

Safeguard Policies to Performance Standards
Consultation with Equator Principles Financial Institutions
New York, December 7, 2004

NEW YORK, 7 December 2004 - International Finance Corporation (IFC) met with seventeen financial institutions (FIs) that have adopted the Equator Principles to discuss progress and next steps in the Safeguards Update process.

IFC and the FIs discussed how best to coordinate the Safeguards Update process going forward with the FI's own revisions of the Equator Principles on the basis of the new Performance Standards. It was agreed that FIs and IFC would work iteratively on the reworking of the Performance Standards.

IFC outlined next steps in the review process: the Guidance Notes and an indicative draft of the Performance Standards will be posted in January for a public comment period. A revised timeline through the end of the process is to be determined by IFC's management later in December and will be announced thereafter.

The FIs requested a six month extension of the public consultation process to ensure adequate time for their full consideration. In addition, the FIs plan to talk to their own stakeholders on the proposed revisions to the Equator Principles before these are finalized and implemented, and requested that IFC take this into account when revising its own consultation timeframe.

IFC gave an update on inputs received during the consultation process, through regional multi-stakeholder workshops, stakeholder meetings and correspondence. In addition to regional consultations, IFC has met with and received direct substantive inputs from clients, industry associations, and non-governmental organizations. The labor movement is fully engaged and providing very constructive and useful input.

The FIs gave a brief outline of feedback they have received from about 20 project sponsors and 3 industry associations. The FIs reported that they had received a paper on the proposed Performance Standards from NGOs a day before the meeting. They will meet with NGOs at a future date to discuss the paper but emphasized that the FIs are not acting as a conduit for NGO views.

IFC invited the FIs to get involved in the ongoing revision of the environmental, health and safety standards. IFC further announced that it will take over the secretariat of the Global Banking Alliance for Women at the end of the year.

To enhance future cooperation, in 2005 IFC will provide a point of contact for FIs in a new coordination unit between IFC's Global Financial Markets Department and the Environment and Social Development Department.