



## Press Release

### **BankTrack Welcomes Equator Banks' Call for Extension of IFC Safeguard Policy Review**

BankTrack welcomed the Equator Banks' recent request to the International Finance Corporation (IFC) that it extend the Safeguard Policy Review. Originally scheduled to conclude on 17 December 2004, the Equator banks called on the IFC to lengthen Phase I of the Public Consultation and Comment Period by 6 months.

The banks made their request for an extended Review period during its second consultation with the IFC on December 7, 2004. For this meeting, the IFC was supposed to have provided the Equator banks with Interpretation Notes, detailed guidance for implementing the new Performance Standards, but these Notes will likely not be released until early 2005.

The Equator Principles commit endorsing banks to follow existing IFC Safeguard Policies and procedures for project finance transactions totaling over \$50 million. The revised IFC policies, which have been renamed "Performance Standards," will likely require the Equator Principles themselves to be revised and potentially readopted.

"BankTrack warmly welcomes the Equator banks' call for an extended Safeguard Policy Review process," said Johan Frijns, coordinator of BankTrack, a network of civil society organizations monitoring the activities of private financial institutions. "Although we have yet to see the banks' position on the substance of the new standards, their first step in calling for a better process is a concrete example of how banks can fulfill one of the Collevocchio Declaration's main tenets on responsible policy development." The [Collevocchio Declaration](#), a civil society statement on the financial sector and sustainability, specifically calls on financial institutions to support public policies that advance sustainability.

"The Equator Banks, along with many other stakeholders, have realized that it is not reasonable to overhaul the IFC Safeguard Policies, which took years to develop, in just a few months," said Michelle Chan-Fishel of Friends of the Earth - US. "There is simply too much at stake here, given the importance of the IFC Safeguard policies as a widely referenced international standard. Because of IFC's hasty timeline, the Review process may produce a new set of Standards that is mired in controversy, which undermines the potential of the Equator Principles to serve as a risk mitigation strategy for endorsing banks."

The Review's short timeframe has prompted many civil society groups to boycott the consultation, in an attempt to establish a more inclusive and iterative process. Many



groups have also historically criticized the IFC for having too many loopholes in its environmental and social standards, and for not adequately implementing them.

Contact: **Johan Frijns, BankTrack, +31-20-6868111 until December 31; or 31 30 233 4343 from January 1, 2005.**

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***Amsterdam, The Netherlands, 21 December 2004***