



Implementation of Equator Principles requirements into KfW IPEX-Bank financing

With its new sustainability guideline of November 2007, KfW IPEX-Bank has adopted a regulation that is in compliance with the requirements of the Equator Principles (EP). Respectively, with its new status as a legally independent 100% subsidiary of state-owned KfW Group as of January 1, 2008 KfW IPEX-Bank has declared its commitment to the EP.

The EP requirements are implemented within the existing sustainability management system of KfW. This management system includes organisational provisions (a managing director responsible for sustainability aspects, a sustainability coordinating group, a central sustainability unit and sustainability officers in all fields of activities) as well as technical provisions like a statement on environmental protection and sustainable development for the German Bundestag, environmental and social principles, and sustainability guidelines in each field of activity.

Within this setting environmental and social assessments of projects have been and will proceed to be carried out. KfW is in a unique position to have available about 50 in-house technical experts covering various sectors and enabling us to structure and guide environmental and social assessments and to finally control their quality. We consider this in-house quality control to be very important as it reduces our dependency from external judgements and strengthens our internal risk management. Procedural aspects like the inclusion of our Central Sustainability Unit in project assessments are part of our KfW IPEX-Bank sustainability guideline.

KfW has taken different steps to prepare for the application of the requirements of the EP. First of all, prior to any decision on EP commitment, we convened a general seminar on the EP where we shared with a legal consultant his experiences in implementing the EP. Those colleagues that will be in charge of providing training to KfW IPEX-Bank project officers have received EP training by an IFC-licensed consultant themselves. Due to our extensive co-financing activities with other Equator banks we have as well been in touch with the EP requirements since years.

Environmental and social assessment of projects has always been a regular task for KfW IPEX-Bank. Within our organisation and technical setting we feel well prepared to ensure a qualified implementation of the EP requirements.