The Equator Principles Association
E: secretariat@equator-principles.com
W: http://www.equator-principles.com

Johan Frijns, BankTrack and on behalf of: Amazon Watch; Amigos da Terra Amazônia Brasileira; ARA e.v.; Blue Dalian; Both Ends; Fern; Finance & Trade Watch; Foundation "Development YES - Open-Pit Mines NO"; Friends of the Earth; GegenStroemung; Green Longjiang; Greenpeace; Institut für Ökologie und Aktions-Ethnologie e.V.; International Foundation Batani; International Indian Treaty Council International; International Rivers; Les Amis de la Terre; Market Forces; Mineral Policy Institute; Oil Change International; Nostromo Research; Rainforest Action Network; Sierra Club; The Corner House; and Urgewald

RE: EQUATOR PRINCIPLES FINANCIAL INSTITUTIONS’ (EPFIs) CLIMATE COMMITMENTS, AND EPFIs FINANCING OF THE DAKOTA ACCESS PIPELINE

14 December 2016

Dear Johan

Thank you for your letter, dated 7 November 2016, regarding the climate commitments of EPFIs and the financing of the Dakota Access Pipeline.

The Equator Principles (EP) Association Steering Committee shares the following responses to your statements and comments in the letter, and takes this opportunity to reiterate the EP Association’s commitment to maintaining dialogue with BankTrack and others Non-Governmental Organisations (NGOs) on topics related to the implementation of the EP.

Equator Principles Financial Institutions’ Climate Commitments

It is widely acknowledged that climate change is one of the most challenging and pressing global issues of our time, with many governments taking a variety of approaches to address the issue effectively.

The EP framework currently reflects the views of a diverse group of financial institutions, and the legal and civil debate and understanding on climate change, which can differ from one region/country to
another. As such, climate change is addressed in the EP to the extent to which it can be implemented consistently in all parts of the world.

The EP Association is not a standard setter, and as such it has aimed to address the issue in a responsible way, and ensure that the EP framework is in line with current internationally recognised standards and practices.

EP Association Members are committed to using the EP framework to determine, assess and manage environmental and social risks in projects, and this consequently extends to activities related to the use of fossil fuels.

EP Association Members provide finance to various market economies, some of which are currently highly dependent on fossil fuels for their energy needs and require extensive funds, expertise and alternative technologies to transition to cleaner energy sources. It is, therefore, expected that some EP Association Members will align to their country’s Nationally Determined Contributions, which may include a percentage of fossil fuel use.

The EP Association remains supportive of its members making individual commitments aligned to their risk management and strategic objectives, which may also include aligning to their country’s strategic objectives on fossil fuel use, to support a broader transition to a low carbon economy.

**Equator Principles Financial Institutions and the Dakota Access Pipeline**

The EP Association is unable to comment on individual projects financed by its members.

EP Association Members have the collective and common goal of seeking consistency in the application of the EP to the greatest extent possible. The EP framework stimulates improved environmental and social risk management practices for projects financed by financial institutions; including projects with higher risk impacts – Category A Projects. The EP provides a robust due diligence framework to manage and mitigate risks, and help equip financial institutions in their decision-making processes.

The EP Association aims to support its members in the implementation of the EP through the ongoing work of its Capacity Building & Training and Social Risks Working Groups; by including relevant topic discussions in the annual EP Association Workshop Day, and through its engagement with the IFC and participation in their annual Community of Learning.

Through these various avenues, EP Association Members continue to have multiple opportunities to be informed and understand the EP requirements and best practices when working with Indigenous
Peoples, and ultimately learn how to work effectively with project companies to achieve the best outcomes for Affected Communities and the projects that they finance.

The EP Association Steering Committee looks forward to further engagement with BankTrack in 2017 and continued dialogue with relevant stakeholders going forward.

Yours sincerely,

Nigel Beck, Chair of the EP Association Steering Committee
On behalf of the EP Association Steering Committee