Equator Principles: financing with care...

POINT OF VIEW
Herman Mulder
Co-author of the Equator Principles

FOCUS
Responses from Equator banks and the International Finance Corporation
TERI-BCSD India

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India is currently at the crossroads, having recorded consistently high rates of economic growth in the last three years, averaging 8% per annum. The major implication of this is a much faster rate of growth in infrastructure, including roads, power plants, airports, and habitat-related facilities. The renewed emphasis of the government in providing upgraded facilities such as roads and connectivity to rural areas is adding to the boom that the country is witnessing all around in the development and growth of all forms of infrastructure.

In this path towards development, India has critical choices to make. The easiest, but perhaps the one with the most serious negative implications, would be to merely replicate the pattern established by the developed countries of the North. This, of course, would increase our dependence on fossil fuels and demands on natural resources. In addition, it would create a large footprint on the country’s ecosystems, which are already under stress in several parts of this nation. On the other hand, if the choice made favours the principle of sustainable development, we could achieve the same goals through greater efficiency in the use of energy, greater and more sustainable use of renewable sources of energy, and a minimization of environmental impacts along the entire supply chain related to construction activities. A remarkable example of this has been created in the RETREAT complex of TERI in district Gurgaon, which uses no power from the grid, recycling all the waste generated through organic means and building the principles of energy efficiency and sustainability into the design and construction of the complex. TERI has also constructed other buildings for its use in Bangalore and Guwahati, which embody similar principles. Currently, TERI is constructing a building with 80 000 square feet of covered area for the TERI School of Advanced Studies, which would also be a unique complex in a prominent part of Delhi. All of these are examples of socially responsible investment in the creation of infrastructure that embody the criteria of sustainability.

In this regard, financial institutions – including banks and government bodies – need to embrace the letter and spirit of the Equator Principles. This set of principles was adopted by a group of banks and banking institutions in London on 6 July 2002. TERI has been engaged in promoting the adoption and application of these principles in India, but progress has thus far been inadequate. However, given the rapid rate at which infrastructure investments are taking place in this country, further delay in the acceptance of these principles would represent a missed opportunity of huge dimensions with consequences that would be spread over a long period of time. While financial institutions and banks need to establish a strong commitment to the Equator Principles, it is for all elements of industry to subscribe to them, because much of the upcoming infrastructure involves projects being implemented by corporate entities.

This issue of EnCoRE provides useful information and inputs on the Equator Principles, and, through this publication, TERI intends to initiate a new set of efforts to see that these find an appropriate place in project activities to be undertaken in this country in the future.
POIN YOF VIEW

The Equator Principles: time to get on board

Herman Mulder
Co-author of the Equator Principles and
former Senior Executive Vice President, Group Risk Management, ABN AMRO

On 6 July 2006, 40 financial institutions decided to re-adopt the Equator Principles. The Equator Principles provide banks with a governing set of environmental and social policies to apply in their project-finance lending—that is, projects often with the most significant environmental and social impacts such as mines, pipelines, roads, and power plants, and projects often in emerging markets that lack adequate regulatory frameworks. Today, the Equator Principles cover about 80% of the project-finance bank market. However, despite yesterday’s success, the Equator Principles are at risk if there is not a convergence of environmental and social standards amongst the multitude of players financing projects in the developing world.

Several major project-finance banks in France, Spain, Germany, and Australia have not adopted the principles, and their lack of adoption is troubling. Does any credible financial institution wish to occupy the market niche of financing the least environmentally sustainable projects? In India and China, where mega-projects are increasingly being financed domestically, leading local banks should urgently consider adoption. These countries, with rapidly expanding infrastructure requirements, will be the source of considerable investment in the coming years, and engagement by their banks in the Equator Principles is vital for improved environmental and social performance in these countries. These governments should be encouraging banks to adopt environmental and social standards to complement national standards.

Other multilateral and bilateral development banks have policies that differ in significant ways from those of the Equator Principles and the IFC (International Finance Corporation), whose policies, in part, form the basis of the Equator Principles. Considering the major role that these institutions play in infrastructure financing in the developing world, policies of these institutions should be harmonized. Pride of ownership should not get in the way of addressing this issue in a coordinated fashion. Export credit agencies are also important players in the project-finance market, and they are currently considering whether they should use the Equator Principles as their benchmark for structured finance lending. I strongly urge them to do so. To the extent that project developers have different policies to pick and choose from, or can work with financial institutions that have no policies at all, there is the risk of environmental shopping and sub-optimal outcomes.

While the revision to the Equator Principles was initially driven by the changes to the performance standards of the IFC, more importantly, the changes reflect a maturing of the banking industry in managing environmental and social risk. The new Equator Principles extend the scope of coverage to smaller projects (with a capital cost of $10 million or more), to project expansions and re-financings, and to project finance advisory work. Further, the revision includes, for the first
time, a reporting requirement for each bank on its implementation performance. The fact that these 40 financial institutions are willing to be more assertive on their commitments is testimony to the change that has occurred in the financial industry in recognizing its responsibility for environmental and social issues. At ABN AMRO, we have grappled with reporting issues, where client confidentiality and the need to be accountable often are incompatible. We have struggled in considering such environmentally sensitive projects where there are conflicting pressures to support a major client who is working hard to address issues, but where outcomes are uncertain. We have also developed new products, embarked on a climate change policy, established a foundation, and entered a dialogue with our peers and NGOs (non-governmental organizations). This same process is occurring in many of the world’s major private financial institutions. International development agencies need to demonstrate the same leadership.

The Equator Principles are an impressive demonstration that private-sector-led, voluntary initiatives can make a difference. Increasingly, these institutions have come to recognize their responsibility. Now it is surely time for other players in the project finance market to get on board. Convergence within the financial industry on a uniform set of environmental and social standards would be revolutionary in its simplicity and in raising the bar on environmental and social performance. Project developers would know precisely what is expected of them from the outset. The extended lead times for planning major infrastructure investments means that long before any financial institution is involved, developers are making crucial decisions with inevitable environmental and social impacts. They need to know what is expected of them.

Contributions invited

*EnCoRE* invites contributions from TERI–BCSD India members on themes related to sustainable development in the form of

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All members are requested to send latest company annual reports; environment, corporate social responsibility, and sustainable development reports

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Focus

Adopting the Equator Principles in India

Responses from Equator banks

In London, in October 2002, several leading banks decided to develop a banking industry framework for addressing environmental and social risks in project financing. This framework later led to the drafting of the Equator Principles, based on the social and environmental safeguard policies of the IFC (International Finance Corporation). According to the Equator Principles, the signatory banks would assess the present social and environmental risks, as well as understand any possible fallouts as a result of the impact of any project before financing it. Financial institutions that have adopted the principles are in a better position to assess, mitigate, document, and monitor both the credit risk and reputation risk associated with financing development projects. When an institution adopts the principles, they individually affirm that it has or will put in place internal policies and processes that are in line with the Equator Principles.

ABN AMRO Bank, HSBC India, and Rabo India Finance Pvt. Ltd are leaders in the financial sector that have adopted the Equator Principles. In the following section, these banks examine the various implications of adopting the Equator Principles in India.

ABN AMRO Bank
André Abadie, Head, Sustainable Business Advisory

What made ABN AMRO adopt the Equator Principles?

The driver for adopting the principles was criticism that ABN AMRO and other leading banks were receiving for financing projects without structurally and consistently taking into consideration environmental and social risks within them. ABN AMRO, together with the IFC, convened a meeting of the leading project-finance practitioners globally to discuss how such environmental and social risks of project finance could be better managed. The outcome was the decision to collectively develop a set of environmental and social principles, based on the IFC’s policies and guidelines, to underpin the assessment of such risks. For ABN AMRO, this represented an opportunity to develop an effective risk assessment and management framework, while, at the same time, ensuring that this was an industry-wide initiative. The need to create a level-playing field was an important consideration, as banks should not be competing over this space.

In addition, the IFC Safeguard Policies (now IFC Performance Standards) and Sector Guidelines at the time represented industry best practice, and we felt comfortable applying these as the benchmark for our assessments. In re-adopting the new principles, we have confirmed our continued belief that the IFC Performance Standards represent financial sector best practice.

If banks operating in India begin to look at the Equator Principles as guidelines, what kind of institutional changes would have to be put in place, for both the banks and the lending organizations?

For the most part, this depends on the level of due diligence that banks are already undertaking on such issues. The Equator Principles were less about departing from the norm or creating a radical new risk...
management approach, and more about establishing greater consistency and structure around an already existing part of risk management that banks have so far been less thorough and structured in approaching. The principles engender far more organization, rigour, and structure, whereby such risks can be assessed and appropriately managed.

It must be noted that the Equator Principles do not add complexity for clients seeking project financing that are already undertaking their own feasibility, impact assessments, and due diligence, but rather, create a framework for the banks to better assess and understand such due diligence. By referencing the IFC policies and guidelines, there is also the comfort that clients will be able to rely on an accepted set of guidelines that are already the benchmark for most project financing globally. We have avoided the creation of additional hurdles by relying on such existing approaches. This has been confirmed during our consultation with clients on the establishment of the principles, and we are happy to share such feedback with you.

From an organizational perspective, each bank needs to determine how best to put in place governance structures to ensure that the Equator Principles can be effectively implemented. The approach ABN AMRO has taken is to accord primary responsibility for implementation of the principles and assessment to project finance staff, while providing training and tools to be able to assess compliance based on the due diligence provided to us by clients. In addition, a dedicated environmental and social risk management team oversees the effective assessment of projects and advises the decision-making committees on project compliance with the Equator Principles.

**What steps could be taken to encourage banks in India to adopt the principles? Who do you feel should take a lead in this regard?**

ABN AMRO plans to organize a workshop to raise awareness for Indian banks and clients on the Equator Principles, and is also willing to host risk managers or project financiers from Indian banks in our offices in Amsterdam to showcase how the principles are applied in practice. We could bring the IFC and other Equator banks into the workshop to ensure that Indian banks view this as a true industry approach. We could also compare how the Indian environmental and social standards meet with the requirements of the principles, to ensure that there is a more pronounced understanding of the variances in practice (where these exist) and assess to what extent compliance with Indian standards meets with the Equator Principles.

**HSBC India**

Malini Thadani, Head of Public Affairs

**What made HSBC adopt the Equator Principles?**

HSBC believes that financial institutions can play an important role in ensuring that the companies and projects they finance and advise properly manage their own environmental and social impacts.

The Equator Principles, which provide a framework to ensure that project finance transactions are undertaken only after a thorough consideration of potential environmental and social impacts, have become the foremost industry standard and the cornerstone of HSBC’s approach to financing projects and contributing to sustainable development.

In 2005, HSBC provided 30% more project loans and declined fewer deals, reflecting improvements in our training as well as in the internal and external requirements for compliance with the principles. Chairing the Equator Principles Working Group and assisting in improving the principles has helped us appreciate the significance of this initiative to our business and clients.

HSBC builds upon the Equator Principles through its own environmental sector policies, which give guidance on environmental and social standards accepted by the industry and other stakeholders as representing good practice. We have published policies on
the forest land and forest products sector, freshwater infrastructure sector, chemicals sector, and energy sector. A policy on the metals and mining sector will be published in late 2006.

If multinational banks begin to look at the Equator Principles as guidelines, what kind of institutional changes would have to be put in place, for both the banks and the lending organizations?

EPFIs (Equator Principles financial institutions) are organized differently internally, and each EPFI commits to embedding the implementation of the principles into its business and risk management processes in a manner consistent with its organizational structure. EPFIs that have adopted the principles have concentrated on implementation steps within their organizations, including formal changes to internal credit policies and processes to mandate the use of the Equator Principles. Any changes to the newly revised Equator Principles will need to reflect in updates or enhancements to each EPFI’s respective credit policies and procedures once they endorse the new principles.

Additionally, the new principle on EPFI reporting requires that each EPFI adopting the Equator Principles commits to publicly report at least annually about the implementation process and experience, taking into account appropriate confidentiality considerations. Such reporting should at least include the number of transactions screened by each EPFI, including the categorization accorded to transactions, and information regarding implementation. EPFIs believe strongly that this will significantly increase transparency regarding the implementation of the Equator Principles across the industry.

What challenges do you foresee in adopting the principles in India?

No Indian bank has yet adopted the Equator Principles. Challenges arise in applying uniform rules-based assessments across socially/poletically/economically diverse countries, especially in Asia. Banks in Latin America and Asia are increasingly recognizing the benefits of managing sustainable development and risk via the Equator Principles. From a project perspective, the current EPFIs are already financing projects in India with reference to the Equator Principles. We hope that these lead to more banks in Asia/India adopting the principles.

One of the other challenges would be in the implementation of the principles for any new bank. The current EPFIs have provided help to newcomers and would be happy to offer guidance to new Indian banks.

Brazil is a good example of how banks can work together with business organizations to take the Equator Principles forward. CEBDS (Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável) is a Brazilian organization similar to BCSD (Business Council for Sustainable Development) and they have hosted meetings to familiarize local Brazilian banks with the Equator Principles. HSBC and ABN AMRO have also assisted via their local offices. A Brazilian representative, Banco Itau, which leads the local banks on CEBDS, now belongs to the Equator Principles Working Group so that we can take Brazilian issues into account.

We welcome increased participation in the Equator Principles from financial institutions in Asia and Latin America. Input from emerging markets including India will strengthen the principles and increase their relevance in these markets.
What made Rabobank adopt the Equator Principles?

Rabobank, with its cooperative roots and continued global focus on the food and agriculture business, sustainable development is a core value for Rabobank. Within the larger ambit of CSR (corporate social responsibility), the environment is seen as a business risk and concerns are holistically addressed in project financing. Adopting the Equator Principles was the logical extension to Rabobank’s commitment to CSR.

Rabobank recognizes that with so much dispersion and diversity in India, the Equator Principles play a compelling role for stakeholders to arrive at common standards of biodiversity and environmental degradation. The revised Equator Principles launched recently have been readily adopted by Rabobank.

Rabo India follows the global core values and, hence, the commitment to CSR/sustainable development continues to be a prime consideration while assisting the relevant projects. Rabo India also has a special focus on the food and agriculture business and renewable energy projects, where due checks are made to ensure that assistance does not flow to ‘non-compliant’ projects. As an abundant caution, Rabo India discourages socially and environmentally unfriendly projects.

If banks in India begin to look at the Equator Principles as guidelines, what kind of institutional changes would have to be put in place, for both the banks and the lending organizations?

As of now, about 40 banks have adopted the Equator Principles across the globe. However, no Indian bank has yet committed to the Equator Principles, despite the unequivocal commitment made by most of the state governments to sustainable development. Banks in India have generally focused on the techno-economic feasibility of projects with minimal regard for issues relating to sustainable development. There are instances when EIAs (environmental impact assessments) have been used more as a formality, with all kinds of acceptable variations.

Indian banks are encouraged to come together on a global platform to set common standards on sustainable development. Education is the missing link, which should lead to the realization amongst the banking leadership that sustainable development is not merely a facade, but rather, a business risk. I have no hesitation in saying that the financial sector could, and should, play a big role as an agent of change, to implore the corporate world for adhering to CSR/sustainable development.

What challenges do you foresee in adopting the principles in India?

The biggest challenge I perceive in the universal adoption of the Equator Principles by the banking fraternity is the lack of realization of the risk inherent in non-adherence to the principles. It is only a matter of time before the issue gets recognized as a business risk, as opposed to a mere environmental concern. The Indian Banks Association and organizations like the Chamber of Commerce could play a major role in creating awareness amongst the financial community. TERI could also...
play an important role to underscore and quantify the business risk inherent for the financial sector.

**Any professional experiences where the Equator Principles have proved to be a pivotal factor in a transaction?**
I have been through an experience on an assignment in Singapore where Rabobank gave up its leadership position in a particular palm oil company because of a perceived violation of CSR principles; the company was contributing to the deforestation of high conservation value forest. We perceived the business opportunity as a very short-term, unsustainable benefit for Rabobank, as against much larger looming losses due to the perceived violation. I am emphasizing the word ‘perceived’, since we had the liberty to interpret the violation liberally and grab the opportunity; however, we applied a more stringent interpretation in view of our commitment to the Equator Principles. Such instances are quite common in Rabobank, as we have also dissociated from certain opportunities in Latin America where we saw cases of deforestation in the Amazon region.

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**Response from the International Finance Corporation, South Asia**

The IFC (International Finance Corporation), the private sector arm of the World Bank, is one of the largest multilateral organizations, providing finance such as loans, and equity and risk management in the developing world. In October 2002, the IFC convened a meeting of banks in London, UK, to discuss environmental and social issues in project finance. The banks present at the meeting then decided to develop a banking industry framework for addressing environmental and social risks in project financing. This led to the drafting of the Equator Principles, which to date have been adopted by a total of 40 financial institutions.

Satyajeet Subramanian, Research Associate, TERI-BCSD India, spoke with Robin Sandenburgh and Sameer Singh, Social and Environmental Specialists at IFC South Asia, to understand the institution’s position on the Equator Principles and the safeguard policies of project financing.

**What was the need to revise the IFC Social and Environmental Performance Standards, upon which the Equator Principles are based?**
There were both external and internal drivers to the review. Internally, the IFC had taken steps to transition to a new business model of sustainable development, which is based on the premise that long-term profitability and strong project outcomes are better secured by companies that manage all of their risks well.

Also, the IFC’s growing experience with its previous safeguard policies had begun to indicate that these policies were not always adequate to address complex project situations on the ground, a conclusion that was bolstered by increasing public criticism of some projects that had not achieved the intended development outcomes.

In 2001, IFC management requested a review of the policies by the IFC’s CAO (Compliance Advisor Ombudsman). The CAO’s final report, A review of...
IFC’s Safeguard Policies, was released in April 2003. Following that review, the IFC launched an update of its safeguard policies and disclosure policy, as well as key guidance material.

What is the role of the IFC in helping financial institutions understand and then adopt the Equator Principles?

The IFC provides training to a variety of organizations all over the world, including Equator banks, environmental and social consultants, financial institutions, export credit agencies, and other organizations interested in the Equator Principles. The IFC recently contracted with four companies to deliver the training internationally on its behalf.

The training programme will cover the content of the performance standards illustrated by examples and cases. The four firms - Environmental Resources Management (Washington DC), Overseas Development Institute (London), Scott Wilson (London), and Sustainable Finance Ltd (UK) - are tasked with addressing the training needs of Equator Principle institutions as a first priority, and thereafter providing training for other stakeholders. The IFC is also developing a series of guidance tools to help with the implementation of the standards. This includes a labour ‘toolkit’, which will help companies recognize and address labour issues, as well as a Good Practice Note on community engagement.

What is the level of compliance that the IFC looks at before they fund a project?

To obtain IFC finance, companies must demonstrate the willingness and capacity to implement the IFC’s Performance Standards, which define the clients’ roles and responsibilities for managing their projects and the requirements for receiving and retaining IFC support. The eight performance standards address:

1. social and environmental assessment and management systems;
2. labour and working conditions;
3. pollution prevention and abatement;
4. community health, safety, and security;
5. land acquisition and involuntary resettlement;
6. biodiversity conservation and sustainable natural resource management;
7. indigenous peoples (i.e., social groups with identities that are distinct from dominant groups in national societies); and
8. cultural heritage (property or sites that have archaeological, paleontological, historical, cultural, artistic or religious values, as well as unique natural features that embody cultural values, such as sacred trees or groves).

The IFC works with its clients and potential clients to assess the social and environmental impacts of their operations, and to develop a programme for mitigating any impacts that cannot be avoided. Key elements of the...
programme are embodied in an action plan, that specifies the steps the company will take to achieve the Performance Standards, and a timetable for doing so.

Is there a ‘handholding’ exercise with the client to improve their existing social and environmental systems?
The IFC has every incentive to help its clients establish and maintain robust, effective management systems — whether these relate to financial management or environmental and social management. Our environmental and social specialists work with client companies on an ongoing basis to help them integrate environmental and social considerations in their management systems, assess social and environmental impacts, engage with local communities, and monitor and report on the results of their efforts. Our goal is to provide the benefits of our experience and expertise — as well as our finance — to clients. Many companies tell us that it is these elements of our offer that bring them to the IFC.

Are these standards similar across all nations in all sectors?
To clarify, the IFC only operates in emerging markets. In addition to the Performance Standards, which apply to all sectors, the IFC also has a series of environmental, health, and safety (EHS) guidelines, which cover close to 70 industrial sectors, such as steel manufacturing, dairy processing, and power generation, and the specific impacts that may result from their operations.

The performance standards are technical reference documents that address IFC’s expectations regarding the industrial pollution management performance of its projects. They are designed to assist managers and decision-makers with relevant industry background and technical information. This information supports actions aimed at avoiding, minimizing, and controlling EHS impacts during the construction, operation, and decommissioning phase of a project or facility.

What have been IFC’s learnings and challenges?
The consultations IFC held as part of its environmental and social safeguards review were the longest and broadest that we have ever conducted. The IFC had signalled that it would meet with anyone, anywhere, any time to discuss the new policies, and the consultations extended further than any previous outreach effort. When the consultation period closed in April 2005, the IFC had received, reviewed and responded to substantial input from the private sector, industry associations, international financial institutions, intergovernmental organizations, governments, academic, and a wide range of civil society organizations.

Our current challenge is implementation. We are confident that we have put in place the necessary internal resources, which included actively recruiting new staff and expertise. Environmental and social experts have been ‘mainstreamed’ into line departments and are now integrated into project teams from the very start of an appraisal. Investment officers are being trained on the standards, and the IFC now has an incentive programme that rewards them for projects that demonstrate strong developmental impact over the long term.

We also have to ensure, however, that our client companies have the capacity to implement the requirements of the new standards. While a multinational corporation can mobilize resources — internal to the company or by hiring expert consultants — small companies may not be able to, and we have to make sure that these requirements do not deter them from seeking IFC finance. We are here to help small businesses. We have in place numerous technical assistance programmes, funded in cooperation with a number of donor countries, which enable us to provide required expertise where needed. We can provide advice and expertise on many different issues, from cleaner production, to community engagement, to corporate social responsibility. Our ability to help clients in these areas gives all of us at IFC an enormous sense of professional accomplishment and satisfaction.
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Rabo
Beyond the Equator: how social, environmental, and ethical factors are reshaping finance

Nick Robins, Head of SRI Funds, Henderson Global Investors
Ritu Kumar, Director, TERI–Europe

The finance industry – stretching across banking, investment, and insurance – has traditionally viewed itself as having a relatively benign set of SEE (social, ethical, and environmental) risks, when compared with directly exposed sectors such as chemicals, fossil fuels, and power. For a decade or more, however, the rising demand from customers for socially responsible services, increasing pressure from civil society, changing regulatory frameworks, and the growing importance of intangible contributors to financial performance have all led banks, investors, and insurers to start embedding sustainability into their business operations. The recent launch of Equator II is thus just an example of a wider and more profound movement across the financial sector.

The first organized effort to bring financiers together on sustainable development emerged in the run-up to the 1992 Earth Summit with the launch of UNEP’s (United Nations Environment Programme) statement on banks and the environment. Here, two high-profile SRI indices have been launched—the FTSE4Good series and the Dow Jones Sustainability Index. In addition, the appeal of ‘clean tech’ funds investing in both public and private equities have surged on the back of concerns about climate change, energy security, and water stress. In addition, major pension funds in Europe and North America, such as CalPERS (California Public Employees’ Retirement System) and CalSTRS (California State Teachers’ Retirement System) in California, the Reserve Fund in France, the Norwegian Petroleum Fund, and the UK University Superannuation Scheme have all been pioneering efforts to integrate SEE factors into investment and governance decision-making.

A priority area has been the investment implications of climate change, where powerful scientific evidence along with tightening regulations have made changing weather patterns and carbon management key areas of risk. To enable investors to make informed decisions in this new landscape, the Carbon Disclosure Project has brought together an alliance of 211 institutions with assets of over 31 trillion dollars to seek improved reporting from 1800 companies across the globe. In the fourth call for information in February 2006, 19 Indian companies were approached to provide information on the risks and opportunities that climate change presents to their businesses. Of these, two have declined to respond, six have provided the information, and the rest are either in the process of doing so or are yet to respond. The results of the fourth call for information are
to be published in September 2006. The Carbon Disclosure Project has plans to increase its coverage of Indian companies in February 2007 when the fifth call for information will be launched.

Along with climate change, human rights is a major area of focus. In May 2006, for example, CalPERS banned investments in nine companies as a result of their business operations in Sudan, including three from India. In May 2006, a number of leading pension funds and fund managers worth 4 trillion dollars came together with the UN to launch the Principles for Responsible Investment, which captures good practices in terms of investment integration and shareholder activism.

Social, market, and regulatory pressures for finance to do more for sustainable development are only set to increase further. One powerful straw in the wind was the release of the Collevecchio declaration on financial institutions and sustainability in January 2003, backed by over a hundred NGOs (non-governmental organizations). This calls on banks and investors to integrate consideration of ecological limits, social equity, and economic justice into their corporate strategies. Expectations are set to rise still further, with business and reputational advantages to those that can anticipate and shape these trends through proactive strategies.

For further information, visit [http://www.unepfi.org](http://www.unepfi.org)  
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**Cleaner is cheaper**

The publication, entitled *Cleaner is cheaper: case studies of corporate environmental excellence*, is a series on business cases highlighting the best practices in the Indian industry. It is for the first time that a publication of such a kind has been brought out exclusively on the Indian industry, which focuses on their contribution to sustainable development through their varied initiatives aimed at conservation of resources, minimization of waste, and improvement of environmental standards. The case studies have been chosen to demonstrate the leadership provided by the business community in going beyond regulations and setting new standards in India and the world. It presents the ‘first evers’ in the Indian industry. Apart from portraying environmental profiles of some of the organizations in India, it also provides an insight into their environmental concerns and innovative practices that have helped accomplish environmental ends. The objective of these volumes is to provide viable solutions to industries faced with environmental problems and inform industrial managers of the state-of-the-art technologies and practices. The volumes challenge the traditional notion of environment-industry dichotomy and emphasizes the critical requirement of environmental integrity of business for its long-term sustenance and prosperity. In the recently published volume (volume 4), 26 case studies have been presented from a wide cross-section of the Indian industry. The narrative unfolded by these case studies encompasses how the industrial establishments ensure that the natural resources they use for production are optimally used in the industrial process, and given back to nature in a way that the quality, availability, and accessibility of these resources are ensured for life on earth, for today and also for tomorrow.

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PARTNERS IN CHANGE

Project Green: growing renewable energy for energy security

The dangers of excessive oil dependence in today’s world require us to look at ways to reduce this dependence, while augmenting the supply of transportation fuels to keep society’s needs at pace with progressive development. While research focuses on alternate fuels, it is now apparent that liquid hydrocarbon fuels will continue to be important globally, at least in the near foreseeable future for the next few decades.

It is in this context that the large-scale production and use of bio-diesel becomes strategically important for the nation. The availability of bio-diesel in the country will create a positive impact on the nation in terms of energy security and environmental protection, in addition to other social benefits such as generating large-scale employment and contributing to the overall development process in the country, especially in the rural areas.

There is little validated information on large-scale plantations of jatropha in the country. The jatropha curcas plant is mostly found in semi-wild conditions. There are no improved varieties of jatropha at present. There are also no existing large-scale old (ten years or more) plantations that may provide reliable data on yields. Inadequate seed availability is a major problem. Jatropha curcas has never been grown in the organized sector and there is very little information available on germplasm. Further, wide variations in seed yields and oil content have been reported. This limits the accurate estimation of yield potentials in different agro-climatic conditions for this plant. Under Indian conditions, where little has been explored and documented in referred literature, there is, therefore, a need for intensive research to enable exploiting it to its full potential. The plant is undoubtedly a treasure, which has so far not received adequate attention in the country.

These problems, therefore, need to be adequately addressed to make the cultivation and processing of jatropha bio-diesel an economically attractive proposition.

Project objectives

BP and TERI have taken up a large-scale bio-diesel demonstration project in Andhra Pradesh, India. The major objective of the project is to demonstrate the viability of bio-diesel production on a large scale, while addressing the challenges and learning opportunities from all aspects of the supply chain—from cultivation to processing and end use. The major steps involved in the establishment of the demonstration project include the following.

- The development of seedlings, nursery, and plantation of high-yielding varieties of jatropha (for variable conditions) on an economic basis.
- The identification of near contiguous plots of land with a wide variability in soil types, cultivation practices, irrigation needs, fertilizer inputs, etc. for placement under plantation.
- Determining, and putting in place, acceptable contractual terms for farmers to participate in this project, while protecting their short- and long-term prospects.
- Carrying out environmental and social impact assessment so that the project has no negative impact.
- Identifying sustainable mechanisms for the collection of seeds and its transport to expelling/trans-esterification centres that would maximize returns to the local economy.
- Setting up oil expelling and trans-esterification units.
- Developing an institutional model for long-term ownership of assets and management of the programme.
- Determining markets for the bio-diesel and by-products.
Setting up training facilities and undertaking planning for farmers and workers to be engaged in the production centres.

Projected impacts of the project

The project would provide multi-faceted benefits to society, including the following.

Employment opportunities

The total employment from 8000 hectares at full-yielding stages would generate approximately 1.16 million person days from all the activities.

Capacity building

The project would offer a variety of training and consultancies in various technical and functional areas to all the players operating in the field of oilseed cultivation. These would vary from:
- training the farmers involved in jatropha cultivation on issues of land preparation, seed plantation, usage and application of fertilizers and pesticides, harvesting, grading, and storage;
- training the persons working in the expelling centres on seed decortication, machine-handling in different processes, management of the unit, and financial issues;
- training the persons working in the transesterification unit for methoxide preparation, esterification reaction, settling, draining, washing the ester, glycerol separation and washing, and condensing methanol, and other safety measures for handling the plants and chemicals; and
- developing a training manual by the experts of the sector.

Green-cover development and restoration of wastelands

The project will turn 8000 hectares of unutilized land/wasteland into productive green land. This will add to the aesthetic beauty and ecological balance of the land in addition to generating revenue for the farmers.

Environmental impacts from the project

Environment health

Jatropha plantation for the project will not rely on the use of harsh chemicals and fertilizers, and will involve the application of TERI’s mycorrhizal biofertilizer application. This will be ideal from the environmental viewpoint. The use of jatropha-derived bio-diesel is reported to result in a substantial reduction of unburnt hydrocarbons, carbon monoxide, particulate matter, and non-toxic emissions as compared to fossil diesel fuel. The project will assess the environmental impact to ensure that it has no negative impact.

GHG emissions

The increase in the atmospheric concentrations of GHGs (greenhouse gases) is expected to result in climate change, which would, in turn, impact agriculture, forests, and coastal areas. One of the main GHG emissions is carbon dioxide (CO₂) produced due to the combustion of fossil fuels.

It is currently believed that carbon dioxide reduction from jatropha-derived bio-diesel could be as much as 80% on a life-cycle basis. This will be the focus of a detailed study as a part of this project.

Carbon trading

Jatropha, apart from enhancing energy security, ensuring employment and development, and mitigating environmental pollution, can be instrumental in carbon trading if certain criteria of the CDM (clean development mechanism) of the UNFCCC’s (United Nations Framework Convention on Climate Change) Kyoto Protocol are fulfilled. The reductions in carbon dioxide emissions can be accumulated and traded as carbon credits.

Time plan

The project, which is expected to take 10 years, will cultivate around 8000 hectares of land currently designated as wasteland with jatropha and install all the necessary equipment for seed crushing, oil extraction, and processing to produce 9 million litres of bio-diesel per annum.

Overall deliverables from the project

The final outputs from the project would be the following:
- 8000 hectares of land under jatropha plantation with clearly documented
contracts protecting the long-term interests of farmers/panchayats in terms of access to processing units.

- Analysis and evaluation of the commercial aspects of bio-diesel production.
- Documentation of expertise on setting up nurseries, plantation models (including the impact of key factors such as soil type on yield and economics), and cooperative farming.
- Developing a full understanding of the environmental and social impacts of all aspects of the supply chain.
- Developing an understanding of optimum conversion technologies.

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Delhi Sustainable Development Summit 2007

Meeting the MDGs: exploring the natural resource dimensions
22–24 January 2007, New Delhi, India

- One of the largest events of its kind in the world
- More than 500 global delegates from the corporate sector, governments, institutions, and non-governmental organizations
- CEO Forum – A unique platform for bringing together businesses for deliberation on corporate responsibility and sustainable development
- VIP Dinner – An exclusive high-profile gathering

TERI has taken up a major responsibility of continuously providing knowledge and stimulating debate on various aspects of sustainable development. The DSDS (Delhi Sustainable Development Summit) – an annual international event organized by TERI since 2001 – is one such initiative that has emerged as the only forum on global sustainability issues, with an accentuated thrust on problems relating to the developing world. The DSDS brings the finest minds of the world together to deliberate upon specific themes and formulate strategies to set forth paradigms and approaches of sustainable development.

The summit series has attracted participation from a host of dignitaries worldwide, comprising heads of governments, Nobel laureates, corporate leaders, and ministerial-level representation from more than 25 countries around the world—Australia, Bangladesh, Bhutan, Canada, Denmark, Ethiopia, Finland, Germany, Iceland, India, Indonesia, Iran, Israel, Italy, Japan, Kenya, Lesotho, Malaysia, Maldives, Mauritius, Mexico, Norway, South Africa, Sri Lanka, Sweden, The Netherlands, USA, and UK.

The DSDS 2007 will focus on the theme Meeting the MDGs: Exploring the natural resource dimensions and will be held during 22–24 January 2007 at New Delhi, India. The CEO Forum will be held on 21 January 2007.

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## Cairn Energy India Pvt. Ltd

**Industry/sector**: Oil and gas (exploration and production)

**Annual turnover**: Approximately US$ 260 million (Cairn Energy Plc, total sales 2005)

**Number of employees**: Approximately 600 employees in India

Cairn Energy Pvt. Ltd, with its corporate offices in Edinburgh, Scotland and Gurgaon, Haryana, believes that a holistic approach to the environment and social responsibility requires embedding these functional aspects into all spheres of the company’s activities. Thus, the term ‘corporate responsibility’ encompasses the environment, security, safety and health, and cuts across the various functional departments and levels of management. Under a holistic approach, the concept of HSE (health, safety, and environment) and security envelope not only employee concerns, but also the concerns of contractors and the community at large.

The present efforts for environment management include: GHG (greenhouse gas) reporting; biodiversity protection and conservation; sub-surface re-injection of produced water; bio-remediation of oil contaminated wastes; socio-economic development of rural communities, health care, rainwater harvesting, and education. Cairn Energy works in close partnership with NGO’s (non-governmental organizations), community representatives, the local government, and the various regulators, and benchmark, as appropriate, with international good practices and performance standards.

### Areas of interest in the next year include
- Climate change,
- Environmental education and awareness,
- Forestry and biodiversity,
- Water conservation,
- Alternate livelihood, and
- Rural economy development.

## Forbes Gokak Ltd

**Industry/sector**: Textiles, shipping, engineering, health and hygiene, and publications

**Annual turnover**: Rs 18 billion (FY 2005)

**Number of employees**: 11 000

Forbes Gokak Ltd promotes several initiatives as a part of their commitment to environmental management and social responsibility. Prominent contributions have been in the areas of afforestation, township management, and power.

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EnCoRE

Industry/sector: Banking  
Asset base: Euro 506 billion (Rabobank globally)  
Number of employees: 50,998 (December 2005; Rabobank globally)

Rabobank operates through 2,500 offices across 38 countries. It designs financial products and services that support India’s social and environmental framework towards a sustainable tomorrow.

Rabobank was amongst the first financiers to support wind farming, and hydro and biomass projects in India. It further provides technical and advisory support to clients to adopt environmentally friendly processes in the sugar and paper sectors. Rabobank supports the development of a vibrant carbon emissions market in India. Its social responsibility initiatives in India include partnering and supporting ‘Door Step School’, which provides education to underprivileged children, and working in conjunction with the Sujaya Foundation to provide counselling and assessment, English emersion courses, and vocational courses.

Areas of interest in the next year include:
- environmental education,  
- forestry and biodiversity,  
- information technology applications for rural development,  
- rural and renewable energy, and  
- water conservation.

Areas of interest in the next year include:
- biofuels,  
- climate change,  
- rural and renewable energy,  
- water conservation, and  
- sustainable banking.

Nodal person for TERI-BCSD India:
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Nodal person for TERI-BCSD India:
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Deputy Chairman and Managing Director  
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Fort, Mumbai – 400 001

Gokak has often provided support to victims with medical aid and relief.

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Rabo India Finance Pvt. Ltd
5th TERI Corporate Awards for Environmental Excellence and CSR

The Hon’ble President of India, Dr A P J Abdul Kalam, felicitated eight Indian corporate houses for environmental excellence and CSR (corporate social responsibility) at the 5th TERI Corporate Awards at Ashoka Hotel on 26 June 2006. Instituted by TERI, the awards seek to create awareness and implement strategies for improving environmental management standards.

The President also released two TERI publications on the occasion—Cleaner is cheaper (vol. 4) and Citizens at work (vol. 2). Delhi Chief Minister, Ms Sheila Dikshit delivered a special address at the ceremony. Dr Brijmohan Lal Munjal, Chairman, Hero Group and Dr R K Pachauri, Director-General, TERI also graced the occasion.

The winners were chosen from among 152 applicants.

**Winners of the TERI Corporate Environment Awards**

<table>
<thead>
<tr>
<th>Category I</th>
<th>Mecpro Heavy Engineering Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category II</td>
<td>The Madras Aluminium Company Ltd</td>
</tr>
<tr>
<td>Category III</td>
<td>First prize: The Singareni Collieries Company Ltd</td>
</tr>
<tr>
<td></td>
<td>Second prize: Northern Coalfields Ltd (Subsidiary of Coal India Ltd)</td>
</tr>
</tbody>
</table>

**Winners of the TERI CSR Awards**

<table>
<thead>
<tr>
<th>Category I</th>
<th>Sakthi Masala (P) Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category II</td>
<td>Solaris Chemtech Ltd</td>
</tr>
<tr>
<td>Category III</td>
<td>First prize: Usha Martin Ltd</td>
</tr>
<tr>
<td></td>
<td>Second prize: Hindustan Lever Ltd</td>
</tr>
</tbody>
</table>

They were selected after an intense screening by a nine-member jury, chaired by Justice J S Verma, former Chief Justice of India.

TERI instituted the TERI Corporate Awards for Environmental Excellence in 2001 and the TERI Corporate Awards for CSR in 2002. The aim behind establishing these awards was to provide recognition to the ongoing process of environmental management and protection, accompanied by the adoption of a socially responsible approach to business within the Indian corporate sector.

In his speech, the President espoused the importance of attaining energy independence in India and suggested how to go about achieving this. He shared his vision for the country, set milestones, and listed possible roles for TERI in contributing to the cause.
Following a strategy review over the last one and a half years between TERI–BCSD India and its members, five themes have been identified to be the advocacy issues for the future. The themes are energy, water, climate change, health, and sustainable livelihoods. Each theme has a TAG (thematic advisory group) made up of council members.

Understanding the TAG concept is critical for the TERI business council members to identify, conceptualize, and implement activities and projects based on the themes upon which TAG’s success is dependent.

In continuation, TERI–BCSD India organized its first thematic advisory meeting to launch TAG and discuss the proposed thematic projects under it. The presentations held on 26 June 2006, New Delhi were followed by a panel discussion.

Ms Annapurna Vancheswaran, Associate Director, Sustainable Development Outreach, TERI, formally welcomed the TERI–BCSD India members with a special mention of Cairn Energy Pvt. Ltd as the 63rd member. A salver was also presented on the occasion.

After the initial understanding of the concept and working of TAG through a presentation by Mr Pratik Ghosh, Area Convenor, TERI–BCSD India, detailed presentations of three projects on water, health, and energy TAGs were made.

Dr Kapil Kumar Narula, Associate Director, Water Resources Policy and Management, TERI, discussed the approaches of the TERI business council through the proposed water study to secure long-term water availability for its member companies to function and exercise their social right to operate. He also spoke about TERI–BCSD’s capacity-building programmes for its member companies on water balance and water audits.

The project under the TAG on health, titled Assessing the financial implication of HIV/AIDS to Indian companies was presented by Ms Swetha Dasari, Research Associate, TERI–BCSD India.

Explaining the objective of the project, Ms S Dasari stressed that for every infection that is averted, the company saves money and the cost of HIV/AIDS prevention programmes becomes an investment for the company, rather than an expenditure head.

Dr Sameer Maithel, Director, Energy-Environment Technology Division, TERI, in his in-depth presentation, provided an overview of the proposed project under the TAG on energy, which focused on energy consumption in buildings through TERI GRIHA (Green Rating for Integrated Habitat Assessment). The objective of the TAG on energy is to sensitize member companies about the need to conserve energy in buildings and help them to introduce the concept of green buildings. On briefing the steps, he added that the level of energy wastage in their buildings would be identified, and then programmes conducted would equip the corporate organizations with the basic expertise required to develop an energy management plan for their buildings.
The discussions moderated by Mr Satyajeet Subramanian, Research Associate, TERI–BCSD India, effectively brought about an in-depth analysis with each of the panellists, followed by a lively discussion with participants who shared their opinions on each of the proposed studies.

Ms Malini Thadani, HSBC (Hongkong and Shanghai Banking Corporation) India, shared that the bank has been rating their buildings in several nations. HSBC would now rate the level of energy consumption at their Mumbai office through TERI–GRIHA. She further stressed the importance of having energy-efficient systems in place for new buildings.

Speaking on water, Mr Ashok Jaitly, Distinguished Fellow, TERI, said that industry is facing an increased risk from mounting water stress, leading to a growth in business disruption, and thereby further increasing water costs for a company.

While referring to capacity building, Mr Jaitly felt that the various levels of companies should be sensitized about how critical water might become in the coming years.

Ms Sabine Durier, IFC Against AIDS, said that her organization has tried to use the argument of financial impact to motivate private sector participation in India, but companies have tended to ignore it as it is not based on India-specific data. She, therefore, welcomed TERI’s effort to work on this type of data. Finally, she urged that it is also important to assess the incentives for the private sector engagement. It is necessary to explore the various models, apart from cost benefit and financial implication, to get more enterprises involved in the programme against HIV/AIDS.

Dr Ritu Kumar, Director, TERI–Europe, said that while cost benefit analyses are indeed very useful for companies, it is also important to establish a management system based on the findings. These operations should go beyond the company, as initiatives in the supply chain are also a part of the company’s responsibility.

Dr Leena Srivastava, Executive Director, TERI, concluded by sharing that TERI would want to build the capacities of corporate managers that would, in turn, lead to a large degree of sustainability. Creating sustainable development models and systems would have to be company driven to allow innovation and leadership to effectively run these programmes in-house. It would be important to further work towards converting exiting partnerships into success stories and to disseminate industry best practices.

The meeting concluded with the vote of thanks by Mr G Gogulakrishnan, Research Associate, TERI–BCSD India.

Industry participants during the discussions

1IFC Against AIDS is the HIV/AIDS awareness and prevention programme of the International Finance Corporation.
International initiatives

The Equator Principles

The Equator Principles are financial industry benchmarks for determining, assessing, and managing social and environmental risk in project financing. These principles are intended to serve as a common baseline and framework for implementation by each EPFI (Equator Principles Financial Institution) for its own internal social and environmental policies, procedures, and standards related to its project financing activities.

The EPFIs have announced the launch of the revised Equator Principles. The revision underscores how far the financial sector has progressed in embedding a common set of best practices to manage social and environmental risks in the project finance arena. The revised principles reflect the experience of the 40 financial institutions around the world that currently apply the principles. In developing these changes, the EPFIs’ actively involved clients, civil society groups, and official development agencies, all provide constructive and valuable feedback that the EPFIs evaluate and consider in the revision process. The Equator Principles apply globally and to all sectors and have been revised in the following ways.

- The principles apply to all project financings with capital costs above $10 million. This threshold was lowered from $50 million.
- The principles now also apply to project finance advisory activities.
- The revised principles now specifically cover upgrades or expansions of existing projects where the additional environmental or social impacts are significant.
- The approach in applying the principles to countries with existing high standards for environmental and social issues has been streamlined.
- Each EPFI is now required to report on the progress and performance in the implementation of the Equator Principles on an annual basis.
- Stronger and better social and environmental standards, including more robust public consultation standards.

For further information visit <http://www.equator-principles.com>

Citigroup Inc.

Citigroup Inc. is a financial services company with about 200 million customer accounts in more than 100 countries. Citigroup was one of the first institutions to spearhead the development of the Equator Principles that apply to project finance transactions in all industry sectors across the globe, including mining, oil and gas, power, and forestry. Project finance is the financial technique often used to provide capital to large energy and transportation infrastructure projects and can present environmental and social challenges. More than 120 members of Citigroup’s project finance and independent risk management team are directly involved in the implementation of the Equator Principles. A number of other people are also impacted, especially relationship managers in those industries that are most involved in project finance transactions, such as oil and gas, mining, and power.

For further information visit <http://www.citigroup.com/citigroup/>
HSBC

Headquartered in London, HSBC (Hongkong and Shanghai Banking Corporation) is one of the largest banking and financial services organizations in the world. HSBC’s international network comprises over 9500 offices in 76 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East, and Africa. The Equator Principles are a cornerstone of HSBC’s approach to how they finance projects and contribute to sustainable development. In 2005 they provided 30% more project loans and declined fewer deals, reflecting improvements in their training as well as internal and external requirements for compliance with the principles. Chairing the Equator Principles working group and assisting in improving the principles have helped HSBC appreciate the significance of this initiative to their business and clients.

For further information visit <http://www.hsbc.com>

Equator Banks as a first priority, and thereafter cover the training needs of other stakeholders.

The IFC is using a series of EHS (Environmental, Health, and Safety) guidelines, which are technical reference documents that address the IFC’s expectations regarding the industrial pollution management performance of its projects. They are designed to assist managers and decision-makers with relevant industry background and technical information. This information supports actions aimed at avoiding, minimizing, and controlling EHS impacts during the construction, operation, and decommissioning phase of a project or facility. The IFC is undertaking the comprehensive review and update of the EHS Guidelines. The EHS Guidelines have become globally applied references for private sector development, with their use extending well beyond World Bank Group operations to a diverse external community, such as other international financial institutions, regulators, industry, academics, and commercial banks, including the international banks that have adopted the Equator Principles.

For further information visit <http://www.ifc.org/equatorprinciples> and <http://ifc1.ifc.org/ifcext/enviro.nsf/Content/EnvironmentalGuidelines>

GTZ and TERI partner to felicitate corporate efforts towards HIV/AIDS prevention

In order to co-opt the private sector in the fight against HIV/AIDS, TERI, in association with GTZ (German Technical Cooperation) has announced an exclusive award for business engagement in the area of HIV/AIDS interventions as part of the TERI Corporate Awards.

The award will acknowledge and felicitate the efforts of companies that have successfully launched and executed HIV/AIDS interventions programmes either at their workplace, community, or supply chain.

The last date for submission of award applications is 30 November 2006.

For further details, visit <http://www.teriin.org/awards> or write to <sjeets@teri.res.in>
Publications

Corporate Social Responsibility. Volume 1: Concept, Accountability and Reporting
Price: US$ 99.95

This book, the first of two volumes on CSR (corporate social responsibility), contributes new ideas on the theme of global responsibility from a European viewpoint, and raises questions of how European values can be adopted into the American mainstream. It looks at the concept of CSR, the regulatory environment, and the institutional frameworks.

From Challenge to Opportunity: The role of business in tomorrow’s society
Price: US$ 10

The report sets out a ‘manifesto for tomorrow’s global business’ as defined by the Tomorrow’s Leaders group of the WBCSD. It also discusses why and how the four key areas of business and sustainable development need to be profitable in order to be effective. The report sets out a model that provides a constructive way for companies to see their role and puts forward the main issues with which companies should engage. Companies able to tackle issues such as poverty, climate change, and population shifts are those most likely to succeed in the future.

Show Me The Money: Linking environmental, social and governance issues to company value

The report confirms the growing importance of ESG (environmental, social, and governance) concerns to the global investment industry. It illuminates links between ESG issues, financial value, and company profitability across eight industry sectors and seeks to show where and how ESG issues are material – that is, how they are or may become relevant – to security pricing and, therefore, to portfolio financial performance. The report draws on work by a group of leading financial institutions and covers the impact of qualitative and new risk issues on company value. Industries covered include the auto-industry, aerospace and defence, the media, and the food and beverage industries.

Untapped: Creating value in underserved markets
Price: US$ 19.95

The book shows how serving consumers and suppliers at the bottom of the pyramid can be the key to addressing corporations’ pressing needs: increased sales, a qualified workforce, marketable innovations, reduced costs, and increased quality. But as corporations benefit, so too do communities, through better products, prices, services, more meaningful job opportunities, and an increased market for their own goods and services. The authors’ blend of proven strategies, practical tools, case studies, and cogent insight shows managers how to maximize profits while helping community residents increase income and assets, creating a relationship of mutual gain.
• Trader in Carbon-Emission Reductions (CERs)
• Value Addition through World Class Practices
• Delivers Customised Products
• Reduces Transaction Costs
• Market Mover
• Mitigates & Shares Risk
• Established Global Networks
• One Stop Destination for your CER Business
• Enables Additional Revenue for Clean Energy

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Internet resources

Institute of Business Ethics
<http://www.ibe.org.uk/home.html>

The Institute of Business Ethics helps organizations strengthen their ethics culture and encourages high standards of business behaviour based on ethical values. The institute assists in the development, implementation, and embedding of effective and relevant ethics and corporate social responsibility policies and programmes. It helps organizations provide guidance to staff and aids them in building relationships of trust with their principal stakeholders. Their website provides access to project briefings that give concise information and good practice guidance on a variety of business ethics topics. Other resources include information about publications, training programmes, and events. The Teaching Business Ethics website is designed to encourage and support the teaching and study of business ethics in business and management schools.

Tomorrow’s Company
<http://www.tomorrowscompany.com/>

Tomorrow’s Company is a business-led think-tank that aims to conduct research into, and to stimulate the development of, a new agenda for business. The programme of the centre focuses on
- an improved investment system;
- an inclusive approach to leadership and governance; and
- closing the gap between business and society.

Tomorrow’s Company achieves their vision through
- acting as a networking hub for organizations;
- identifying and exploring the future of sustainable success;
- undertaking and publishing agenda-setting research; and
- promoting the adoption of new ideas and concepts.

Ethical Trading Initiative
<http://www.ethicaltrade.org/>

The ETI (Ethical Trading Initiative) is an alliance of companies, NGOs (non-governmental organizations), and trade union organizations that undertake a wide range of activities to promote and improve the implementation of corporate codes of practice, which cover supply-chain working conditions and labour codes. Their base code and principles of implementation provide the basic philosophy from which ETI identifies and develops good practice. They provide a generic standard for company performance. The labour standards incorporated in the base code constitute a minimum requirement for any corporate code of labour practice. The centre identifies good practice mainly through experimental projects and research, and shares this through publications, seminars, conferences, presentations, and their website. Their website provides an introduction to ethical trade, codes of practice, and international labour standards, including a glossary of ethical trade terms, information about the centre’s experimental and research projects, capacity-building and training activities, and publications.

GreenBiz
<http://www.greenbiz.com/>

GreenBiz works to harness the power of technology to bring environmental information, resources, and tools to the mainstream business community. Their mission is to provide clear, concise, accurate, and balanced information, resources, and learning opportunities to help companies of all sizes and from all sectors integrate environmental responsibility into their operations in a manner that supports profitable business practices. GreenBiz facilitates increased communication, information sharing, and learning among environmental professionals and other interested parties. Their website serves as an information clearing house on sustainable business practices, with resources from a wide variety of entities including companies, NGOs, trade associations, government agencies, and academic institutions. Information resources include daily news feeds, electronic newsletters, a directory of organizations, and briefing papers. GreenBiz has launched four additional resource centres tailored to address specific issues—namely, green buildings, climate impact and risk management, best practices, and environmentally preferable printing.
Environmental Management in Organizations
This is a comprehensive and practical reference book covering all the main components of environmental management in public and private sector organizations. The book provides information useful to organizations and managers on management tools, performance measures, and communication strategies. The book provides practical guidelines as well as sets out the context and the key environmental and management drivers.

Trading with the Environment: ecology, economics, institutions and policy
The book examines both the dependence and the effects of international trade on the life support systems, and looks at ways in which trading regulation can be adapted to promote ecologically sustainable economic development.

International trade is described from a natural resource and environment viewpoint. It addresses the issues from a fully integrated approach, focusing on the interrelations between ecosystems, economic development, and trade. The authors provide a carefully constructed ecological and economic analysis of trade and the environment, examine the existing legal and institutional frameworks, and set out 16 recommendations to achieve environmental beneficial trade at both the national and international levels.

Paths to a Green World: The political economy of the global environment
This book fills the need for a political economy view of global environment politics, focusing on the ways key economic processes affect environmental outcomes. It examines the main actors and forces shaping global environmental management, particularly in the developing world. Moving beyond the usual academic emphasis on international agreements and institutions, it strives to integrate debates within the real world of global policy and the academic world of theory. The book maps out an original typology of four contrasting worldviews on environmental change - those of market liberals, institutionalists, bio-environmentalists, and social greens - and uses them as a framework to examine the links between the global political economy and ecological change. This typology provides a common language for students, instructors, and scholars to discuss the issues across the classical social science divisions. The book covers globalization and its consequences for the environment; the

Information Systems for Sustainable Development

The book is a valuable source of ideas and examples for persons involved in the design of information systems for environmental, social, and economic sustainability. It combines perspectives from the public and private sectors, from the technical and management fields, ranging from life-cycle inventories to corporate sustainability, and integrated management systems. The book provides the reader with a unique survey of information systems projects contributing to sustainable development in private and public sectors, as well as with the conceptual and methodological background of such systems. It provides examples of inspiring applications based on a broad range of ICT (information communication technology) platforms, ranging from web-based technologies to remote sensing and Geographic Information Systems.

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