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**An overview of BankTrack-EPFI engagement
on the Equator Principles
2003-2010**

BANK*Track*

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Introduction

This overview of the engagement process between BankTrack and the Equator Principles Financial Institutions (EPFIs) was originally compiled as background material for a meeting between the two parties which took place in Zürich, Switzerland on February 4 2010.

The overview shows that all of the issues that were discussed at that meeting, and which are summarised in an ['open letter'](#) submitted to the EPFIs in advance of the Zürich meeting, have all returned throughout the seven year engagement process between banks and BankTrack led NGOs, without ever being adequately addressed by the Equator banks.

To stimulate public scrutiny of this process BankTrack has now placed all documents and correspondence related to this engagement process in the public domain. Most of the documents can be found at the BankTrack website. The PDF version of this document is fully linked to all material on that site. For further questions please contact the BankTrack coordinator, Johan Frijns, at coord@banktrack.org

Nijmegen February 10 2010.

2003 Launch of the Equator Principles

Apr: Launch of Collevocchio declaration

NGOs launch the [Collevocchio Declaration](#), the first ever NGOs position on what sustainable banking should look like, asking banks to make six commitments to sustainability, do no harm, responsibility, accountability, transparency and good governance. Outline of basic requirements on all these areas.

May: Drafting of Equator Principles

NGOs comment on leaked draft versions of 'Greenwhich' principles and meet with number of initiative banks in informal event in London. Principles renamed to Equator Principles to avoid being mocked as 'Greenwash principles'.

Jun: Launch of the Equator principles (EPI)

Nine banks take initiative for a new standard for managing social and environmental risk in project finance. NGOs respond positively but cautiously.

Oct: First compliance assessment; Baku Ceyhan pipeline

As the proof of the pudding is in the eating, NGOs make an assessment of how the Equator principles are being applied at the controversial Baku-Tbilisi Ceyhan oil pipeline projects. Triggers debate on adequacy of implementation between NGOs and participating banks.

[Evaluation of compliance of the Baku-Tbilisi-Ceyhan \(BTC\) pipeline with the Equator Principles](#)

Dec: Publication of first NGO assessment on implementation

Report: [Good Faith, Good Practice: Implementation and Accountability of the Equator Principles](#); A BankTrack analysis of the Equator Principles

2004 Implementing the Principles

Jan: Davos public forum on Equator principles

Banks are invited to discuss the implementation of principles but decline invitation. Publication: [No U-Turn Allowed: Recommendations to the Equator Banks](#) focusing on transparency and accountability requirements for voluntary standards.

May: Equator banks interfere in Extractive industries Review

Press Release: [BankTrack slams Equator banks for trying to block higher environmental policies at World Bank](#): Equator Principles become pretext to oppose recommendations of Extractive Industries Review

Jun: First anniversary of the Equator Principles

Growing impatience with NGOs on what Equator principles deliver on the ground results in report: [Principles, Profits or just PR?: Triple P investments under the Equator Principles](#)

Jul: London meeting at Barclays

Banks leave position on non engagement and propose meeting. First formal encounter between BankTrack and banks. Meeting considered fruitful as it discussed implementation and training, need for transparency, explored need for recourse mechanisms.

[Banks Meet with NGOs to Discuss Progress on the Equator Principles](#) Statement by EP banks after establishing bank-NGO working group on Equator Principles.

[Follow up letter on this meeting](#)

Oct: Start of Revision of IFC Safeguard policies

IFC starts revision process of its Safeguard policies to which the Equator Principles are pegged. This is inevitably going to lead to changes in the Equator Principles itself.

Nov: BankTrack proposes improving transparency

Release of working document: [Transparency and the Equator Principles: Proposals for EP Bank Disclosure](#) containing detailed proposals on how to improve institutional and project level disclosure

Dec: NGO position on IFC revision policies

BankTrack publishes report: [Standards at Stake: Exploring common ground between Equator Banks and civil society on IFC's Proposed Performance Standards](#). The report explores common ground between NGOs and Equator banks for their respective involvement in the IFC review process.

Dec: Joint initiative towards IFC

Coordinated efforts of NGOs and banks to extend revision process lead to successful result. Press Release: [BankTrack Welcomes Equator Banks' Call for Extension of IFC Safeguard Policy Review](#)

2005 Revision of IFC policies

Jan: Comments on CIS disclosure framework

BankTrack comments on proposals for disclosure policy by CIS: [BankTrack letter to EPFIs on disclosure requirements](#)

Feb: More proposals on disclosure

BankTrack releases working Document: [Transparency and the Equator Principles: Proposals for EP Bank Disclosure](#) BankTrack brief on information disclosure for EP banks.

Feb: Zürich meeting at Credit Suisse

First meeting At Credit Suisse venue. Agenda focuses on transparency and accountability towards stakeholders. The meeting led to cooperation with banks on IFC Safeguard policies review. See the [Follow up letter by BankTrack](#). There was no formal response from EPFIs.

May: Input IFC consultation on safeguard policies

Based on well understood 'mutual interest' BankTrack and EPFIs arrange a string of conference calls to share notes on input to IFC revision process. Both sides reasonably aware of each others moves.

Jun: Second anniversary Equator Principles

BankTrack publishes 2nd anniversary assessment of Equator Principles, highlighting amongst other issues need for stronger disclosure requirements.

See report: [Unproven Principles; The Equator Principles at Year Two. An Anniversary Assessment](#) and statement: [Unproven Equator Principles; A BankTrack statement](#)

Press release: [One Step up, challenges Ahead; Report and Statement see both progress and challenges at 2nd Anniversary of Equator Principles](#)

2006 New Equator Principles

Jan: Shaping the future of sustainable finance

BankTrack and WWF launches benchmark report on quality of bank policies

Press Release: [New WWF-BankTrack report: Shaping the Future of Sustainable Finance](#)
[New report by BankTrack and WWF on bank policies](#)

Report: [Sustainable Finance: Moving from paper promises to performance](#)

Feb: IFC Adopts New Environmental and Social Standards

Equator Principles now refer to set of standards, the IFC safeguard policies, that are no longer in use. Urgent need for revision of Equator Principles.

Mar: Banks seek comments on revised Equator Principles

Correspondence: [BankTrack letter to EP banks on NGO concern about consultation process Equator Principles](#)

April: 2nd London meeting at HSBC

Meeting to discuss NGO ideas on new Equator principles, based on BankTrack publication: [Equator Principles II: NGO comments on the proposed revision of the Equator Principles](#).

Jul: Launch of second version Equator Principles (EPII)

Equator banks launch Equator Principles II. The new principles contain several improvements over old version, notably on scope expansion and reporting, but serious gaps remain. Press Release: [Equator Principles Re-Launched: Improvements Made, But Principles Fail to Live Up To Their Potential](#)

2007 Towards stronger governance

Mar: Confusion on EP membership calls for better governance

A row about who exactly has signed up to the Equator Principles and made commitments highlights the need for stronger governance of the EP framework. Press Release: [Who has adopted the Equator Principles? Confusion at the EP Secretariat highlights grave flaws in implementation](#)

May: EPFIS launch guidance notes on reporting

EPFIs release voluntary [guidance notes](#) on how to report on Equator implementation beyond what is obligatory as defined in principle 10 of the Principles. BankTrack considers note a good start but insists that much more needs to be done.

June: Conference call EPFIs & NGOs.

In absence of a new meeting, NGOS and EPFIs meet on conference call to discuss outstanding governance issues and transparency requirements. Agreement on need for new meeting. Correspondence: [Letter to EPFIs about upcoming NGO-EPFI meeting in Amsterdam, December 4](#)

Dec: Amsterdam meeting at ABN AMRO

New meeting between EPFIs and BankTrack. Banks present plans for new governance structure.

Bank Track releases report on state of play of reporting by Equator principles against their own guidance note: [The Silence of the Banks: A BankTrack Assessment of Equator Principles Reporting](#)

Correspondence: [Letter to EPFIs about upcoming NGO-EPFI meeting in Amsterdam, December 4](#). [Follow up letter on Amsterdam meeting from BankTrack to EPFIs](#). There was no formal response from Banks

2008 Expansion of banks adopting Principles

Apr: Meeting BankTrack and Unicredit on NGO working group

Meeting hammers out possible way forward for the joint NGO-EPFI working group as envisioned in the new governance structure of the EPFIs.. As it turns out, few of these plans get implemented.

Aug: Report highlights lack of attention for Human rights

Report: [The International Finance Corporation's Performance Standards and The Equator Principles: Respecting Human Rights and Remedy Violations?](#)

A Submission to the U.N. Special Representative to the Secretary General on Human Rights and Transnational Corporations and other Business Enterprises

Press Release: [Banks Lack Robust Framework for Minimizing Social Risks: Equator Principles fail to adequately address human rights](#)

Dec: Launch of climate principles

Five financial institutions launch the [Climate Principles](#), partly covering ground that should have been included in the Equator Principles.

2009 Stagnation sets in..

May: Washington DC meeting at WRI

After 18 months interval, EPFIs and NGOs meet at World Resources Institute in Washington to discuss outstanding issues on transparency and accountability, climate change, scope expansion, implementation and the first review of IFCs Performance Standards. Overall a good meeting in terms of linking up and reinvigorating the debate between EPFIs and NGOs, but with little concrete follow up.

See the [Follow up letter on Washington meeting](#). There was no formal response of EPFIs to this letter.

Aug: EPFI release guidance note on loan documentation

[Guidance note](#) for banks on how to covenant requirements of Equator Principles in loan documents. Good document but with insufficient attention to include requirements of project sponsors towards affected communities.

2010 A brand new start....?

Jan: NGOs call upon EPFIs to take bold steps forward

Over 100 civil society groups, led by BankTrack, call upon EPFIs to take bold steps forward with the Equator Principles. Letter serves as basis for discussion in Zürich

Press Release: [Civil society groups call for bold steps forward with Equator Principles](#)
[Major reforms needed on transparency, accountability, implementation and climate change](#)

Open letter: [Bold Steps Forward: Towards Equator Principles that deliver to people and the planet](#) A civil society call to the Equator Principles Financial Institutions

Feb: 2nd meeting At Credit Suisse, Zürich

BankTrack member groups met with EPFIS at the Credit Suisse conference centre to discuss the issues brought up in the Open letter sent to EPFIs prior to the meeting. The meeting, while conducted in good spirit, did not result in any of the concrete proposals in the letter being accepted by banks as a way forward with the Equator Principles.

BankTrack sent a [follow up letter to EPFIs](#) outlining expectations for next steps and stating that there would be no further consultations until a proper response was received from EPFIs on issues raised in the open letter

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