An overview of BankTrack-EPFI engagement on the Equator Principles 2003-2010
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Introduction
This overview of the engagement process between Banks and BankTrack on the Equator Principles was compiled as background material for the meeting between EPFIs and BankTrack in Zürich, Switzerland in February 2010.

The overview shows that the issues as summarised in the ‘open letter’ submitted to the EPFIs in advance of the Zürich meeting are not borne yesterday but have returned throughout the engagement process, without ever being adequately solved. BankTrack hopes that the Zürich meeting will finally provide a way forward on these issues.

All documents and correspondence in this document are in the public domain and can be found at http://www.banktrack.org/show/focus/the_equator_principles. The PDF version of this document is fully linked to all material.

2003 Launch of the Equator Principles

Apr: Launch of Collevecchio declaration
NGOs launch the Collevecchio 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.
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

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

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

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
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
Outcome unknown, expectations high..