

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

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Amsterdam, May 17th 2004 BankTrack, a network of NGOs monitoring the private financial sector, today sent letters to World Bank President Wolfensohn and the Equator Principles banks, expressing outrage about efforts of banks to oppose the adoption of more stringent social and environmental policies at the World Bank.

In a letter, dated April 14th, eleven Equator Banks called upon the World Bank to reject several key recommendations of the so called Extractive Industries Review (EIR), a World Bank sponsored review of its involvement in the oil, mining and gas sector.

The banks urge the World Bank not to withdraw from the coal sector immediately and the oil sector before 2008, as recommended by the EIR end report. They are also highly critical about incorporating the principle of Free Prior and Informed Consent –giving local communities potentially affected by projects the right to modify or even block these projects- into Bank policies. Both recommendations are considered crucial by civil society groups involved in the EIR.

Equator Banks also demanded that, because of adopting the Safeguard policies and sector guidelines, they be fully consulted on any proposed changes in these policies, thus claiming a status as privileged stakeholders with the World Bank.

“Equator Banks can express their opinion as anyone else, but this letter is an outright attempt to block, rather than promote the adoption of more stringent environmental and social standards with the Bank”, said Johan Frijns, BankTrack coordinator, “These policies do not exist to safeguard the interests of private investors but to secure the rights and interests of communities potentially affected by projects.”



"Only eleven out of the 21 Equator Banks have signed on to the letter, although all were asked to sign." Simon McRae, head of Friends of the Earth UK private finance campaign further observed, "some non signatory banks expressed concern to us about the Equator group turning into a joint lobby group. That would indeed be a grave mistake, further eroding the already questionable status of the Principles."

Note to editors: The letter to Mr Wolfensohn was signed by the following banks: ABN AMRO Bank NV, HVB group, Citigroup, Credit Lyonnais/Calyon, Credit Suisse, Dexia, ING group NV, KBC Bank NV, MCC S.p.A, Mizuho Corporate Bank Ltd, Westpac Banking Corporation

Copies of all letters, as well as list of BankTrack members can be found at www.banktrack.org. For the extractive Industries Review see www.eireview.org or www.eireview.info -civil society views-.

On June 4, at the 1st anniversary of the Equator Principles, BankTrack will launch its own progress report on the implementation and application of the Principles.