

To; Representatives of Equator Banks,
Concerning; Follow up from Equator Bank-NGO meeting July 1st 2004, London

Amsterdam, July 17th, 2004

Ls,

The undersigned representatives of NGOs, all present at the Bank-NGO meeting at Barclays headquarters in London on July 1st, wish to thank you for the opportunity you provided to discuss the current state of affairs with the implementation and application of the Equator Principles.

While we have all been to many such meetings before, mainly with ECAs and IFIs, we were pleasantly surprised by the open and frank atmosphere of the event and the determination of both parties to learn from each other's experience and move forward on the issues discussed. This could not have been illustrated better than at the end of the meeting, when we found there to be a remarkable overlap in our respective wish lists of next steps to take.

To be honest, we were less amused by the sudden appearance this week of a report of our meeting on the Equator information list and website, this without any prior discussion with our organisations. While we have no major problems with the presentation of the outcomes of the meeting –apart from some small factual mistakes and omissions-, we feel this contradicts your own 'ground rule' to "not talk to the media about the meeting". We also wonder how such a joint release relates to the emphasis Equator Banks place on not being perceived as one group.

Joint working group

This said, we are pleased with the agreement to establish a joint working group of Banks and NGOs to sort out a number of outstanding issues regarding the good faith implementation of the Equator Principles.

Our understanding is that this will be a temporary working group that will convene a few times before, and help prepare the next Bank-NGO meeting which will take place in January 2005 at Credit Suisse in Switzerland.

We have discussed amongst ourselves which representatives would like to take part in this working group and agreed on the following list:

- Heffa Schuecking, Urgewald, Germany
- Ilyse Hogue, Rainforest Action Network, US
- Jules Peck, WWF, UK
- Johan Frijns, BankTrack coordinator, Netherlands

As representatives/members of the wider BankTrack network, plus

- Bruce Rich, Environmental Defense, US
- Glenn Prickett, Conservation International, US
- Marta Miranda, World Resources Institute, US

representing other NGOs in the working group.

We would like to hear from you which bank representatives will take part in the working group.

Issues to discuss

At our meeting we agreed on three fields of work for the working group; the use of the equator-principles website, transparency and reporting, and the possible involvement of NGOs.

While we are completely open as to the exact agenda of the working group, we would like to identify a few issues that we think fit under these three headings. These are:

- *information disclosure at website.* The group should address the question what sort of information can be made available on the Equator Principles website so that it allows external observers to make an informed judgment on the implementation and application of the Equator Principles.
- *Information disclosure on specific projects and transactions.* While recognizing the need to take into account business confidentiality requirements, we believe that it is increasingly established in international good practice that environmental information relating to specific transactions is not business confidential, nor is information on specific projects and transactions where environmental and social issues invoke the consideration of the Equator Principles. We would like to pursue in the Working Group discussions on how the Equator Banks can be more transparent concerning specific projects that have been approved where the Equator Principles have been applied, as well as concerning projects that have been rejected because of environmental and social concerns.
- *Engagement of external stakeholders.* The London meeting was an excellent first step in further engaging civil society groups in the –debate on the- implementation process of the EPs. This said, as Northern NGOs we are very much aware that we also do not represent the full range of stakeholders. More specifically we feel that NGOs and community representatives from the South need to be brought on board. The working group can identify appropriate processes to make this happen.
- *Accountability issues.* While the issues mentioned above all relate to the question of external accountability there are a few specific issues that need further debate. Most importantly we would like to bring in our expertise in the use of the various external accountability mechanisms of IFIs and ECAs and discuss what would be feasible options for the Equator banks to implement.
- *Joint post project evaluation.* One interesting idea that surfaced at the meeting was the possibility to set up joint bank-NGO-sponsor post project evaluations, assessing how the Equator Principles were applied, what difference they made in project design and implementation, what lessons can be learned etc.
- *NGO involvement in bank training.* We got the impression from the presentations at the meeting on how the EPs are being implemented and what sort of training bank staff receives that project staff could benefit from being exposed to NGO experiences and perspectives. We would be interested in exploring the

possibilities for how this could be accomplished including these elements in the training programs of the Equator Principles Banks.

Practicalities

We propose that the working group will start its work as soon as possible, taking into account the holiday season. We propose a first meeting to take place in September, with the aim of agreeing on the terms of reference for the group and the exact process to be followed.

To facilitate smooth communication, Johan Frijns, coordinator of BankTrack, has volunteered to act as contact address for the NGO community engaged in this debate. Would you be so kind to send all future correspondence on this matter to coord@banktrack.org?

While we understand the difficulties involved in identifying a similar one stop contact address for banks we kindly request to you to figure out a way to avoid having to send future correspondence to this entire group.

We are looking forward to the cooperation and hope to hear from you soon on the practicalities of the process ahead.

Sincerely,

Andreas Missbach, Berne Declaration (member BankTrack)

Antonio Tricarico, Campaign to Reform the World Bank, CRBM (member BankTrack)

Bruce Rich, Environmental Defense

Donald Pols, Milieudefensie, Friends of the Earth Netherlands (member BankTrack)

Glenn Prickett, Conservation International

Greg Muttitt, Platform (member BankTrack)

Heffa Schuecking, Urgewald (member BankTrack)

Ilyse Hogue, Rainforest Action Network (member BankTrack)

Johan Frijns, (coordinator BankTrack)

Jules Peck, WWF-UK (member bankTrack)

Marta Miranda, World Resources Institute

Michelle Chan-Fishel, Friends of the Earth US (member BankTrack)

Naomi Kanzaki, Friends of the Earth Japan

Nigel Homer, the Nature Conservancy

Paul Faeth, World Resources Institute

Simon McRae, Friends of the Earth UK (member BankTrack)