meeting shall be held at least once every year within six months following the end of the financial year. It may also be convened on an extraordinary basis by the Board or at the request of at least one-quarter of the members of the Association.

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## Chapter 8: Association members and external stakeholders

The ECCO value “Satisfaction of its members” is defined as:

“Guarantee of the Association’s development, of its sustainability and therefore its ability to keep its commitments with respect to its members, the satisfaction of members mobilizes all of the Association’s competencies and resources.

ECCO is attached to providing its members with the conditions that will foster

- the realization of the Association's objectives
- their professional fulfillment.”

### **Profile of ECCO’s members**

ECCO primarily gathers Offset Obligors, i.e. multinationals that are active on international public procurement markets and as such, are subject to offset obligations. ECCO also welcomes any entity or individual that has an interest in offset whose expertise / perspective enhances Association activities and debates.

ECCO’s 26 Obligor members and 29 Stakeholder members represent a broad diversity of economic sectors and activities. Present are actors from the Aerospace, Defense, Electronics, Energy, and Metallurgy industrial sectors. Also present are service providers in Law, Insurance, and Trade. Education and Research fields are also represented.

ECCO’s members currently come from Austria, Belgium, Brazil, France, Germany, Lebanon, Norway, South Africa, Sweden, Switzerland, and the U.K. The gender mix of ECCO’s member representatives is currently 11% women and 89% men. ECCO’s Board is currently 33% women and 76% men.

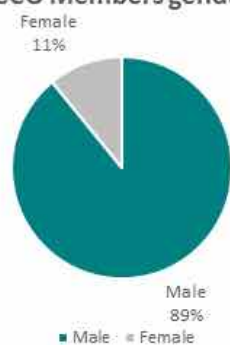
**ECCO Members (%)**



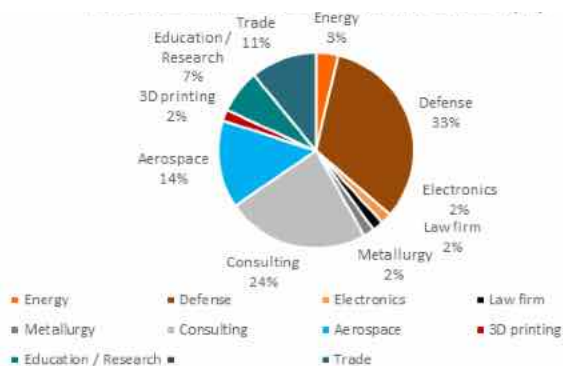
**ECCO Members**



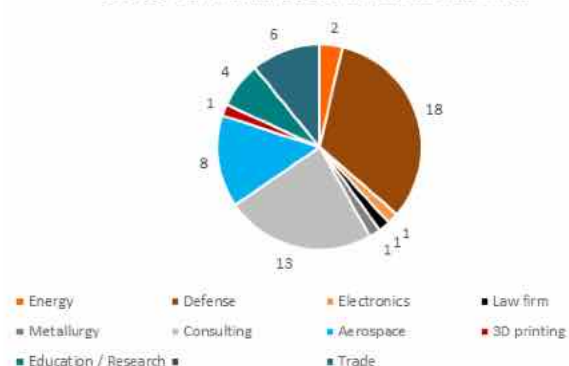
**ECCO Members genders**



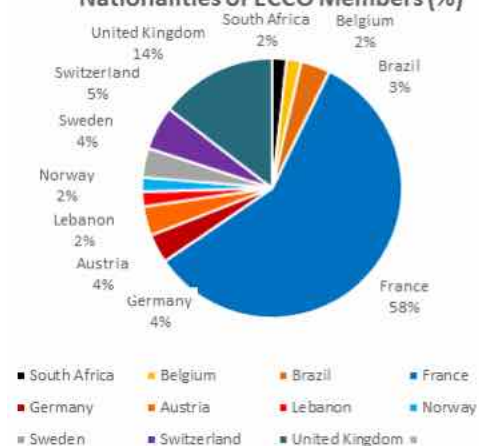
**Sectors in which ECCO Members function (%)**



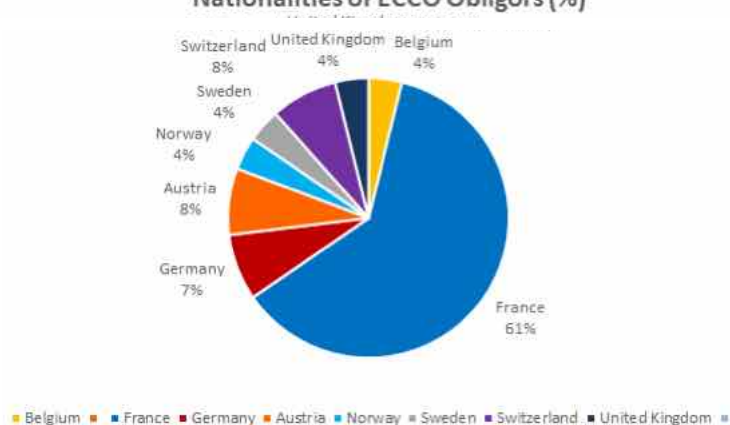
**Sectors in which ECCO Members function**



**Nationalities of ECCO Members (%)**



**Nationalities of ECCO Obligors (%)**



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## **ECCO's external stakeholders**

ECCO has a contact database of more than 1000 actors. In 2015, ECCO worked to qualify the non member contacts in terms of their sector and function.

## **Listening to ECCO's members and external stakeholders**

### ***The 2015 ECCO Members Survey***

In June and July 2015, ECCO put into place its second Members Survey. Its objectives were:

Determine members' view of offsets

- Find out where they stand in relation to offset practices
- Understand the challenges and problems they are facing
- Find out how they think ECCO could help to solve these problems

The survey received 35 responses. The survey's results will allow ECCO reinforce its continuous improvement action plan.

### ***Satisfaction surveys following Symposiums and Trainings***

Following each Symposium and Countertrade and Offset Academy session, questionnaires distributed and completed are analyzed. Improvement opportunities that have been retained are integrated into future events or trainings. For example, feedback obtained from 2015 Countertrade and Offset Academy participants allowed to shorten the program by 2 days.

### ***Expression, debate and voting at General Assembly meetings***

The ECCO activity report is sent to ECCO's member representatives 21 days before the General Assembly meeting. During the meeting, members have the opportunity to ask questions and provide their feedback. Members vote on proposals made during General Assembly meetings, following discussion.

### ***Member and external stakeholder interaction during ECCO Symposiums***

During each ECCO Symposium, panel discussions are organized following each Forum or Workshop presentation session. In this way, all Symposium participants have the opportunity to ask their questions and share their challenges and needs with panel participants.

### **Key learnings from the 2015 ECCO Members survey were:**

Companies are facing more tough/stiffening offset requirements

- world-wide
- in Europe where for the most part offset is prohibited between member states

Recruiting qualified offset resources is remains challenging

It is necessary to educate deciders on offset stakes

It is also important to find ways to bridge defense and civil offset programs

The participants do not all look for advice on offset challenges outside of their company but when they do, they are most open to asking for advice from other members of ECCO or from Offset Authorities.

ECCO can study Social Responsibility reports of other associations to identify good practices in terms of the environment

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## Chapter 9: Employees of the Association

In 2015, ECCO had one part time employee, Calum Prieur, ECCO's Operations Manager. His responsibilities include but are not limited to:

- Preparation of General Assembly, Board and Executive Committee meetings
- Follow up of accounting and archiving of accounting and legal documents
- Preparation, coordination and organization of international conferences organized by the Association (logistics and management of registrations)
- Management of new members and of the members register (coordination of admission procedures, evolution follow-up within the member community)
- Management and update of the Association's mailing lists
- Preparation and distribution of mailings
- Relations with Association members
- All internal and external communication actions
- All other missions that can be entrusted to him in his mission's framework

### **- French employee status of “cadre”**

ECCO has provided the Operations Manager with the French employee status of “cadre.” This status confers to the employee a number of advantages including, in particular, contribution to a more advantageous retirement pension than that which is provided to employees who do not have this status.

### **- A complete health and life insurance policy**

ECCO has chosen, beyond the minimum legal requirement, to provide the Operations Manager with the same complete medical and life insurance coverage plan as offered to employees of major international companies.

### **- A job with interest**

The ECCO Operations Manager has the opportunity to meet, interact and build relationships with people from multiple organizations and countries. He is also able to learn about business management as well offsets and international trade.

### **- Training**

Calum Prieur graduated on April 4th 2015 from the ECCO ESSEC Countertrade and Offset Academy. His participation in this training was sponsored by ECCO.





*Calum Prieur, (center) the ECCO Operations Manager, with Christian Sylvain, ECCO (left) and Jean-Marie Ardisson, ESSEC, at the ECCO ESSEC Countertrade and Offset Academy Advanced Management program's graduation ceremony in April 2015.*

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## Chapter 10: Environment

Respect of the environment is a responsibility that is part of ECCO's values and that ECCO welcomes also as an opportunity to explore new angles that can support its development and the involvement of its stakeholders.

ECCO, due to its light and participative coordination structure and broad worldwide scope, strives to make the best use possible of available resources and information technologies. It does so in order to maximize its accessibility and reach while reducing to a minimum its environmental and cost impacts.

### **Near zero mail and use of online technologies**

At least 95% of official communications and legal documents are sent to members by e-mail whenever possible. This includes convocations to the Association's General Assembly meetings, application approvals, minutes of meetings, invoices etc.

ECCO's virtual "store front" is visible through an online internet site [www.ecco-offset.eu](http://www.ecco-offset.eu), accessible to members and stakeholders anywhere that they may be around the world. ECCO's "LinkedIn" page broadcasts regularly on news, upcoming events and training to those that "follow" the page.

Symposium flyer advertisements, registration and payment are all managed electronically and require, in the majority of cases, no physical transmission or exchange of paper.

A promotional testimonial video for the 2015 Offset Academy was built across 2 sites (Paris and Bordeaux) using the Skype video message application and was communicated worldwide via e-mail and LinkedIn. The video, published on YouTube, has been viewed in 15 different countries.

### **Reduction of transport impacts through the use of conference calls**

ECCO also encourages the use of conference calls to limit traveling and to maximize participative collaboration. In addition to reducing ECCO's environmental footprint, the use of conference calls allows meeting participants to save time and money on transport before and after meetings. Thanks to conference calls, only the time of the meeting is engaged by participants.



[http://www.wikiwand.com/en/Moorgate\\_station](http://www.wikiwand.com/en/Moorgate_station)



[https://en.m.wikipedia.org/wiki/Grands\\_Boulevards\\_\(Paris\\_M%C3%A9tro\)](https://en.m.wikipedia.org/wiki/Grands_Boulevards_(Paris_M%C3%A9tro))

*ECCO makes its best efforts to organize its Symposiums close to public transportation stations. The June 2015 ECCO Symposium took place near the Paris Grands Boulevards metro station and the November 2015 ECCO Symposium took place near the London Moorgate station*

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During all World Bank committee meetings held in 2015, participants in as many as 5 different locations around the world were able to participate in the committee's working projects and collective meetings thanks to conference calls.

The monthly meetings for the Training committee are also held using telephone conferencing. This approach supports greater meeting participation and meeting regularity than would be the case where only physical meetings would be used.

### **Optimization of ECCO Symposium locations with public transport**

Whenever possible ECCO aims to select Symposium locations that are easy to access by public transportation. The ECCO Symposium #10 took place in the heart of Paris, France which has its own Paris Metro stop. Use of public transportation was also possible between the London Eurostar station and the offices of DLA Piper where the ECCO Symposium #11 took place.



*Photo credit: C. Sylvain*



# ECCO

European Club for Countertrade & Offset



[www.ecco-offset.eu](http://www.ecco-offset.eu)



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