

Press release

Eksport Kredit Fonden adopts the international "Equator Principles" guidelines

As the first export credit agency (ECA) worldwide and the first financial institution in Denmark, Eksport Kredit Fonden adopts the "Equator Principles" which are a voluntary set of international guidelines developed by the banks for managing environmental and social issues related to project finance. The "Equator Principles" are based on the policies and procedures as set by the World Bank institution International Finance Corporation (IFC).

Focus on social and environmental issues is larger now than ever before in emerging markets in Africa, Asia, South America and Oceania. The emerging markets have put "growth" high on the agenda, and by adopting the "Equator Principles", Eksport Kredit Fonden secures that projects, e.g. windmill parks, power plants and cement plants are not being erected at the expense of social, environmental and cultural values.

"As a financial institution we have a huge responsibility to influence the emerging markets and to draw on our experiences in this field when we finance projects. It is important that international financial institutions adopt the "Equator Principles" boosting the importance of environmental and social issues", Lars Kolte, Managing Director of Eksport Kredit Fonden says.

EKF insures against risks in connection with the financing of export projects in uncertain markets. Our business area comprises political and commercial risks not normally covered by private credit insurance. EKF operates according to commercial terms and conditions and is backed by the Danish State.

"The tradition of Eksport Kredit Fonden is to weigh environmental issues high and to work for sustainable development in the emerging countries. The adoption of the "Equator Principles" will furthermore strengthen this tradition and also imply a continuing monitoring of the environmental issues and secure that a common global standard for finance projects will be pursued", Lars Kolte states. "Furthermore, I hope that other ECAs will follow the steps of EKF and adopt the "Equator Principles"", he adds.

In 2003, initiative was taken to develop the "Equator Principles", and until now, 21 international banks, which together represent three-fourth of project finance lending to the emerging countries, have adopted this international set of guidelines. By adopting the "Equator Principles" EKF will join the group of internationally reputable financial institutions comprising e.g. Citigroup, ABN AMRO, Credit Suisse and Barclays.

"IFC is very pleased that EKF has formally adopted the Equator Principles. It is the first ECA to join the group of 21 banks that have adopted the principles. This helps create convergence around a single set of environmental and social standards for project finance, simplifies the approach for sponsors and provides further validation of IFC's environmental policies and procedures" says Peter Woicke, Executive Vice President of the International Finance Corporation (IFC)."

Christopher W. Beale, Managing Director, Citigroup, New York : "We at Citigroup applaud EKF for taking this important action. Export credit agencies provide a significant portion of the funds provided to finance projects around the world. We see this announcement as another step forward for the Equator Principles, and as an advance in achieving a common global standard for project sponsors as they plan their development activity. Everyone benefits from consistency in addressing environmental and social issues."

The "Equator Principles" guidelines are applicable to all projects with a capital cost of minimum USD 50 millions. To EKF, this signifies that a considerable part of its projects will be included by the "Equator Principles" guidelines. However, EKF continues to honour its international obligations set by OECD and EU regarding the environmental standards.

Further information:

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